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CORPORATE PROFILE



We are Codelco, owned by Chileans, a global leader in copper production. For nearly five decades we have been at the forefront of national progress. Our duty is to continue developing and persevere as a pillar of growth for Chile over the coming decades.

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Corporate
Profile



Key
indicators



Our
management



Transparency, integrity and
good corporate governance



Transformation and the
future



Subsidiaries and affiliate
companies



Consolidated financial
statements



Offices and
representatives



Message from the Chairman of the Board

Juan Benavides Feliú
Chairman of the Board

The path is clear and imperative: to continue contributing to the development of Chile we need to open ourselves up to change. As a Board we assume the duty to lead this transformation, perhaps the most important in the history of Chile's principal company, with maximum responsibility and a deep sense of commitment.

Codelco faces an enormous challenge in light of the dwindling ore grade of our old ore deposits: how do we prepare this company to continue contributing to the development of Chile over the coming decades? The answer is our six structural projects. Three of these are already being built: Chuquicamata Subterránea will be inaugurated in 2019, Traspaso Andina

is scheduled for 2021, and the El Teniente Development Plan will commence operations in 2023. In addition to this, we have approved the feasibility of Andina Future Development, Rajo Inca has commenced early works and is progressing with its feasibility study, while Radomiro Tomic Sulfuros Phase II is optimizing its business case.

Designing, constructing and launching structural projects of such magnitude every one or two years is an undertaking that no other mining company in the world faces today. For Codelco, these are ineludible projects: we must build them in order to tend to a production with a positive economic performance. Financing these projects is an enormous challenge. These six structural projects, in addition to other necessary development and environmental investments, will oblige us to finance 40 billion dollars over 10 years, without affecting our economic stability.

One issue that we must come to understand is that the structural projects will not increase our production, but will keep it within the

range of 1.7 million tons of fine copper per year. Therefore, we must continue to promote measures that improve our competitiveness, through cost control, project optimization, operational excellence, the incorporation of innovative technology and increased productivity. Only by being efficient with the resources we manage will we be able to demonstrate our absolute commitment to the development of Chile.

It is essential that we reinforce the cost reduction measures promoted through Agenda 2020. We have started broadening this roadmap in order to benefit from new opportunities. The aim is to review the pertinent guidelines to extend and incorporate new measures over the medium and long-term, beyond 2020.

The construction of this new Codelco with its new mines implies an enormous cultural transformation in the company and those who work in it. In this regard, one of the objectives of this Board is to continue the work of its predecessors, providing Chile





a company with demanding standards of good corporate governance, integrity, transparency, management control and best practices in all operational areas, an essential undertaking for a state-owned company of its size, competing on the global market.

Therefore, we will continue to strengthen our internal regulations so that they go beyond those that govern us. Some significant new steps taken last year in this area were the strengthening of the criterion of exceptionality and grounds for the termination of contracts with related parties, politically exposed persons and persons exposed to Codelco. We also reinforced the principles of competitiveness and transparency in our businesses, promoting open bidding processes.

The transformation of our organizational culture also forces us to become aware of the environmental imperatives that insist that we be more efficient in the consumption of water and energy, control of emissions and the management of tailings and other waste. We require people who are conscious of these external factors and how they impact the communities that surround us.

Excellence in environmental performance implies having smelter and refinery facilities that comply with regulations, for which we have invested US\$ 2,200 million in just four of our smelters to adhere with Supreme Decree DS 28. We also made progress in the tender process for the construction and operation of a desalination plant to supply sea water to the northern divisions and drastically reduce mountain sourced water requirements, beginning in 2022.

“
One of the objectives of this Board is to continue the work of its predecessors, leaving Chile a company with demanding standards of good corporate governance, integrity, transparency, management control and best practices in all operational areas, an essential undertaking for a state-owned company of its size, competing on the global market
 ”

Corporate governance will also aim for greater energy efficiency and the use of clean energy in future contracts, which will have a positive impact on business results. We are also developing innovative waste management strategies.

We will continue integrating our operations with communities to foster constructive dialogue. Such efforts will help us better understand community demands and needs, and to promote harmonious development of the environment in which projects (known in Codelco as “divisiones”) are located.

Our challenges in the field of innovation are varied. One of which is to capture global advances in digitalization, automation, robotics and data processing, to improve productivity, safety and reliability of our processes and systems. It is also among our strategic objectives to adapt and leave operational those innovations that are currently in place in other companies or divisions. Moreover, sharing knowledge with centers of innovation and development that allow us to progress on technologies in pursuit of sustainability, safety and better management, at reasonable costs, is of utmost strategic importance.

The transformation of our operations also requires a cultural shift that modifies the way in which we relate to each other in the workplace. It is essential that our organization enhances corporate synergies. We will need to be capable of developing a seal of managerial leadership that values the transfer of knowledge between divisions, one that is less hierarchical and more horizontal, that builds more internal and external networks, and that makes it possible to meet challenges in terms of productivity, costs, innovation, sustainability and safety.

At the same time, our leaders must be able to push beyond that which is written on paper; to change course when needed, to solve problems, to be clear about their mission, to choose good teams, to demand high expectations and to lead their area together with their work group. A leader must be in the field, understand what is happening, generate bonds with his/her people and have the capacity to make the necessary changes when required.

The new projects will require another type of knowledge, skills and productivity. Looking to the future, our collaborators must understand the need to be multifunctional, flexible and open to shared strategies. Therefore, Codelco must prepare to train such people and they in turn must be willing to develop new and different skills.

We have more than 18 thousand in-house employees who must join this transformation if they want to be protagonists of the future of the company. It is up to all of us to be successful on the path that Codelco will follow to improve its positioning and competitiveness, to strengthen the sustainability of our business for the next 50 years.

The path is clear and imperative: to continue contributing to the development of Chile we need to open ourselves up to change. As a Board we assume the duty to lead this transformation, perhaps the most important in the history of Chile’s principal company, with maximum responsibility and a deep sense of commitment.

Juan Benavides Feliú
 Chairman of the Board

Message from the CEO

Nélson Pizarro Contador
CEO

2018 was a complex year, but we were able stand up to the challenge. We closed 18 collective bargaining negotiations on the agenda. We worked diligently on the development of structural projects and had substantial progress in our productivity and costs agenda, despite a 5.5% drop in the head grade.

In July 1971, when the copper mining industry became entirely Chilean, there were many doubts as to whether we were prepared for the enormous challenge of exploiting and carefully administering the great wealth that lay beneath our feet. Almost 50 years after that milestone and having delivered earnings of more than US\$

116 billion since that time, we can proudly say that Codelco has gone far beyond expectations.

Today we face a test similar to that of 1971. To continue contributing to the development of Chile for another 50 years, Codelco must radically transform. Codelco must change its work culture, question its traditions and paradigms, internalize new priorities and new values, and make the largest investments that a Chilean company has ever made. The positive thing is that, with almost half a century of experience, we are better prepared for such a task. We have already taken some important steps towards the outlined objectives. A good part of what we have done over recent years is to lay the foundations to move forward along these lines.

Mining will be a good business for those who know how to change with the times. Therefore, our focus is to make our copper reserves profitable, changing the way we do mining. It is imperative that we develop a business looking to the future; with more technology, lower costs and more environmentally friendly and

empathetic with the communities with whom we engage.

The cornerstone of this great transformation is made up of our structural projects that, in broad terms, entail an investment of US\$ 21 billion and will allow us to maintain current levels of production and consequent contributions to the Chilean state for several more decades. The most advanced of these projects, and also the most important because of the symbolism that it entails, is the change in the extraction method at Chuquicamata. The largest open pit mine in the world, which has contributed benefit to Chile for more than a hundred years, will cease to be exploited to make way for Chuquicamata Subterránea, an operation that involves significant improvements in production and productivity, lower costs and greater care for the environment. Its first caving activities will take place in mid-2019, in accordance with the budget.





We also made important progress in the Traspaso Andina project, where we completed mine works for the new tunnel and are working to replace an older conventional plant with a new secondary crushing plant. Progress on the El Teniente Development Plan is almost at 50 percent.

And as for Rajo Inca, a project that will give life to El Salvador for the next 40 years, we continue with environmental proceedings and are about to begin early works.

The two remaining projects, Sulfuros Radomiro Tomic Phase II, are in the preliminary stages and progressing according to plan.

In general terms, 2018 was a complex year, but we were able to drive our objectives forward. We closed the 18 collective bargaining negotiations that were on the table, which implied reaching an agreement with working terms and conditions with some ten thousand workers over the next three years. Moreover, we pushed forward to ensure that our smelters comply with the environmental requirements of Supreme Decree 28, in force as of last December. In 2018 alone we invested US\$ 644 million on this issue.

Furthermore, we saw substantial progress in our productivity and costs agenda. With regards to the former, we reached 51.7 metric tons of fine copper per employee, an increase of 20% compared to the baseline we established in December 2014. With regards to the latter, we recorded US\$ 321 million in lower expenses. All this, in spite of the fact that the ore grade suffered a 5.5% decrease during the same period.

Earnings generated for the Chilean state reached US\$ 2,002 million, before extraordinary accounting adjustments. The decrease in this figure with respect to 2017 is a result of a series of factors, including a lower sales volume, the aforementioned decrease in the ore grade, an increase in the price of inputs, a lower exchange rate and the cost of collective bargaining.

Codelco has an unwavering commitment to the safety of all its workers. During the last few years we have reduced the accident rate by half, but we understand that this is not enough. We must tirelessly persevere on this path.

We must persevere tirelessly in this matter, not only because of the ethical obligation to care for

“Chilean men and women, who in 1971 took the reins of the Chilean mining industry, assumed their task with great doubt but also with enthusiasm, a high sense of duty and a profound love for their country. We, the heirs of that tradition, cannot fall short of those principals”

people, but because everything we do to improve safety rates directly impacts the management of the business and brings us closer to the future company we want to build.

The Chilean men and women, who in 1971 took the reins of the Chilean mining industry, assumed their task with great doubt but also with enthusiasm, a high sense of duty and a profound love for their

country. We, the heirs of that tradition, cannot fall short of those principals” Today, when technologies, trades and convictions become obsolete at breakneck speed, we need to join forces and capabilities so that Codelco continues to be a pioneer company.

When we talk about transformation, this is precisely what we mean. To understand that the paradigms are no longer eternal, that the learning process has to be continuous and that our decisions will take place in a scenario of permanent change. Our workers are called to open their minds to these challenges and embrace innovation, since the future of the Corporation is dependant on this factor.

Néelson Pizarro Contador
CEO



Board of Directors

As of December 31 2018



Juan Benavides Feliú
Chairman of the Board
Business Administration,
Pontificia Universidad
Católica de Chile
RUT 5.633.221-9



Ignacio Briones Rojas
Director
Business Administration,
Pontificia Universidad
Católica de Chile
RUT 12.232.813-9



Ghassan Dayoub Pseli
Director
Civil-Industrial Engineer
Universidad de Chile
RUT 14.695.762-5



**Hernán de Solminihac
Tampier**
Director
Civil Engineer in
Construction
Pontificia Universidad
Católica de Chile
RUT 6.263.304-2



**Raimundo Espinoza
Concha**
Director
Electrical Technician
with studies in Mining
Engineering
Universidad Técnica de
Antofagasta
RUT 6.512.182-4



**Juan Enrique Morales
Jaramillo**
Director
Mining Engineer
Universidad de Chile
RUT 5.078.923-3



Isidoro Palma Penco
Director
Business Administration
Pontificia Universidad
Católica de Chile
RUT 4.754.025-9



Paul Schiodtz Obilinovich
Director
Civil-Mining Engineer
Universidad de Santiago
RUT 7.170.719-9

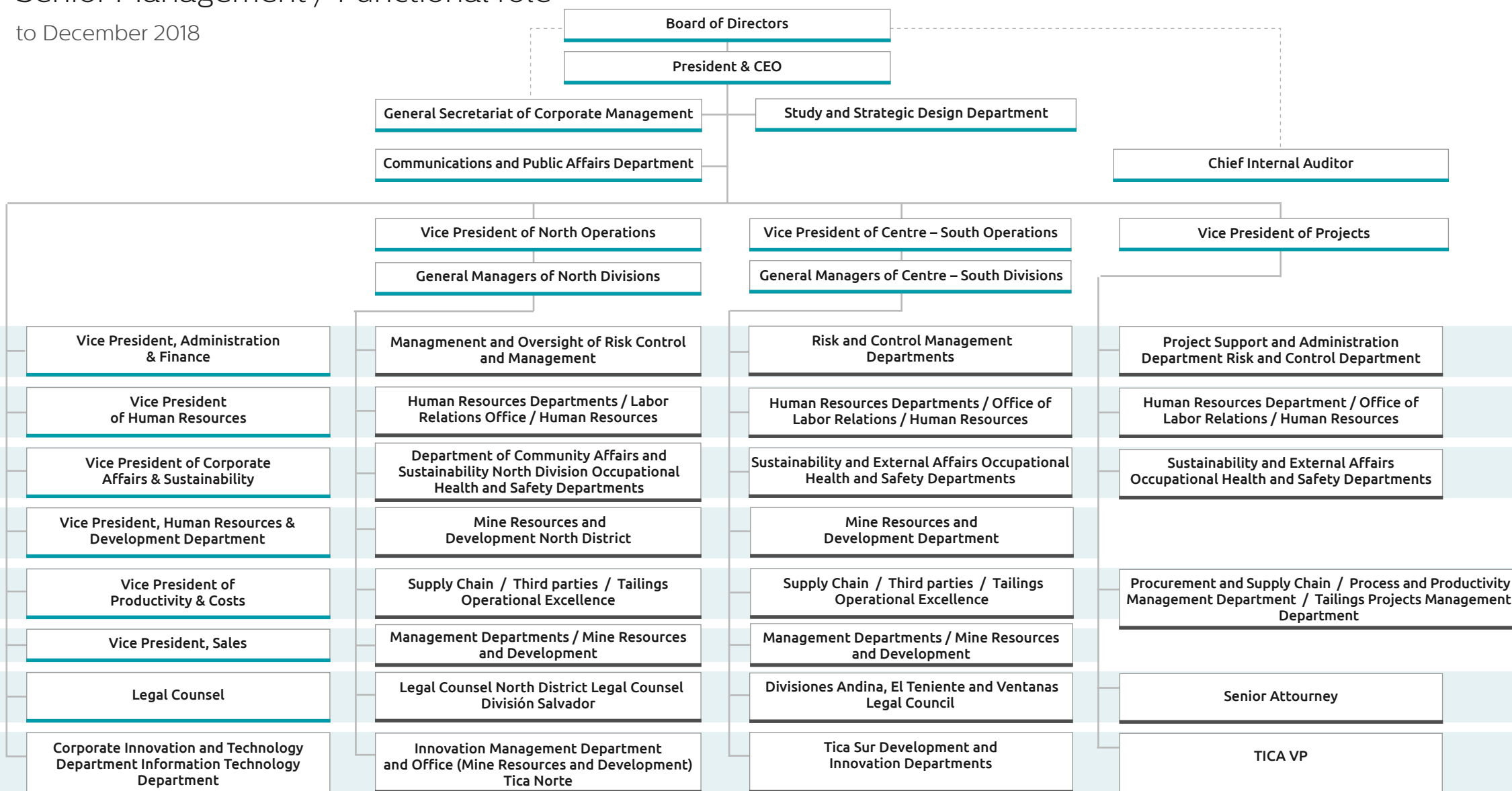


Blas Tomic Errázuriz
Director
Civil-Industrial Engineer
Universidad de Chile
RUT 5.390.891-8

Organization chart

Senior Management / Functional role

to December 2018



Representa la coordinación funcional de cada área

Senior Management

December 2018



Nelson Pizarro Contador
CEO
Mining Engineer
Universidad de Chile
RUT 4.734.669-K



Álvaro Aliaga Jobet
Vice President of North Operations
Civil-Mining Engineer
RUT 8.366.217-4



Octavio Araneda Oses
Vice President of Centre – South Operations
Civil-Mining Engineer
RUT 8.088.228-9



Alejandro Rivera Stambuk
Vice President of Administration and Finance
Civil-Industrial Engineer
RUT 7.332.747-4



Gerhard von Borries Harms
Vice President of Projects
Civil-Mining Engineer
RUT 6.372.610-9



Marcelo Álvarez Jara
Vice President of Human Resources
Business Administration
RUT 13.026.507-3



José Pesce Rosenthal
Vice President of Mining Resources & Development Management
Civil-Mining Engineer
RUT 6.019.080-1



Roberto Ecclefield Escobar
Vice President of Sales
Civil-Industrial Engineer
RUT 10.643.229-5



José Robles Becerra
Vice President of Productivity & Costs
Civil-Mechanical Engineer
RUT 8.088.122-3



Patricio Chávez Inostroza
Vice President of Corporate Affairs & Sustainability
Psychologist
RUT 5.963.955-2



Senior Management

December 2018



Lindor Quiroga Bugueño
General Manager
División Radomiro Tomic
Civil-Mining Engineer
RUT 9.182.846-4



Mauricio Barraza Gallardo
General Manager
División Chuquicamata
Civil-Mining Engineer
RUT 9.467.943-5



Jaime Rivera Machado
General Manager
División Ministro Hales
Civil-Industrial and
Mining Engineer
RUT 14.134.931-7



Ricardo Montoya Peredo
General Manager
División Gabriela Mistral
Civil-Mining Engineer
RUT 6.209.309-9



Christian Toutin Navarro
General Manager
División Salvador
Civil-Mining Engineer
RUT 10.044.337-6



Alejandro Cuadra Pesce
General Manager
División Andina
Civil-Mining Engineer
RUT 7.255.160-5



José Sanhueza Reyes
General Manager
División Ventanas
Civil Engineer,
Metallurgist
RUT 6.525.034-9



Nicolás Rivera Rodríguez
General Manager
División El Teniente
Civil-Industrial and Civil-
Mining Engineer
RUT 14.119.793-2



César Correa Parker
General Auditor
Business
Administration
RUT 7.417.045-5



Nicolai Bakovic Hudig
General Counsel
Attorney
RUT 9.856.858-1

CORPORATE PROFILE

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

Since our beginnings

CONSOLIDATED EARNINGS
of more than **US\$116**
billion
between 1971 - 2018

(in 2018 currency)



We have

CONSOLIDATED ASSET
Exceeding **US\$37**
billion

(in 2018 currency)

and more than

US\$11
billion

in **TOTAL EQUITY**

(in 2018 currency, including controlling and non-controlling interests)



We operate eight mining divisions: Chuquicamata, Ministro Hales, Radomiro Tomic, Gabriela Mistral, Salvador, Andina, El Teniente and the Ventanas smelter and refinery.

Our Headquarters is located in Santiago where corporate strategy is coordinated, developed by a nine-member Board of Directors and our CEO.



Codelco's Charter of Values and Code of Business Conduct guide the daily management of our business. We want to be recognized, in Chile and abroad, for our performance and a way of doing business that reflects our business values, which include:

- Respect for life and human dignity
- Responsibility and commitment
- Proficiency
- Teamwork and collaboration
- Work excellence
- Innovation
- Sustainable development

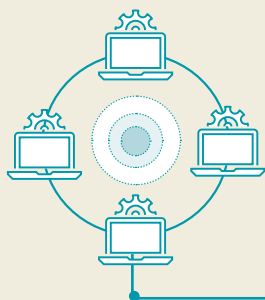
We seek to be more productive, more innovative and more sustainable to promote a new Chilean mining model that contributes to national development and responds to the critical needs demanded by the 21st-century extractive industry.

Best practices, high standards of efficiency,

effectiveness, integrity and transparency (in addition to proper use of resources) are promoted across all management areas of Codelco. We have a genuine vocation for transparency and have therefore fostered a public discourse to disseminate information of interest on the management, progress and results of the workings of Chile's foremost company. Accordingly, we seek to be proactive and provide updated, accessible and understandable data.

Sustainability is another of our strategic priorities, which includes sincere concern for occupational health and safety, care for the environment, community management and efficiency in the use of natural resources, as well as the defense and development of markets.

The driving purpose at the core of our Master Sustainability Plan, established in 2016, is to develop a Codelco Seal that certifies sustainable and traceable processes and products, backed by an efficient, inclusive, communicative and innovative organization.



Every year we incorporate more digital technology to all our mining processes and administrative areas. This is to improve productivity, safety and reliability of our processes.

Moreover, we promote innovation in our organizational culture. This is to develop human capital as active agents of constant learning and change, not only at a technological level, but also at the process and managerial level.



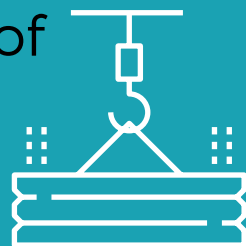


From Chile to the world

Codelco is the world's largest copper producer. We closed the year with

an output production of
1,8 million fine
metric tons

including our participation in El Abra and in Anglo American Sur.



This production figure is equivalent to 9% of the world's mined copper output and 31% at the national level. Codelco is also the world's second largest molybdenum producer, with an output of 24,000 metric tons of fine molybdenum in 2018, which was equivalent to 40% of the national mined molybdenum production.

Total sales
US\$ 14,253
million

Representing
15%
of Chilean exports

Overall sales reached US\$ 14,253 million, while overseas sales accounted for approximately 15% of Chilean exports in 2018, with Asia as our principal market, followed by Europe and South America.

Our explorations in Chile and abroad are ongoing and we seek to expand our mining base and ensure our long-term business. The globalization of the company includes the search for exploration options in the richest copper regions of the world.

Our business 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 from 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 types of metals and substances; gold, silver and rhenium.
- Semi-finished: copper wire.

Financial strength

Codelco has developed and maintained long-term relationships with a stable and geographically diverse client base, that include some of the world's leading manufacturing companies. We regularly engage the national and international banking system and capital markets to finance investments and refinance liabilities.

Codelco conducts 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 and high-quality base of banks and investors.

Structural projects

We must build six structural projects to extend the life of our ore deposits for a further 40 to 50 years. We must also raise our standards, increase our productivity and maintain the current production levels at around 1.7 million tons of fine copper per year.

Chuquicamata Subterránea is one of our most important initiatives, given that it entails moving from extraction from the world's largest open pit mine to an underground mining operation. 2018 progress reached 76% and the first caving activities are expected for 2019. Traspaso Andina and Rajo Inca will commence operations in 2021. In 2023, Andes Norte and Diamante should commence operations, while 2024 will see the start of Andesita operations (projects that are part of the El Teniente Development Plan). The other two major projects, Sulfuros Radomiro Tomic Phase II and Desarrollo Futuro Andina, are scheduled for 2026 and 2027, respectively.

In 2018 we invested a total of US\$ 3,535 million on these structural projects and another development portfolio, exceeding the 2017 investment figure (US \$ 3.146 million), thereby positioning Codelco at the forefront of investments 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. Decree Law No. 1,350 of 1976 created the Corporación Nacional del Cobre de Chile, (Codelco) to exercise state rights over the mining industry's ore deposits that were nationalized in 1971.

We report to the Government through the Ministry of Mining and are governed by the provisions of the aforementioned decree law, by our statutes and, where not provided for in the aforementioned framework applicable thereto, by the rules of publicly traded corporations and common law, as applicable and compatible with in-house regulations. Law No. 20.392, published in the official newspaper on November 14 2009, modified Codelco's Organic Statute as established under Decree Law No. 1.350 of 1976, therein establishing the conditions for the disposal of assets that do not form part of the deposits currently being exploited (Law No. 19.137).

Corporate governance

Our current corporate governance model has its origin in Law No. 20,392, published in November 2009, and effective as of March 1, 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).

9 members of the Board of Directors



According to the aforementioned law, Codelco is a company managed by a Board composed of the following: 3 directors directly appointed by the President of the Republic; 4 directors appointed from a shortlist of 3 candidates proposed by each member of the Senior Council of Public Administration; and 2 representatives of Codelco workers appointed on the basis of a shortlist of 5 candidates proposed by the Copper Workers' Federation on one hand, and the National Association of Copper Supervisors and the Federation of Copper Supervisors as a whole, on the other hand. The President of the Republic appoints, from among the nine directors, the chairman of the Board.

In turn, one of the responsibilities of the Board is to appoint Codelco'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 formation of committees responds to the need

to divide the work among Board directors and take advantage of their specialized knowledge in various areas. This directive allows us to address important issues in greater depth and propose solutions to the Board in full, the only administrative decision-making body.

The structure and roles of the committees are not defined by legislation, except in the case of the Auditing, Compensation and Ethics Committee, to which DL 1,350 provides the same powers and duties that article 50 bis of the Public Limited Companies Act grants to the Committee of Independent Directors.

The Board has defined the formation of four other permanent committees and its Corporate Governance Code establishes the structure and roles of each. These committees are:

- Projects and Investment Financing Committee
- Management Committee
- Sustainability Committee
- Science, Technology and Innovation Committee



Budget and oversight

Codelco's annual budget is prepared by the Board and approved by Supreme Decree, through the Ministries of Mining and Finance.

Corporate oversight is exercised by the

Commission for the Financial Market (formerly the Superintendence of Securities and Insurance (SVS)), the Chilean Copper Commission (COCHILCO) and, indirectly through COCHILCO, by the Comptroller General of the Republic, without prejudice to the constitutional oversight powers of the Chamber of Deputies.

Codelco is inscribed in Securities Register No. 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

In 2018 we continue progressing to create a company with demanding standards of good corporate governance, integrity, transparency, management control and with a culture best practices in all operational areas, indispensable attributes for a state-owned corporation of our size, competing on the global market.

The Corporación del Cobre, the successor of the previous Copper Board (Departamento de Cobre), was born in **1966** under the framework a “Chilenization” process of the national large-scale copper mining industry.

The mission of the Corporación del Cobre was to represent the Chilean state on the the Boards of the new mixed corporations created to administer the El Teniente, Andina, Exotica, Chuquicamata and El Salvador deposits; which at that time were in hands of foreign companies. Another of its roles was to supervise its operative undertakings.

In **1970** the Chilean state controlled 51% of each of these mixed companies through the Corporación del Cobre; while administration “in the field” remained the responsibility of the old North American mining companies.

However, a transitional provision modified Article 10 of the Political Constitution of the Chilean state: “Pursuant to 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”. This provision permitted Congress to unanimously approve the nationalization of the copper mining industry.

With the enactment of Law No. 17.450, Chile’s mining industry radically changed. Existing corporate goods and facilities became 100% the property of the Chilean state , who took direct charge of deposit exploitation as well as the organization and administration of different businesses that became subsidiaries of the Corporación del Cobre.

On April 1 **1976**, decrees of law 1.349 and 1.350 were issued, which subdivided the Corporación del Cobre 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-owned production enterprise that grouped all existing mineral deposits into a single mining, industrial and commercial corporation, with legal status and its own assets. Since our foundation, Codelco has endeavored to carry out its expansion plan and meet the production





goals set for each year, thanks to the experience and technical capacity of the Chilean engineers who headed the company's management.

During the 90's, we signed a pact of governance and strategic alliance between the administration and the workers, with an emphasis on productivity, cost reduction and the organizational order oriented towards the business; in addition to ensuring stable and quality working conditions for the company's collaborators.

In **1997**, Codelco inaugurated the first operation led by Chileans, the Radomiro Tomic mine. We then continued with Gabriela Mistral in **2008** and Ministro Hales in **2010**. Also, we purchased the Empresa Nacional de Minería (Enami) the Ventanas smelter and refinery in **2005**.

Over recent years, as a result of the profound institutional debate at the executive and legislative levels, which culminated in a broad-based, substantial administrative level changes were enacted.

In November **2009**, improvements made to Codelco's corporate governance through Law No. 20.392, modified the organic statute of Codelco Chile (Decree Law No 1.350 of **1976**) and the regulations governing the disposal of assets that do not form part of the deposits currently being exploited (Law No. 19.137).

The new guidelines changed, among other factors, the composition of the Board of directors, which was previously formed by the Ministers of Finance

and Mining and today consists of nine members. The Board's organizational renewal was also changed. Previously, the Board would undergo a complete overhaul with each change of government administration. Now the change is partial, which provides for administrative continuity. In addition, the President of the Republic ceased to elect the CEO, leaving this appointment in the hands of the Board of Directors.

From that moment until the present, we continue moving forward to create a company with demanding standards of good corporate governance, integrity, transparency, management control and best practices in all operational areas, indispensable attributes for a state-owned corporation of our size, competing on the global market.

Among other measures taken, Codelco established a communication channel for grievances, we also launched the Corporate Governance Code; updated the Codelco Corporate Standard No. 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 and certified our crime prevention model under Law No. 20.393.

We also created the inspection and control system for contractor companies and 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 those who handle contracts with third parties (approximately 2,000 people)

and 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 all future contracts with "persons exposed to Codelco"; that is, former employees of the company who require the express approval of the Board of Directors under all circumstances.

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 began reporting directly to the Board's Auditing, Compensation and Ethics Committee.

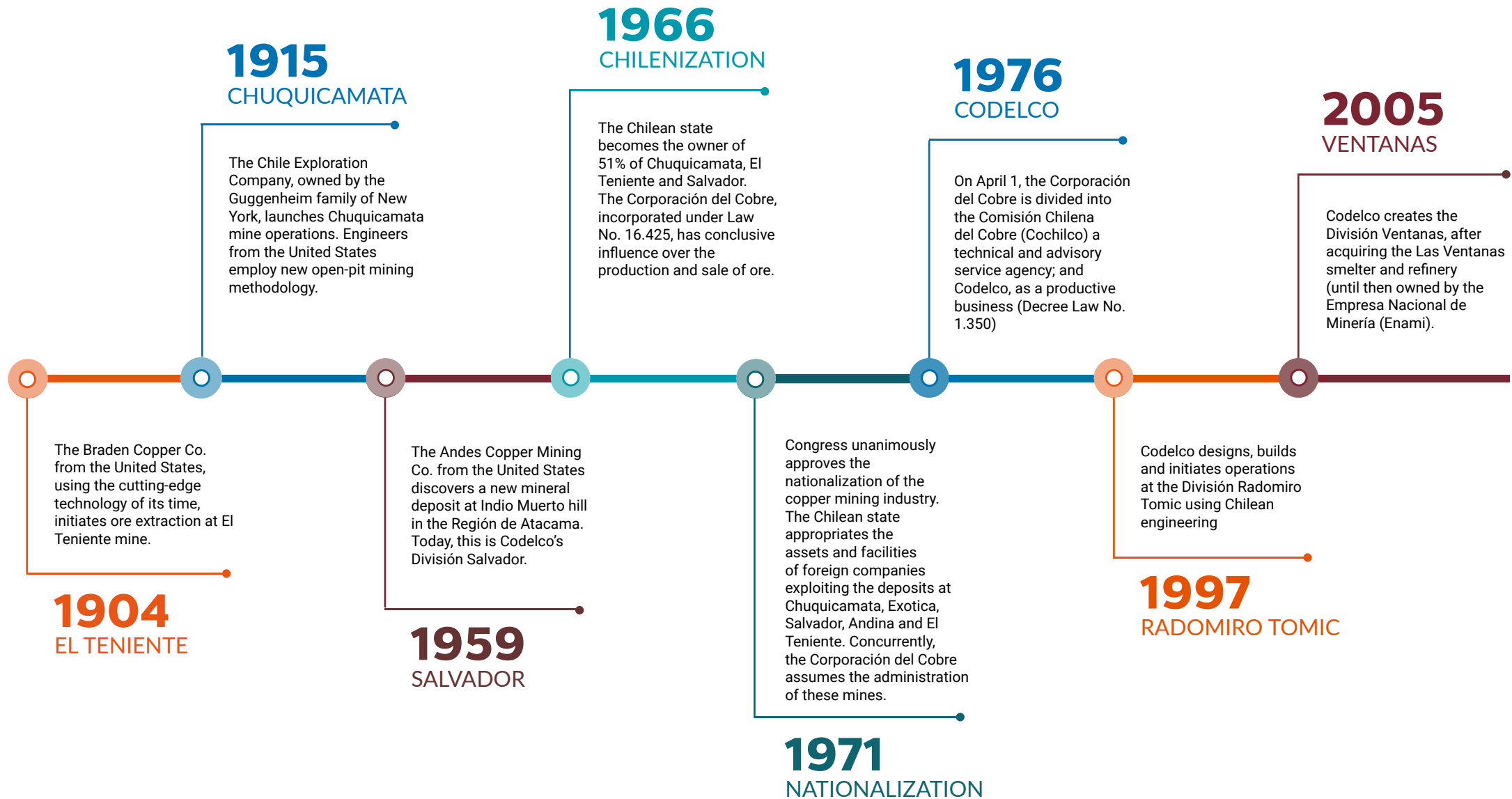
Over the last year, we strengthened our internal regulations, even exceeding those established in the laws that govern us. Among other issues, we placed greater demands on the current rules for the purchase or contracting of goods and services, business with related parties and the contracting of goods and services with Codelco subsidiaries.

Today at Codelco, we work under a group of standards and processes that allow us to be more responsive to public demands of greater integrity and transparency.

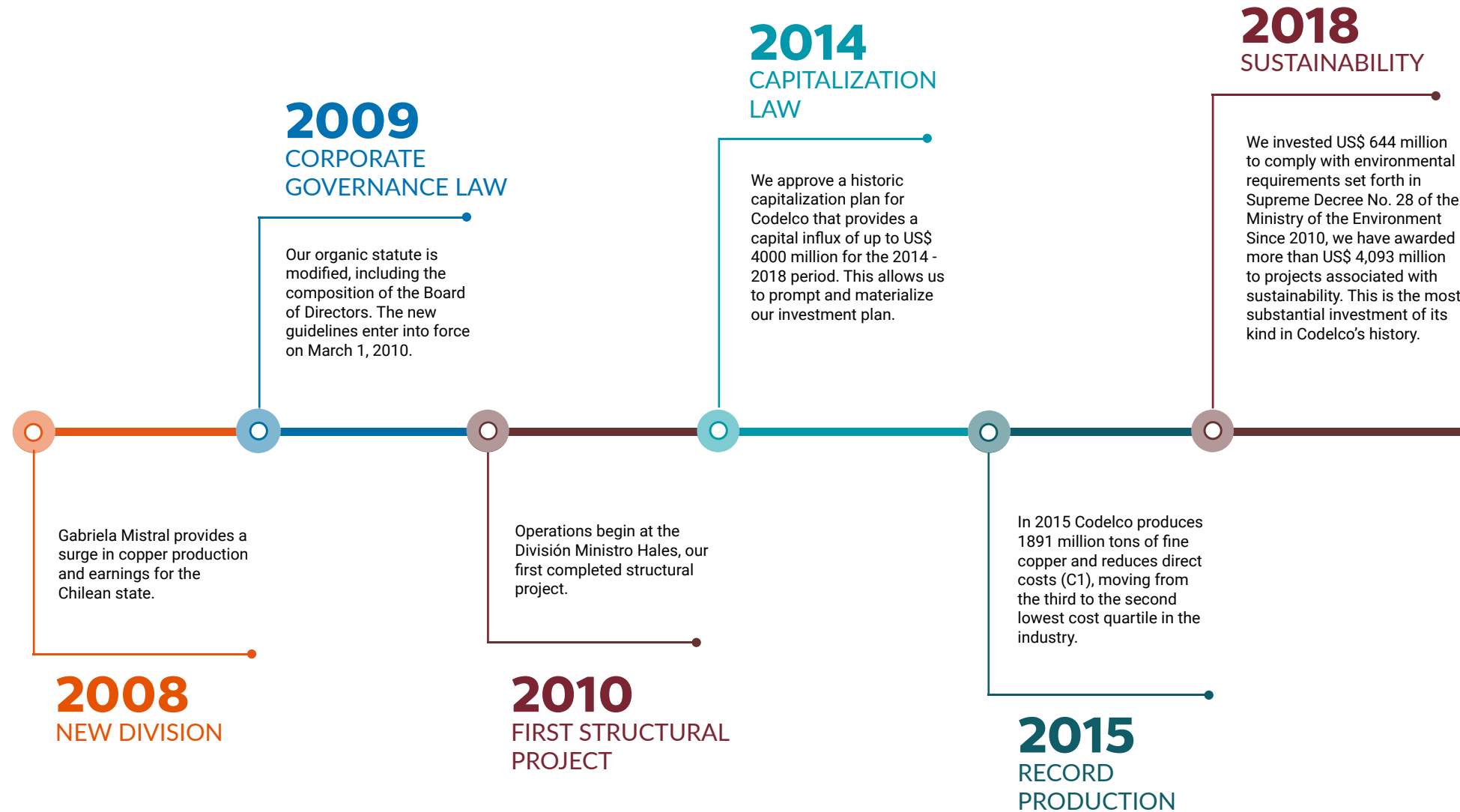
Furthermore, we have mapped out the future of Codelco, with the construction of six structural projects that will extend the life of Codelco for another 50 years. These are six major projects, investments that will seek out and harness organizational transformation to make Codelco a more sustainable, innovative company that is open to change, with a modern and horizontal leadership and collaborators that are multi-functional, flexible and open to cooperative strategies.



Timeline



Timeline





Divisions



División Radomiro Tomic



PRODUCTION

332,667
metric tons of fine
copper

INTERNAL
STAFF

1,216
people as of
December 31, 2018

EXTRACTION
METHOD

Open pit mine



IN OPERATION

Since 1997



LOCATION

Calama, Región de
Antofagasta



PRODUCTS

Electro-won cathodes



División Chuquicamata



PRODUCTION

320,744
metric tons of fine
copper

INTERNAL
STAFF

5,494
people as of
December 31, 2018

EXTRACTION
METHOD

Open pit mine



IN OPERATION

Since 1915



LOCATION

Calama, Región de
Antofagasta



PRODUCTS

Electro-refined and
electro-won cathodes and
copper concentrate.



División Ministro Hales



PRODUCTION

195,485
metric tons of fine
copper

INTERNAL
STAFF

810
people as of
December 31, 2018

EXTRACTION
METHOD

Open pit mine



IN OPERATION

Since 2010



LOCATION

Calama, Región de
Antofagasta



PRODUCTS

Calcine, copper and
silver concentrate



División Gabriela Mistral



PRODUCTION

107,247
metric tons of fine
copper

INTERNAL
STAFF

564
people as of
December 31, 2018

EXTRACTION
METHOD

Open pit mine



IN OPERATION

Since 2008



LOCATION

Sierra Gorda, Región de
Antofagasta



PRODUCTS

Electro-refined
cathodes



División Salvador



PRODUCTION

60,840
metric tons of fine
copper

INTERNAL
STAFF

1,652
people as of
December 31 2018

EXTRACTION
METHOD

Open pit and
underground mine



IN OPERATION

Since 1959



LOCATION

Diego de Almagro,
Región de Atacama



PRODUCTS

Electro-refined and
electro-won copper
cathodes



División Andina



PRODUCTION

195,531
metric tons of fine
copper

INTERNAL
STAFF

1,671
people as of
December 31 2018

EXTRACTION
METHOD

Open pit and
underground mine



IN OPERATION

Since 1970



LOCATION

The Andes, Región de
Valparaíso



PRODUCTS

Copper concentrate



División El Teniente



PRODUCTION

465,040
metric tons of fine
copper

INTERNAL
STAFF

4,248
people as of
December 31 2018

EXTRACTION
METHOD

Open pit and
underground mining



IN OPERATION

Since 1904



LOCATION

Machalí, Región
de Libertador de
Bernardo O'Higgins



PRODUCTS

Copper anodes and
concentrate



División Ventanas

INTERNAL
STAFF

858
people as of
December 31 2018

EXTRACTION
METHOD

Smelter and refinery



IN OPERATION

Since 1964



LOCATION

Puchuncaví, Región
de Valparaíso



PRODUCTS

Copper cathodes

KEY INDICATORS 2018



Results

before income tax and Law 13.196 contributions attributable to Codelco Chile (net pre-tax earnings)

US\$1,606 million

(after extraordinary accounting adjustments)

Investments

US\$3,551 million

Consolidated production of copper

1,8 million fine metric tons

[All key indicators >](#)



Corporate profile



Key indicators



Our management



Transparency, integrity and good corporate governance



Transformation and the future



Subsidiaries and affiliate companies



Consolidated financial statements



Offices and representatives

Key indicators

Calculated on the basis of the Consolidated Financial Statements and under the International Financial Reporting Standards (IFRS)

MILLIONS OF US\$	2014	2015	2016	2017	2018
Sales	13,827	11,694	11,537	14,642	14,253
Consolidated results before income tax and contributions pursuant to Law 13.196	3,033	-2,191 (1)	435	2,915	1,655 (4)
Results before income tax and contribution pursuant to Law 13.196 attributable to Codelco Chile (net pre-tax earnings)	3,046	-1,357 (2)	500	2,885	1,606 (4)
Treasury payments	2,234	1,088	942	1,366	1,809
Investments	3,364	3,343	2,738	3,146	3,551
Total assets	35,257	33,305	33,421	36,356	37,091
Total liabilities	23,731	23,572	23,531	25,431	25,747
Equity	11,526	9,733	9,890	10,925	11,344
Incorporation fixed assets	3,800	4,261	3,014	3,411	3,894
Copper production (in thousands of fine metric tons) (3)	1,841	1,891	1,827	1,842	1,806
Direct staff (as of December 31 2018)					
Internal staff (including temporary staff)	19,073	19,117	18,605	18,562	18,036
Workers from operations and service contractors (*)	26,562	23,098	21,357	20,623	19,871
Workers from investment company contractors (*)	18,778	23,250	25,741	24,965	27,157
Copper price (US\$/lb) (LME Grade A cathodes)	3.11	2.49	2.20	2.79	2.95

(1) Up to December 31, 2015, including write-offs and impairments of US\$ 3,217 million.

(2) Up to December 31, 2015, including write-offs and impairments of US \$ 2,431 million.

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

(4) Up to December 31, 2018, including write-offs and impairments of US\$ 396 million.

(*) Providing services under subcontract (Law No. 20.123). Codelco measures contractor participation with the Full Time Equivalent (FTE) indicator.

OUR MANAGEMENT



During 2018, we generated earnings of US \$ 2,002 million, before extraordinary accounting adjustments, achieved our cost reduction targets and increased labor productivity. Moreover, we continued our investments in sustainability projects associated with our smelters and successfully closed 18 collective bargaining agreements.

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Corporate
Profile



Key
indicators



**Our
management**



Transparency, integrity and
good corporate governance



Transformation and the
future



Subsidiaries and affiliate
companies



Consolidated financial
statements



Offices and
representatives



Economic – financial results

We generated earnings of US\$ 2,002 million, before extraordinary accounting adjustments, despite an ore grade drop of 5.5% with respect to 2017.

We generated earnings of US \$ 2,002 million, before extraordinary accounting adjustments. This result was 30.6% lower than 2017 figures due in part to lower sales, which in turn are due to a 5.5% drop in the ore grade.

Other factors that influenced the decrease in earnings were an increase in sales costs due to the lower exchange rate, the increase in the price of inputs, a rise in non-operating costs due to the disbursement of bonuses associated with the closing of collective bargaining and, to a lesser extent, a reduced margin in the sale of by-products.



Reported earnings correspond to results before Chilean state contributions; that is, before income tax and before contributions pursuant to the Copper Reserved Law (No. 13.196), which applies 10% on foreign sales of own copper and by-products.

As of December 2018, our consolidated Ebitda (earnings before interest, taxes, depreciation and amortization, before the Copper Reserved Law) reached US\$ 4,696 million, 16% lower than the 2017 figures, when it reached US\$ 5,594 million.

Our comparable profit, which is calculated by applying the tax arrangement for private companies, was US\$ 1,101 million in 2018, down 43.1% from 2017.

Price of copper and by-products

The average copper price on the London Metal Exchange reached 295.9 US cents per pound (c/lb) in 2018, up 5.8% from the 2017 average when it was quoted at 279.7 c/lb. The price of molybdenum saw an increase of 45.2% over the previous year, averaging US\$ 26,3 per kilo during 2018 in Metals Week. In addition, the price of gold rose 0.9% and silver fell 7.9%.



US\$ 1,798
million to the
National Treasury



Codelco contributed US\$ 1,798 million to the Treasury during 2018, with the following comparative detail:

PAYMENTS TO THE NATIONAL TREASURY (US\$ million)	2018	2017
Income tax and royalty	59	23
Law No. 13.196	1,137	1,062
Dividends (*)	602	273
TOTAL	1,798	1,358

Calculated on the basis of individual economic-financial statements.

Subsidiary taxes are not included.

() 2018 value, includes dividends for the 2017 fiscal year (US\$ 296 million).*



2020 Productivity and Cost Agenda

Despite a year of complexities, we were able to achieve our cost reduction target and increased labor productivity.



In terms of cost reduction, we recorded US\$ 321 million in lower expenses compared to the baseline defined in the 2016 Business and Development Plan. In terms of productivity, we attained 51.7 metric tons of fine copper per employee, signifying an increase of 20% compared to the December 2014 baseline, as established in the strategic agreement and the 2020 Agenda.

In 2018, our 2020 Productivity and Cost Agenda continued to consolidate as the vehicle that has allowed us to increase labor productivity and contain company costs.

This year the focus was on avoiding labor productivity reductions, a difficult goal if factors such as the ongoing fall in ore grades are taken into account. Thanks to the collaborative efforts of all corporate bodies, this year we accumulated a 20% increase with respect to the baseline established in December 2014, a goal we had set for 2020.

In terms of costs, at the close of this fiscal year the Agenda will have accumulated US\$ 1,659 million in lower expenses, drawing us closer to the budgeted target of US\$ 2,000 million at the end of 2020. The foregoing are quantitative achievements that add to the consolidation of increasingly stringent practices, such as the case of Pillar 1 of the 2020 Agenda (Operational Excellence), with the growing inclination to apply C+ as a management system and continuous improvement, based on the Lean Management System. 2018 was highlighted by solid execution using internal resources at the División Ventanas and the wave of undertakings that we initiated at the División Salvador.

2018 RESULTS	REAL	TARGET
Labor productivity mt/pp	50.9	51.7
Savings in millions of US\$*	312	321
2020 Agenda progress	50%	47%

YEARS	LABOR PRODUCTIVITY (mt/pp)
2014	43
2015	46.6
2016	48.5
2017	51.2
2018	51.7

YEARS	SAVINGS TARGET*	REAL SAVINGS
2015	427	547
2016	399	433
2017	325	358
2018	312	321
2019	283	-
2020	254	-
TOTAL MUS\$	2,000	1,659

* Savings goal based on 2016 BDP (Business and Development Plan)





With progress on Pillar 2 of the 2020 Agenda (Proactive Maintenance), we were able to launch a Maintenance Operating System (SOMA) in all operating divisions.

SOMA is responsible for implementing strategies, structures, processes and systems that improve the management of our assets, with a direct impact on the overall efficiency of the equipment (OEE, “Overall Equipment Effectiveness”) and operational continuity of our plants.

Other relevant Pillars that allowed us to achieve the year’s goals were the project to optimize third party services and the strategic supply plan.

This strategic supply plan generated a new way of understanding our company’s supply through modernizing contracting and purchasing management, promoting access to low cost inputs from markets other than the usual ones.

2019–2020 challenges: achieve our cost reduction and labor productivity targets.

Our mission over the next two years is to ensure the sustainability of our achievements, in addition to reaching and exceeding the goals for lower expenditures compared to the 2016 BDP baseline and labor productivity. We also aim meet the budget for 2019 (53.3 metric tons of fine copper per person) with a strong integration of the productive outlook into the phases and processes.

We have increased productivity by 20.2% since 2014

Among the goals we set for ourselves was to improve our labor productivity, which was below the industry average: 43 metric tons of fine copper per person (mt/pp) in 2014. Between 2014 and 2018, thanks to the exchange of strategic factors related to governance, technology, assets and people, we have achieved an increase of 20.2%, including internal workers as well as operations and transport contractor workers in the calculation.

Costs

Our total costs and expenses were up 7.9%, going from 227.1 c/lb in 2017 to 245.1 c/lb in 2018. Meanwhile, our net cost to cathode increased 0.7% from 218.0 c/lb to 219.6 c/lb (before extraordinary accounting adjustments) during the same period. Our direct cost (C1) reached 139.1 c/lb in 2018, up 2.4% from the C1 for 2017 (135.9 c/lb). This is mainly due to the decreased production as a result of the lower ore grade of our deposits and a rise in the price of inputs.

Production

In 2018 our production reached 1,806,363 metric tons of fine copper, a figure that adds our own production to the stake we have in Minera El Abra (49% owned) and Anglo American Sur SA (20%). The decrease of 35,712 tons

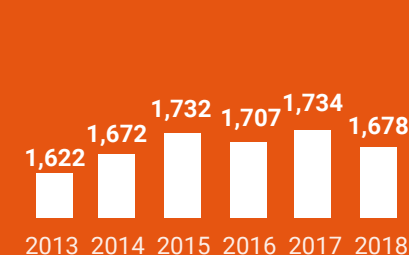
YEARS	LABOR PRODUCTIVITY (mt/pp)*	ACCUMULATED VARIATION
2014	43	
2015	46.6	8.4%
2016	48.5	12.8%
2017	51.2	19%
2018	51.7	20.20%

pp: “per person” including in-house staff, operations and transport contractor employees

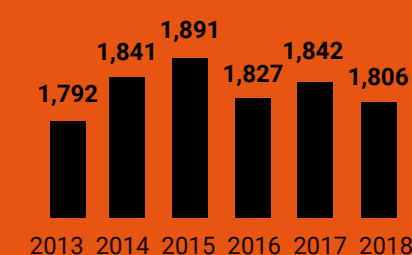
UNIT COSTS (US cents per pound)	2018	2017	Var.
Total costs and expenses	245.1	22.1	7.9%
Net cost to cathode (C3)	219.6*	218	0.7%
Direct cost (C1)	139.01	135.9	2.4%

* Before extraordinary accounting adjustments

CODELCO INTERNAL PRODUCTION in kilotons



TOTAL PRODUCTION in kilotons (Includes stake in Anglo American Sur and El Abra)





COPPER AND MOLYBDENUM PRODUCTION (mt)

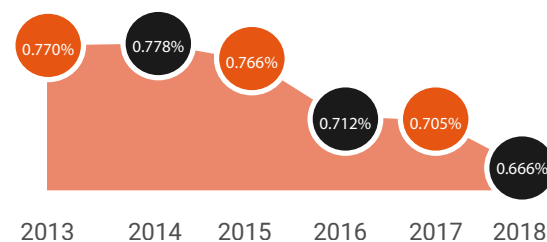
	COPPER		MOLYBDENUM	
	2018	2017	2018	2017
Chuquicamata	320,744	330,910	12,172	15,518
Radomiro Tomic	332,667	318,878	621	1,739
Gabriela Mistral	107,247	122,737	-	-
Ministro Hales	195,485	215,086	-	-
Salvador	60,840	61,942	993	854
Andina	195,531	220,030	3,489	4,365
El Teniente	465,040	464,328	6,756	6,199
Codelco	1,677,554	1,733,911	24,031	28,674
The Abra	44,360	38,417	-	-
Anglo American Sur	84,450	69,746	-	-
TOTAL	1,806,363	1,842,075	24,031	28,674

OTHER BY-PRODUCTS 2017-2018

	GOLD (Kg)		SILVER (Kg)		ACID (Ton)	
	2018	2017	2018	2017	2018	2017
Chuquicamata	1,410	986	261,959	267,319	640,281	759,049
Radomiro Tomic	-	-	-	-	-	-
Gabriela Mistral	-	-	-	-	-	-
Ministro Hales	-	-	143,780	126,948	254,104	257,955
Salvador	354	621	35,497	53,028	402,769	318,699
Andina	-	-	48,883	55,008	-	-
El Teniente	822	823	96,614	96,664	1,178,700	1,213,941
Ventanas	-	-	-	-	324,768	350,740
Codelco	2,586	2,430	586,733	598,967	2,800,622	2,901,385

(1.9%) with respect to the 2017 production figure, primarily due to the drop in the ore grade from 2017 - 2018 (5.5%)

ORE GRADE DECREASE



From 2013 to date we have suffered a decline in the ore grade by approximately 14.4%. Despite this, we achieved an internal production of 1,677,554 tons, greater than the target set for 2018 and 3.3% lower than that registered in 2017. Moreover, Codelco's molybdenum production was 24,031 tons, 16.2% lower than that registered in 2017.

Miscellaneous by-products

Sulfuric acid was 2.8 million tons, 33.2% of which are sold and the remainder (66.8%) are destined primarily to our ore leaching operations.

Financing operations US\$ 1,200 million

During 2018 we carried out financing operations for an aggregate amount of US \$ 1,200 million. These funds were used to refinance liabilities, finance the investment program and ease the way for 2019 requirements. In May we debuted on the

capital market of Taiwan, with a 30-year bond issue in Formosa for US\$ 600 million. This instrument includes a repurchase option from the fifth year until the end of its validity at the same issue value. This operation, together with providing attractive financing conditions, made it possible to expand our investor base. The placement was led by HSBC Bank (Taiwan) Limited and BNP Paribas, Taipei Branch. In October we refinanced a bilateral bank loan for US\$ 300 million with Export Development Canada (EDC) that was scheduled to mature mid-2019. This operation extends the maturity of the loan until 2028, in line with the strategy of matching the maturity date of our liabilities with the generation of cash flow for structural projects.

In December we signed a bilateral bank loan for US\$ 300 million for over five years with Scotiabank Chile.

We received US\$ 600 million in capitalization

In 2018 the Chilean state authorized a capital injection of US\$ 1,000 million of which US\$ 600 million materialized in December. The remaining US\$ 400 million was delivered to Codelco at the end of February 2019. This contribution brings to a close 2014's approved Capitalization Act which strengthened Codelco for a total of US\$ 2,820 million. Chilean state support has allowed us to keep debt under control during these years, despite the large investments made.



Risk classification

Codelco is assessed by four risk rating agencies: Moody's and S&P internationally, and Fitch Ratings and Feller Rate locally. During 2018 the international classification levels remained at A3 (Moody's) and A+ (S&P), both with a stable outlook. The same ratings occurred at the local level bodies, both maintaining a AAA grade with stable outlook.

Financial management

The price of copper significantly affects the financial results of the producing companies. Codelco's main strategy to face price fluctuations is to maintain a competitive cost structure with respect to the industry.

Our company uses derivative instruments to ensure that sales cash flow is consistent with that established in the annual marketing strategy. Derivative transactions do not contemplate operations of a speculative nature.

In order to manage risks associated with interest rate and exchange rate fluctuations (other than the US dollar) we contemplate the use of contracts to set rates for existing obligations and exchange rate hedges. These actions do not represent operations of a speculative nature.

Insurance

Codelco is exposed to a series of risks inherent to the industry and the geographical area where it operates, i.e. natural disasters, infrastructure damage and damage to its own equipment or third-party equipment. With the objective of mitigating the possible impacts of such risks, to production, costs, or infrastructure, and in addition to what is established in Codelco's comprehensive risk management model, Codelco maintains different insurance programs. The principal policies are for ownership and business interruptions, transportation, civil liability and construction. All insurance includes risk retention conditions that take into account both the current context of the insurance market and our capacity to absorb losses due to accidents.

Additionally, we have insurance that protects and benefits our workers such as life insurance, personal accident and complementary health insurance.

Losses

In 2018 there was a loss at the South Pit of the División El Teniente, which preemptively reported to the insurance market. At the end of December, the loss evaluation process was still in process. Apart from this case, there were no relevant incidents.





International copper market

Copper is one of the raw materials that has the most exposure to global macroeconomic oscillations; the behavior of 2018 copper prices was a good example of this. We started the year with strong positive momentum, but although the market fundamentals remained positive, tariff disputes between the United States and China affected economic expectations and the price of copper from the second half of the year. Finally, the average price in 2018 was US\$ 2.96 per pound.

The Copper market has significant exposure to global macroeconomic behavior and 2018 was a year in which this was fully demonstrated: the world economic sentiment was the most important factor in the analysis of price variations that occurred in 2018.

The year began with a strong momentum and the price of copper reached US\$ 3.29 per pound in June (i.e. US\$ 7,200 per metric ton), a maximum that had not been recorded since 2014. The global economy was in a state of synchronized growth and a series of fairly encouraging market fundamentals promised higher gains for the second half of the year. However, shortly thereafter, news was released pertaining to an economic slowdown in China. This was added to the tariff dispute that China has with the United States. Therefore, the copper price suffered a decline that exceeded 0.30 cents per pound (about US\$ 700 per metric ton) and at the end of July the price closed at US \$ 2.84 per pound. Since then there have been no major variations and the year closed at an annual

average of US\$ 2.96 per pound.

Global supply and demand

This year's mining production remained robust and the risk of interruptions to production due to labor did not materialize. With respect to the copper smelters, it was a year marked by operational problems and

unscheduled shutdowns.

The demand for cathodes was very positive throughout the year. Especially in China, where imports of refined copper increased due to restrictions on scrap imports.

Total copper stock in official

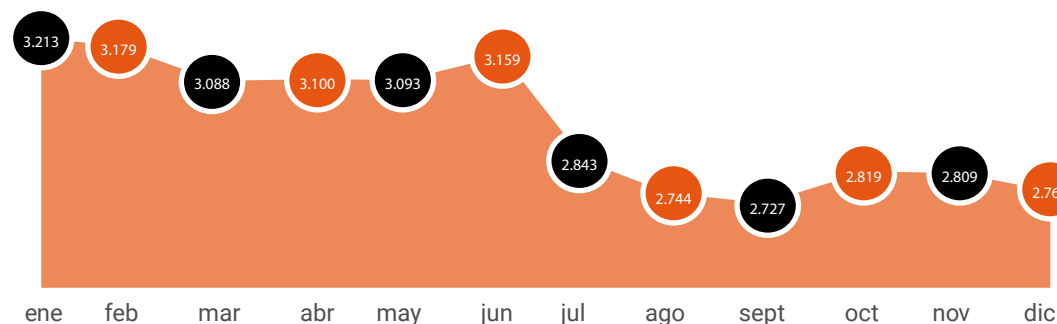
warehouses

In 2018, copper inventories within official warehouses of the London Metal Exchange (LME), the United States Metal Futures Exchange (Comex) and the Shanghai Futures Exchange (SHFE) fell 36% with respect to the previous year.

Of the three metal exchanges, Comex experienced the most important drop with an annual variation of 48%, followed by LME with an inventory decrease of 34%, and finally the Shanghai stock exchange with a reduction of 21%.

Lower inventory reaffirms that market fundamentals are positive for copper, but global macroeconomic expectations have not allowed these factors to be reflected in their price.

MONTHLY AVERAGE IN THE LONDON METAL EXCHANGE (LME) 2018 (US\$/lb)





Sales

Our total revenues reached US \$ 14,253 million in 2018 for the sale of internal and third parties' copper, molybdenum and by-products. This represents a 2.3% decrease compared to 2017. Copper represented 92% of overall sales while the remaining product sales represented 8%.

Copper
(Internal and third party)
92%

Remainder
8%

Both internal and third-party copper commercialization produces revenues of US\$ 13,097 million, which correspond to 2.13 million metric tons of fine copper sold. 2018 sales of molybdenum and other byproducts (mainly metals and sulfuric acid) reached US\$ 1,156 million (US\$ 651 million in molybdenum sales and US\$ 505 for the remaining products).

Total revenue
US\$14,253
million

Sales volume*
2.13 million (mt)

* Internal and third-party copper, including subsidiaries.

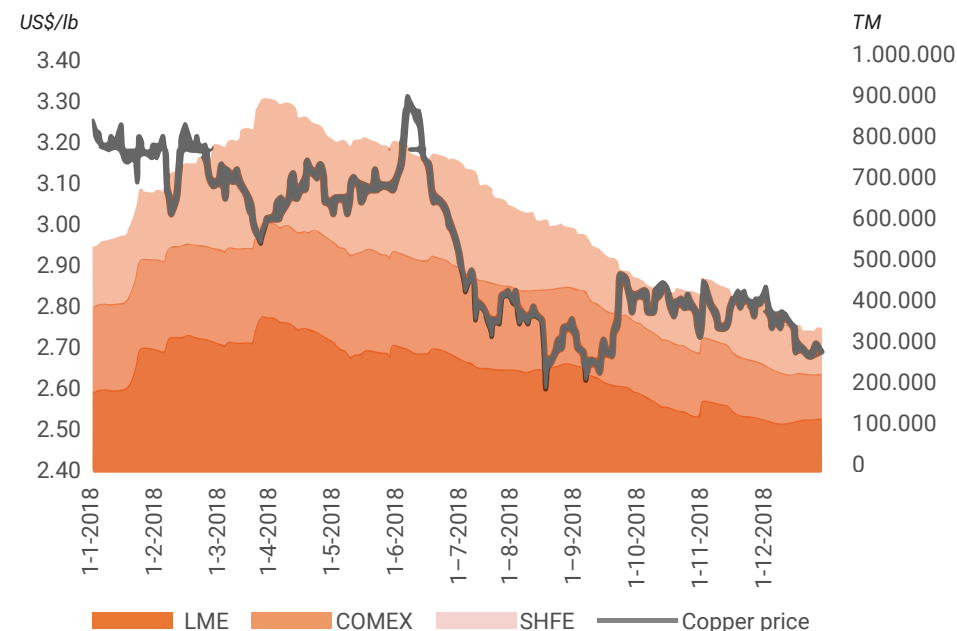
Distribution

The physical sale of copper (internal and third party) was down 0.8% compared to last year, going from 2.15 million to 2.13 million metric tons in 2018, as per the following detail by product type: 64% refined copper, 28% concentrate and 8% blister and anodes.

The main market for our copper sales was Asia with 55%, followed by North America with 16%, Europe with 12% and South America and other markets with 17%.



LME COPPER STOCK PRICE AND EVOLUTION ON THE METALS EXCHANGE (TM) (US\$/lb)



2018 SALES VOLUME PER PRODUCT *	mt	%
Refined copper	1,359,150	64%
Concentrate	600,165	28%
Blister copper and anodes	174,944	8%
TOTAL	2,134,259	100%

* Internal and third party copper, including subsidiaries.

Third party business

Our approach to engaging goods and services suppliers is oriented at achieving the highest level of excellence in our processes. Supplier relations is conducted under a framework of transparency and cooperation and follows the strategic guidelines of the Productivity and Costs Agenda.

In 2018 we conducted business with 3,042 suppliers; 3,483 national and 235 foreign. The total amount awarded in these operations reached US \$ 6,993 million, a figure that includes the subscription of long-term contracts for the supply of energy and fuels.

In this period we focused on strengthening the implementation of modernization projects, for which we seek to measure levels of adherence to the newly implemented practices such as the single contracting process and the use of compliance and risk systems.

Moreover, we implemented a new registry of suppliers that allows us to obtain more and better information about the supplier market and define our own indicators for business assessment.

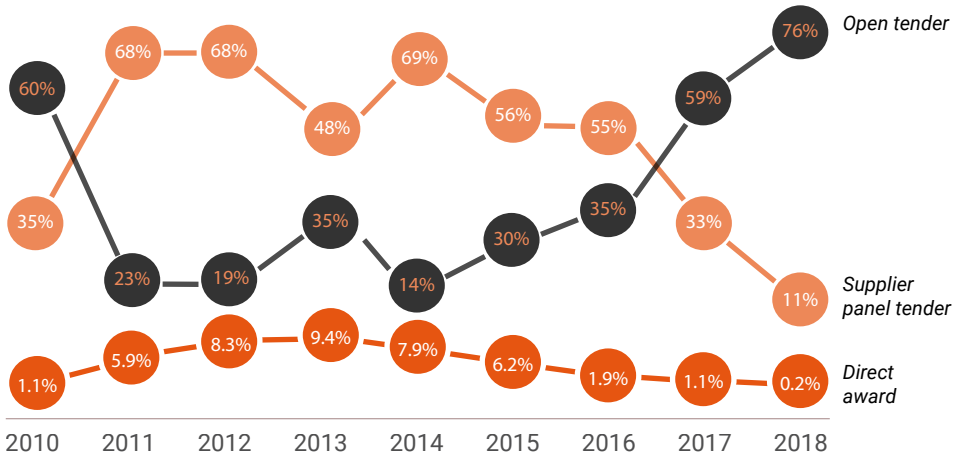
We also held a record of public tenders (76%) and a significant drop in direct awards (0.2%), which reinforces that our strategy based on fostering competitiveness has been effective.

Goods and services use between 2014-2018 (in millions of US dollars)

GOODS	2018	2017	2016	2015	2014
Operation	2,468	1,498	1,487	1,780	1,950
Investment	315	297	252	258	481
TOTAL	2,784	1,795	1,740	2,038	2,431

SERVICES	2018	2017	2016	2015	2014
Operation	3,959	3,659	3,502	3,641	4,179
Investment	2,248	2,015	1,621	1,397	1,712
TOTAL	6,208	5,673	5,123	5,038	5,891

TOTAL	2018	2017	2016	2015	2014
Operation	6,428	5,157	4,989	5,422	6,129
Investment	2,564	2,312	1,873	1,655	2,192
TOTAL	8,991	7,468	6,863	7,077	8,321



Total business in 2018 per award type



TYPE OF AWARD		NUMBER OF BUSINESSES	AMOUNT (IN THOUSANDS OF US\$)	%
Open tender	INVESTMENT	419	1,735,926	24.8%
	OPERATION	25,836	3,546,595	50.7%
Total open tender		26,255	5,282,521	75.5%
Tender with panel of suppliers	INVESTMENT	236	590,179	8.4%
	OPERATION	1,179	157,155	2.2%
Tender with panel of suppliers total		1,415	747,334	10.7%
Direct award	INVESTMENT	31	3,047	0.0%
	OPERATION	80	12,507	0.2%
Direct award total		111	15,553	0.2%
Other Awards	INVESTMENT	104	448,360	6.4%
	OPERATION	2,107	499,335	7.1%
Total other awards		2,211	947,694	13.6%
TOTAL	INVESTMENT	790	2,777,512	39.7%
	OPERATION	29,202	4,215,591	60.3%
TOTAL		29,992	6,993,103	100.0%





Total business in 2017 per award type



TYPE OF AWARD		NUMBER OF BUSINESSES	AMOUNT (IN THOUSANDS OF US\$)	%	
Open tender	INVESTMENT	198	464,645	10.1%	
	OPERATION	26,728	2,204,004	47.9%	
Total open tender		26,926	2,668,649	58.0%	
Tender with panel of suppliers	INVESTMENT	499	1,116,611	24.3%	
	OPERATION	3,045	398,603	8.7%	
Tender with panel of suppliers total		3,544	1,515,213	32.9%	
Direct award	INVESTMENT	52	8,711	0.2%	
	OPERATION	197	41,397	0.9%	
Direct award total		249	50,108	1.1%	
Other Awards	INVESTMENT	82	63,005	1.4%	
	OPERATION	1,695	304,719	6.6%	
Total other awards		1,777	367,725	8.0%	
		INVESTMENT	831	1,652,972	35.9%
		OPERATION	31,665	2,948,723	64.1%
TOTAL		32,496	4,601,695	100.0%	



Total business in 2016 per award type



TYPE OF AWARD		NUMBER OF BUSINESSES	AMOUNT (IN THOUSANDS OF US\$)	%
Open tender	INVESTMENT	57	156,190	2.8%
	OPERATION	27,468	1,819,348	32.2%
Total open tender		27,525	1,975,538	35.0%
Tender with panel of suppliers	INVESTMENT	638	2,380,429	42.1%
	OPERATION	2,966	706,954	12.5%
Total tender with panel of suppliers		3,604	3,087,383	54.6%
Direct award	INVESTMENT	128	68,102	1.2%
	OPERATION	456	40,752	0.7%
Total direct award		584	108,855	1.9%
Other awards	INVESTMENT	62	211,645	3.7%
	OPERATION	1,281	267,474	4.7%
Total other awards		1,343	479,119	8.5%
		885	2,816,366	49.8%
		32,171	2,834,528	50.2%
TOTAL		33,056	5,650,894	100.0%





Business per award type in 2015



TYPE OF AWARD		NUMBER OF BUSINESSES	AMOUNT (IN THOUSANDS OF US\$)	%
Open tender	INVESTMENT	13	6,901	0.1%
	OPERATION	30,624	2,085,489	30.0%
Total open tender		30,637	2,092,390	30.1%
Tender with panel of suppliers	INVESTMENT	704	1,572,282	22.6%
	OPERATION	4,300	2,343,385	33.7%
Tender with panel of suppliers total		5,004	3,915,667	56.4%
Direct award	INVESTMENT	231	326,332	4.7%
	OPERATION	1,094	104,434	1.5%
Direct award total		1,325	430,766	6.2%
Other Awards	INVESTMENT	149	47,296	0.7%
	OPERATION	1,361	459,316	6.6%
Total other awards		1,510	506,613	7.3%
	INVESTMENT	1,097	1,952,810	28.1%
	OPERATION	37,379	4,992,624	71.9%
TOTAL		38,476	6,945,434	100.0%



Business per award type in 2014



TYPE OF AWARD		NUMBER OF PROPONENTS	AMOUNT (IN THOUSANDS OF US\$)	%	
Open tender	INVESTMENT	21	26,649	0.6%	
	OPERATION	32,271	644,072	13.8%	
Total open tender		32,292	670,721	14.4%	
Tender with panel of suppliers	INVESTMENT	706	1,249,180	26.8%	
	OPERATION	3,904	1,958,185	42.0%	
Tender with panel of suppliers total		4,610	3,207,364	68.7%	
Direct award	INVESTMENT	331	229,037	4.9%	
	OPERATION	1,369	136,470	2.9%	
Direct award total		1,700	365,507	7.8%	
Other Awards	INVESTMENT	129	144,756	3.1%	
	OPERATION	1,441	278,744	6.0%	
Total other awards		1,570	423,500	9.1%	
		INVESTMENT	1,187	1,649,622	35.3%
		OPERATION	38,985	3,017,470	64.7%
TOTAL		40,172	4,667,092	100.0%	



Business per award type in 2013



TYPE OF AWARD		NUMBER OF PROPOSERS	AMOUNT (IN THOUSANDS OF US\$)	%
Open tender	INVESTMENT	135	136,122	1.9%
	OPERATION	29,701	2,370,355	33.2%
Total open tender		29,836	2,506,477	35.1%
Tender with panel of suppliers	INVESTMENT	967	1,102,312	15.4%
	OPERATION	3,871	2,351,411	32.9%
Total tender with panel of suppliers		4,838	3,453,723	48.4%
Direct award	INVESTMENT	512	375,030	5.3%
	OPERATION	1,435	298,395	4.2%
Total direct award		1,947	673,425	9.4%
Other awards	INVESTMENT	155	97,266	1.4%
	OPERATION	2,183	406,862	5.7%
Total other awards		2,338	504,128	7.1%
TOTAL		38,959	7,137,753	100.0%





Business per award type in 2012



TYPE OF AWARD		NUMBER OF PROponents	AMOUNT (IN THOUSANDS OF US\$)	%
Open tender	INVESTMENT	393	52,193	0.7%
	OPERATION	30,211	1,493,843	18.7%
Total open tender		30,604	1,546,036	19.3%
Tender with panel of suppliers	INVESTMENT	822	2,503,210	31.3%
	OPERATION	3,957	2,924,384	36.5%
Tender with panel of suppliers total		4,779	5,427,594	67.8%
Direct award	INVESTMENT	502	256,016	3.2%
	OPERATION	1,628	409,336	5.1%
Direct award total		2,130	665,353	8.3%
Other Awards	INVESTMENT	115	105,059	1.3%
	OPERATION	2,035	261,893	3.3%
Total other awards		2,150	366,952	4.6%
	INVESTMENT	1,832	2,916,478	36.4%
	OPERATION	37,831	5,089,457	63.6%
TOTAL		39,663	8,005,935	100.0%





Business per award type in 2011



TYPE OF AWARD		NUMBER OF PROPOSERS	AMOUNT (IN THOUSANDS OF US\$)	%	
Open tender	INVESTMENT	559	397,845	4.3%	
	OPERATION	31,645	1,700,079	18.3%	
Total open tender		32,204	2,097,924	22.5%	
Tender with panel of suppliers	INVESTMENT	759	1,619,114	17.4%	
	OPERATION	5,333	4,696,735	50.5%	
Tender with panel of suppliers total		6,092	6,315,850	67.9%	
Direct award	INVESTMENT	521	358,945	3.9%	
	OPERATION	1,295	188,874	2.0%	
Direct award total		1,816	547,819	5.9%	
Other Awards	INVESTMENT	182	52,503	0.6%	
	OPERATION	1,705	292,591	3.1%	
Total other awards		1,887	345,094	3.7%	
		INVESTMENT	2,021	2,428,407	26.1%
		OPERATION	39,978	6,878,280	73.9%
TOTAL		41,999	9,306,687	100.0%	



Single contracting process

We implemented a single contracting process at Codelco that standardized bidding processes across all divisions to obtain an orderly and phased approach. In parallel, a series of controls and risks that are being monitored by our Supply Chain department were rectified.

Single contract management process

In 2018 we developed and implemented a single and standard process for contract management. We are also moving forward in the design of a SAP support system that allows us to measure contract performance using the same set of variables.

Contractor relations

We promote efficient and healthy relationships with contractor companies, through our Contractor Management and Inspection Department, which defines, designs and controls the standardization and approvals of processes to improve the productivity of the provided services.

We believe in labor relations that are committed to a management framework of continuous improvement. We expect in turn to develop such principles among contractors and their trade unions, which Codelco facilitates and safeguards through oversight of compliance with legal regulations and our contractual policy.

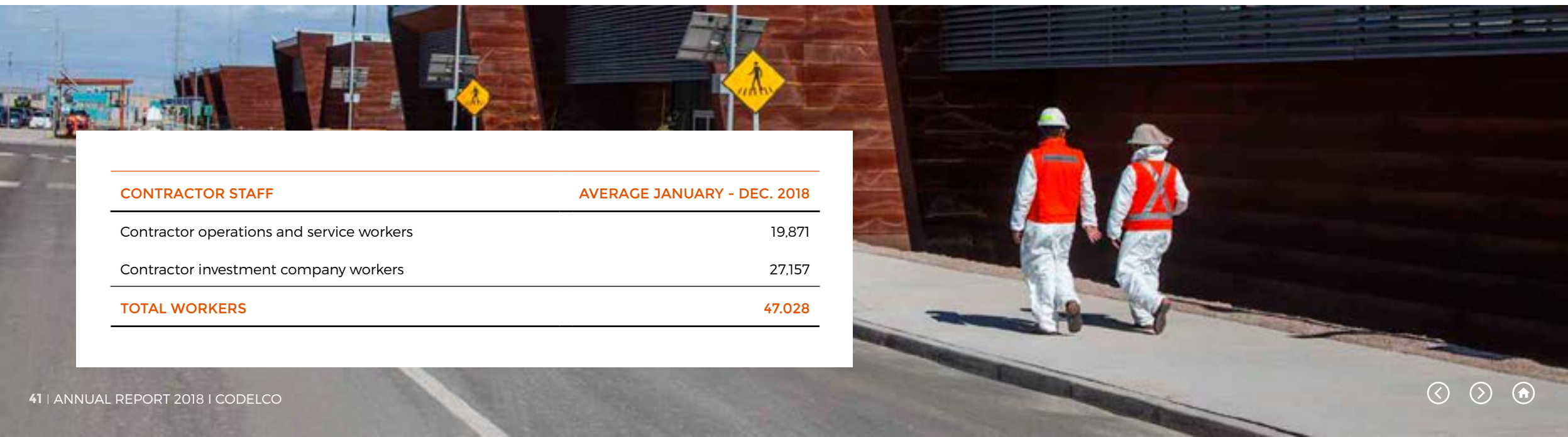
International procurement

Through our Emerging Markets Department based in Shanghai, China, we continue to strengthen the supply of products available from the Asia Pacific market, thus generating new purchasing options for Codelco in Chile.

In 2018 our portfolio of Asian suppliers rose to 339 companies, which meant introducing greater competition in the bidding processes of our corporation for 60 product categories. Thus we were able to manage purchases for more than US\$ 250 million, up US\$ 100 million over the previous year.



In November 2018 we participated in the China International Import Expo (CIIE), the largest fair of suppliers worldwide, and in Asian Copper Week, an event that was attended by the Chairman of the Board and Codelco's CEO, who reinforced the actions executed by our office in the Asia-Pacific region.



CONTRACTOR STAFF	AVERAGE JANUARY - DEC. 2018
Contractor operations and service workers	19,871
Contractor investment company workers	27,157
TOTAL WORKERS	47.028



Innovation

New ideas and technological innovation are the fuel with which we seek to drive the transformation that Codelco needs to face the complexities of 21st century mining challenges.

Innovation is a fundamental pillar of our corporate strategy. Innovation allows us to maintain our competitiveness, improve performance in our operations and develop advantages that differentiate us within the mining industry.

In 2018, we strengthened our management system and continue to focus on generating value for our projects through more robust governance and more empowered divisional innovation directions. In view of the undeniable benefits associated with process automation, both in operations and in transverse areas, we continue with a portfolio of projects in line with an automation approach.

For its part, CodelcoTech continued to support the execution of Codelco's innovation projects, with an emphasis on the main strategic challenges of the Corporation.

Value creation

We understand innovation as the process of capturing knowledge to transform it into economic value. Over the last three years we have implemented 48 projects that have generated significant economic, environmental and safety benefits.

At Codelco we work in three areas: incremental innovation, disruptive innovation and automation.

a) Incremental innovation:

We aim for ongoing optimization of our operations thanks to the incorporation of new technologies.

We facilitate instances of technology transfer between work centers and connect their operational challenges with the innovation ecosystem to identify the best solutions.

- **Material management systems:** we believe material management is one of the key processes that ensure business results. In 2018, we made progress in a parallel maintenance project for the stacking system and crusher lines, which allow us to increase their use and availability time.
- **Operational continuity:** we've made advances the testing and implementation of the "focal charge" and shaped charge explosives to carry out the secondary reduction process without drilling for underground mine operations. This permits an increase in availability of the productive areas.
- **Efficient asset management:** we seek out optimized operational practices and improved

planning to increase the utilization, availability and reliability of haul trucks, which in turn generates an increase in moved material and a cost savings in ore transport.

b) Disruptive innovation:

We focus our research and development on facilitating the conversion of resources into reserves and solving sustainability challenges. Accordingly, we continue developing new technologies that allow us to reduce risk to workers, make the mining processes more efficient and comply with increasingly demanding environmental requirements.

- **Semi-autonomous hauling equipment and autonomous underground trucks at the División El Teniente :** we concluded the industrial validation of semi-autonomous LHD equipment used in underground mining and initiated the tender process to carry out a project that will enable us to implement underground autonomous truck operations. This also involves building a telecommunications network and adapting sectors of the mine to be able to operate equipment that has a built-in navigation system.

Our focus in 2018:



1. Create value from knowledge, without neglecting corporate strategy, relevant business variables and returns on investment.
2. Respond to the different challenges of our internal clients and provide solutions that ensure operational continuity and the development of competitive advantages.
3. Be aware of the latest trends and technological advances in order to identify optimal solutions for each challenge, capturing the best available innovations.



This project will allow us to improve personal safety and provide more efficient processes.

- **Improvements in smelter and refining processes:** we completed the development of the fundamental studies to define the design criteria for a smelter furnace with high pressure nozzles, which will make way for an industrial validation project to enhance the capacities installed in our smelters.

We are developing the development of sensors, expert controls and continuous conversion for smelter furnaces, implementing the prototypes from the Potrerillos Smelter in the Teniente Converter. We are making progress in the execution of fundamental studies that will serve as a basis to design, plan and execute the industrial test of a continuous converter, which will provide for substantial improvements and generate fewer emissions than the conventional conversion process.

c) Automation:

We want to increase personnel productivity and move Codelco into Industry 4.0, for which we must accelerate the adoption of cutting-edge technologies in current operations and projects, prioritizing utilization cases with a focus on productivity and sustainability.

- **Integrated Operations Center (IOC) in the División El Teniente:** this project has been in operation since January 2018 and permits operations of the divisional plant to be managed and monitored from Rancagua in an integrated manner with the mine.

This operations management model allows us to capture large volumes of data, which are then used to develop analytical projects, as an example, with important results in the grinding processes of the division.

- **Remote Operations Center (ROC) at the División Ministro Hales:** the operation is consolidated from the ROC with the development of enhancements provided by advanced control systems (Profit) and the incorporation of data analytics in the concentrator and maintenance processes. This center is prepared to receive the slope stability systems of the mine.
- **Analytical PoC of transport operation data in the División Andina:** testing of this concept has been carried out, which will allow recovering around 350 variables per second in mine haul trucks with the purpose of developing predictive models of operation and maintenance.
- **Corporate system of accreditation and badging of third parties in División El Teniente:** we closed the last stage of this project to have one single corporate process for contractor accreditation and badging.
- **Digitization of Head Office support areas:** progress was made in the implementation of Robotic Process Automation (RPA) in processes executed by corporate Accounting and Supply Chain departments to achieve greater efficiency in support processes.

CODELCOTECH DRIVES STRATEGIC INNOVATION

After its first year of existence, CodelcoTech continues to consolidate its technical, technological and innovation capabilities to deploy them in the search for solutions to the strategic challenges defined by Codelco in geological, mining, metallurgical, safety and sustainability areas.

The strategic mandate of our technological subsidiary is to generate and articulate a portfolio of high-impact projects and initiatives that are aligned with research and development (R&D) centers of the Corporation Accordingly, we continuously monitor the innovation ecosystems and identify national and international actors that exhibit the necessary capabilities to solve the key challenges of our company.





Open innovation

We value and encourage Codelco’s engagement with different players in the innovation ecosystem, to combine internal and external knowledge and capacities that translate into innovative solutions that are generated in less time, cost and risk.

Therefore, we maintain agreements with universities, study centers, suppliers and pilot centers. We also participate in the open innovation platform Expande, with Fundación Chile, where we interact with suppliers of several technologies to support management, maintenance, personal safety and automation.

Competitions

- **Think Mining “Piensa Minería”:** this initiative aims to help finance thesis programs that contribute to advancement of new technologies and knowledge in the mining industry. The 2018 version saw

student participation from seven universities. Winners received financial support for their enrollment, tuition, and other regular expenses. It is important to note that 30% of the participants were women and that the topics addressed range from exploration to sustainability, from mines to plants to smelters.

- **ReCupera:** we held a open call to attract and support entrepreneurs to develop prototypes, through an “incubation” program. The categories included new applications for copper in water and energy resources and revaluation of mining waste. With the help of CodelcoTech, we provided useful methodology and continuous support to businesses that were in turn able to validate their proposals and obtain feedback from the mining industry.

Our intellectual property strategy

To face our strategic challenges and to maintain competitiveness and business sustainability, one of our objectives is to openly innovate and foster collaboration and alliances with a wide range players in the innovation ecosystem, to develop and implement technologies into different production processes.

This implies proper management of the intellectual property of several projects, in line with the open innovation approach, while protecting the value and knowledge created in the R & D initiatives. To achieve this we implemented technological monitoring measures that allow us to obtain valuable information on the technological developments of suppliers in the industry. Such monitoring also seeks to identify new technologies and suppliers at a global level and generate

collaborative models of technological development with an emphasis on option rights over technologies. This encourages the ecosystem to participate and get involved with Codelco’s challenges, while maintaining concern to properly safeguard our investments.

The results of our intellectual property approach have positioned us as a benchmark in the industry, maintaining a significant portfolio of industrial property rights.

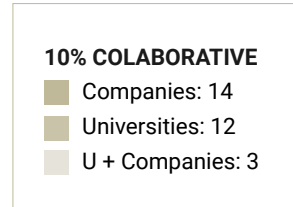
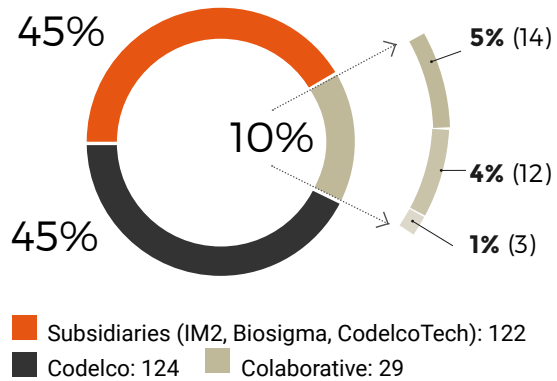
NATIONAL PATENTS (1975-2018)

The systematic management of industrial property assets that accompany the Corporation’s trajectory allows us to exercise control over the intellectual assets generated by our innovative undertakings, whether developed internally or in collaboration with the innovation ecosystem.



	NATIONAL DISTRIBUTION	%
Codelco	124	41%
Subsidiaries of Codelco (IM2, Biosigma, CodelcoTech)	122	40%
Collaborative	29	9.5%
Universities	12	3.9%
Companies	14	4.6%
U. + Companies	3	1%
TOTAL PATENTS	304	100%

Distribution according to patent applicants in Chile



Technological monitoring

We perform ongoing technological monitoring to have a systematic and global vision for areas of interest, new technologies, competitors, potential partners or allies, and suppliers, with the ultimate goal of making informed decisions, aimed at technological intelligence. Two other objectives are to be aware of new patent applications in Chile related to mining and metallurgy, and to define the course of action regarding the industrial protection of our own developments.



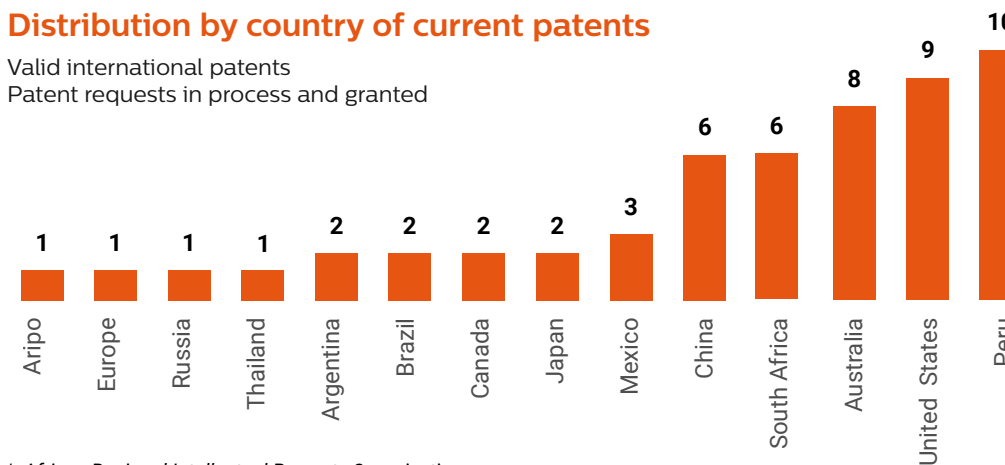
International Patents

Considering that the activity we carry out to develop innovation and technology involves interacting with actors from different parts of the world, efforts in intellectual property management have been extended to 12 other countries, as shown below:

- Total de patentes solicitadas: 104
- Solicitudes presentadas 2018: 7

Distribution by country of current patents

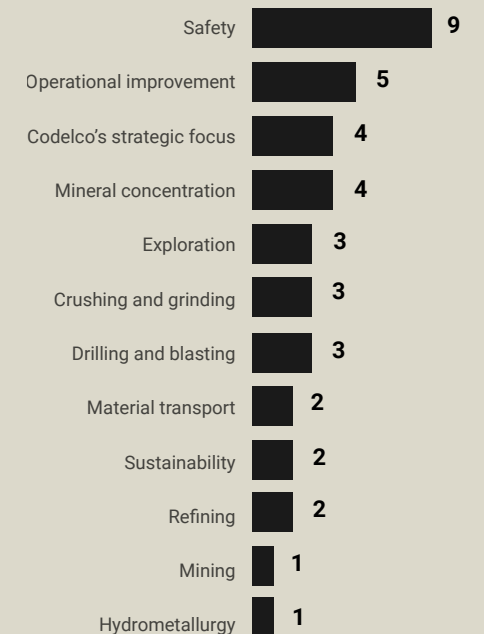
Valid international patents
Patent requests in process and granted



*: African Regional Intellectual Property Organization

Technological outlook

During 2018 we carried out 51 scoping studies for technological solutions with the following distribution by subject:





Human Resources

Codelco maintains the conviction that appreciating diversity, fostering openness to different ways of thinking and generating inclusive environments are key elements to cultivate stimulating workplaces that are well-disposed to the multiple challenges of 21st century mining.

Three pillars of the 2018 strategic human resources agenda were productivity, governance and transformation.

With these pillars in mind, we seek to contribute to the construction of Codelco's future, generating relationships of trust and a sense of urgency in personnel management throughout all areas of the organization.

Talent management

Our company seeks to attract and recruit young professionals and technicians who are interested in mining. Moreover, we are committed to reducing the gender gap, promoting the entry of women to training institutions that prepare them for future jobs.

Under this framework, in 2018, 373 dual students (213 women), 975 interns (507 women) and 118 students writing their pre-graduate thesis (48 women)

were incorporated. Five apprenticeship programs were also carried out, which included 135 people (95 women).

Graduate program

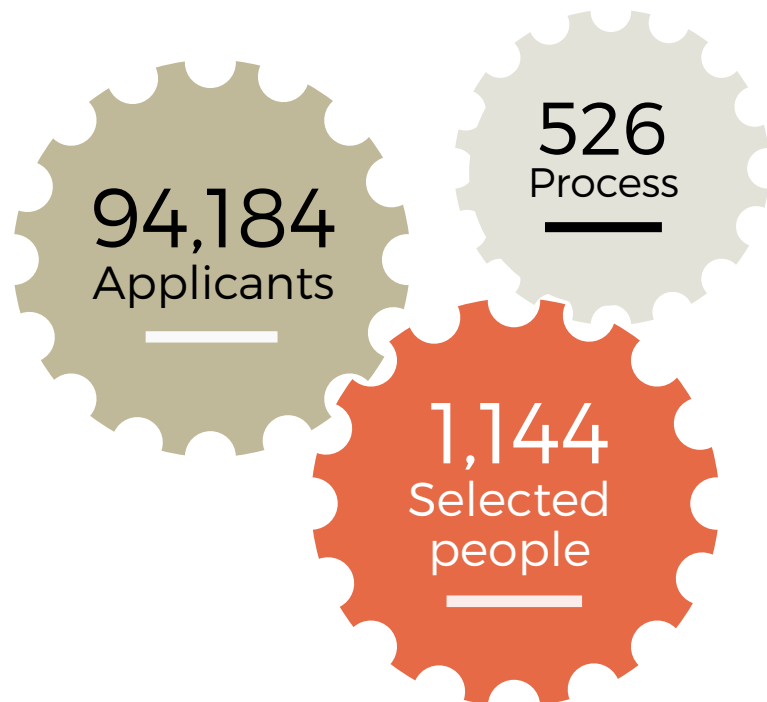
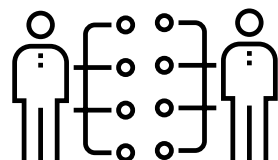
Codelco maintains a graduate program whose training plan is geared towards productivity, sustainability and mining of the future. To develop this program, we rely on the transfer of knowledge from our key leaders, hands-on training and the development of core skills such as leadership and business outlook. This year we also incorporated innovation and creativity as desirable and necessary skills into desired candidate profile.

In 2018 this program took in 57 young professionals (49% of them women) with leadership potential and commitment to the country's progress.





Recruitment and selection



2018 TRAINING

Training index	2.20%
Average hours of training per person	51
Average investment per person (US\$)	897
Total investment in training (millions of US \$)	15.2

Recruitment, selection and mobility

In 2018 we received 94,184 applications for 526 processes that were opened to the external market. As a result of these processes, 1,144 people joined the Corporation. Likewise, 460 processes were carried out that allowed the internal mobilization of 760 people.

This number of applicants reflects Codelco's prestige as a key employer. Our commitment to transparency obliges us to review and respond rigorously to each applicant.

Training

867,410 hours of training were spent in 2018, which involved a scope of 16,948 people; that is, 92% of Codelco's staff. A total of 8,144 training activities were carried out, distributed among 70,566 participants. Total investment in training reached US\$ 15.2 million.

Succession system

Our succession system is a strategic process that seeks to detect, cultivate and preserve knowledge and talent within Codelco. Basically, we seek to attract and engage professionals with high potential, in line with our corporate strategy, to develop their leadership skills and thus ensure the present and future sustainability of the company. After four years of operation, the succession system has achieved the following advances:

- 342 key positions were identified and validated, representing 8% of our staff of executives and professionals.
- 627 executives and professionals, that is, 15% of this segment, are in the succession base.
- 100% of our work centers have a succession development committee.
- 90% of the key positions have potential successors identified and in development.
- 97% of successors have a current development plan in place (the goal for 2018 was 95%)
- 94% of high-potential successors have participated in visibility and development initiatives through the Encuentros Program.
- 76% of vacant critical positions have been filled by a successor (the goal for 2018 was 65%).

Mentorship program

In essence, our mentorship program is an initiative that seeks to contribute to the sustainability of our company by transferring experiences and knowledge of executives, recognized professionals with high leadership potential.



This year we implemented mentoring in pairs, in which we had 92% compliance (the goal was 85%). The mentoring program also focused on female leadership.

In total, we incorporated 85 professionals and executives to the program within different work centers of the company.

Vocation for diversity and inclusion

In our recruitment and selection processes we have ensured equal opportunities for all people who apply. Along with this, we implemented a series of practices for an enhanced work - family - personal life balance of workers. Furthermore, we generated

three proposals for balancing measures that point to co-responsibility and flexibility, according to the operational realities of each work center.

In 2018 we supported the implementation of the Gender Equality and Conciliation Management Systems at all our work centers and 80% of them are now certified under Chilean Standard 3262. Additionally, we obtained the Iguala Conciliation seal, a distinction granted by the National Service for Women and Gender Equality, for seven of Codelco's work centers.

Codelco employs 1,780 women in its workforce, bringing female participation in the company to 9.9%, a figure that exceeds the industry average.

Union organizations

In line with the challenges of increasing productivity and containing or reducing costs, during 2018 the Codelco administration and the Copper Workers Federation (known as the acronym "FTC" in Spanish) combined their efforts to contribute, through the institutional framework agreed in the Strategic Pact for Chile, to ensure the existence, development and future outlook of the Corporation and consolidate it as the leading mining company of the global copper industry.

At the corporate level, the Human Capital, Sustainability, Gender and Competitiveness Councils were held, while at the divisional level, the Technical

Convergence and Management discussion groups were held, all instances of efforts focused on initiatives aimed at improving the competitiveness of Codelco.

Supervisors and their representative unions have maintained discussion groups with divisional administrations regarding the management of collective labor agreements and issues specific to each division.

COLLECTIVE BARGAINING NEGOTIATIONS AGREEMENTS WITH 18 TRADE UNIONS IN 2018

DIVISION	UNION
Chuquicamata	Supervisors Union Rol A
Radomiro Tomic	Workers Union
Radomiro Tomic	Plant and Management Union
Ministro Hales	Professionals Union
Ministro Hales	Workers Union
Gabriela Mistral	Workers Union
Salvador	Union No. 6
Salvador	Union No. 2
Andina	Labor Integration Industrial Union ("SIIL")



DIVISION	UNION
Andina	Unified Workers Union ("SUT")
Andina	Plant Union ("SUPLANT")
Andina	Supervisors Union Rol A
El Teniente	Caletones Union
El Teniente	El Teniente Union
El Teniente	Union No. 7
El Teniente	Union No. 5
El Teniente	Sewell and Unified Mine Union
Vice-presidency of Projects	Workers, Professionals and Administrative Workers Union



10 THOUSAND WORKERS SIGNED AGREEMENTS OF MUTUAL BENEFIT

During 2017, reflecting the metal shortage that was expected for the next five years, the year closed with a copper price of \$ 3.24, the highest in almost four years.

The enthusiasm of the markets led to the beginning of a new potential “super cycle” for copper.

The expectations that this scenario generated had to be managed under Nelson Pizarro’s administration who, since taking office at the state-owned company in 2014, established rigorous cost reductions implemented at a time when the price of copper was in decline.

With improved economic prospects, it was necessary to contain the increase in labor costs.

The challenge was to achieve collective agreements that maintained the criteria of austerity reached during the previous period, with incentives associated with increasing productivity and with a minimum level of conflict, so as not to alter the operation of the company.

In the final balance, the 18 collective bargaining negotiations this year (12 anticipated and 6 regulated) involved more than 10 thousand workers,

10 thousand workers involved

.....

18 total talks



concluded in agreements for 36 month terms, readjustments between 1% and 1.5%, negotiation termination bonuses that reached on average 65% of the amount of the previous bonus granted (under similar market conditions) and several incentives associated with productivity.

The agreed readjustments, in addition to respecting the parameters of the company not to excessively escalate labor costs, are very competitive with respect to the industry. The three-year term of the collective agreements and contracts, the maximum authorized by law, helps to strengthen labor relations by having agreed rules between the parties for a long-term period.. This allows us to focus on the continuous

improvement of business management variables such as safety, productivity and costs. Also, the extended term helps to contain increases in labor costs.

Another relevant aspect was the consolidation of incentives associated with improvements in productivity. This translated into bonuses paid once a year against results for the term of the collective instrument. This approach guarantees the existence of a relationship between the payment made and the corresponding improvement in the competitiveness of the business, and considers the fulfillment of solid goals that are focused on reducing costs or increasing productivity. Finally, another factor

36 months term of agreements

to highlight in this process was the low level of conflict in the 18 negotiations.

Union affiliation

Historically, Codelco has had high union affiliation rates. As of December 31 2018 affiliation figures reached 94.37% of internal staff with an indefinite contract. This figure reflects the importance that workers give to the participation of trade unions in the relations with the administration.

Affiliations
94.37%



Labor indicators

Staff: Up to December 31, 2018 our internal staff (indefinite contracts and fixed-term contracts) reached 18,036 people, which represents a decrease of 2.8% over the previous year. The annual staff average was 18,395 people.

Absenteeism

Our annual average of absenteeism rate reached 3.9%, representing an increase of 2.6% above the previous year. Absenteeism, without considering pre and post-natal leave or maternity / paternity leave, reached an annual average of 3.7%.

INTERNAL STAFF PER UNIT

CODELCO	DECEMBER STAFF		VARIATION
	2017	2018	%
Executives	229	226	-1.30%
Professionals / Supervisors	3,931	4,010	2.00%
Operators / Administrative	13,593	13,165	-3.10%
Permanent workforce	17,753	17,401	-2.00%
Temporary workforce	809	635	-21.50%
TOTAL INTERNAL STAFF	18,562	18,036	-2.80%



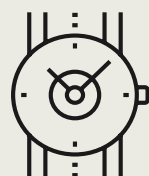
INTERNAL STAFF BY DIVISION

DIVISION	DECEMBER STAFF		VARIATION
	2017	2018	%
Chuquicamata	5,664	5,494	-3.0%
Radomiro Tomic	1,282	1,216	-5.1%
Ministro Hales	770	810	5.2%
Gabriela Mistral	556	564	1.4%
Salvador	1,672	1,652	-1.2%
Andina	1,724	1,671	-3.1%
El Teniente	4,535	4,248	-6.3%
Ventanas	937	858	-8.4%
Head Office	478	490	2.5%
Vice-Presidency of Projects	911	997	9.4%
General Auditing	33	36	9.1%
CODELCO - CHILE	18,562	18,036	-2.8%



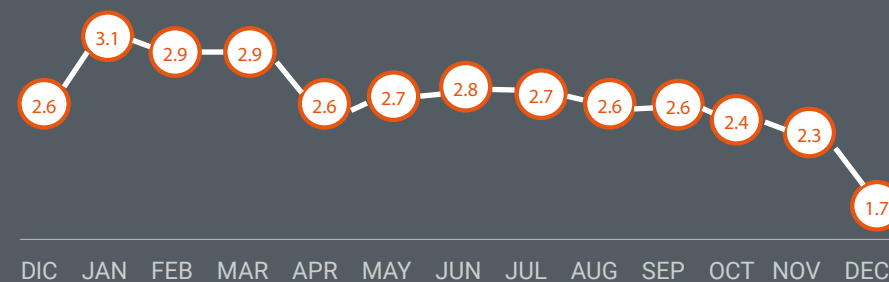
OVERTIME

Annual overtime average at Codelco reached 2.6% in 2018, just under 2.7% in 2017. This represents a 3.7% decrease.



Overtime
2.6%

OVERTIME, MONTHLY AVERAGE DECEMBER 2017-2018





Social responsibility and sustainable development

Indicators of diversity in our company:

During 2018 our Board was composed of nine members, all Chilean nationals.

AGE	RANGE
Younger than 30	0
30 to 40 years	1
41 to 50 years	1
51 to 60 years	0
61 to 70 years	5
Above 70	2
TOTAL	9

NUMBER OF YEARS	IN THE COMPANY
Less than 3 years	5
Between 3 and 6 years	3
More than 6 years and less than 9 years	0
Between 9 and 12 years	0
More than 12 years	1
TOTAL	9

NATIONALITY	
Chilean	148
Peruvian	1
TOTAL	149

AGE	RANGE
Less than 30 years	0
30 to 40 years	17
41 to 50 years	52
51 to 60 years	54
61 to 70 years	25
More than 70 years	1
TOTAL	149

NUMBER OF YEARS	IN THE COMPANY
Less than 3 years	57
Between 3 and 6 years	55
More than 6 years and less than 9 years	8
Between 9 and 12 years	8
More than 12 years	21
TOTAL	149

In 2018 senior management consisted of 149 people, ten of them women. The tables to the right show 2018 figures for nationality, age range and the number of years in the company of senior management.





Internal employees with indefinite term contracts reached 17,401 as of December 31, 2018. In terms of female participation, during 2018, 1,636 women worked at Codelco, representing 9.4% of the workforce with an indefinite contract.

The following tables specify figures for nationality, age range and the number of years in the company of internal staff with an indefinite contract as of December 31, 2018.

COUNTRY	NUMBER	AGE	RANGE
Germany	2	Less than 30 years	982
Argentina	6	30 to 40 years	4,812
Belgium	1	41 to 50 years	5,099
Bolivia	8	51 to 60 years	4,885
Brazil	1	61 to 70 years	1,593
British	1	More than 70 years	30
Chile	17,333		
Colombia	8	TOTAL	17,401
Cuba	2		
Ecuador	7		
Spain	7	NUMBER OF YEARS	IN THE COMPANY
France	2	Less than 3 years	1,822
Italy	2	Between 3 and 6 years	3,447
Peru	12	More than 6 years and less than	
Venezuela	9	9 years	1,439
TOTAL OTHER NATIONALITIES	17,401	Between 9 and 12 years	3,360
		More than 12 years	7,303
		TOTAL	17,401

Wage gap by gender

The following table provides the proportional average gross salary as per position, responsibility and role of female executives in comparison with male executives with our company during 2018.

POSITION, ROLE OR RESPONSIBILITY	PROPORTION OF THE AVERAGE GROSS SALARY OF FEMALE EXECUTIVES AND WORKERS VERSUS MALE EXECUTIVES AND WORKERS
Vice Presidents	There are no women
General managers	There are no women
Managers	85.0%
Area Managers	87.0%



Sustainability

The Master Sustainability Plan encourages us to take responsibility for Codelco's present, which implies achieving the best operational and economic results, while ensuring its future as a responsible, sustainable and inclusive company.

In recent years we have been striving to reduce costs and increase productivity, taking charge of the difficulties and opportunities presented by a narrower economic scenario, a more demanding social environment and increasingly stringent and demanding environmental regulations.

Within this context, in 2016 the Board of Directors approved the Corporate Sustainability Policy and the Sustainability Master Plan, which clearly incorporated this dimension into our approach to the mining business. Today we seek to ensure our long-term profitability and be the promoters of change in our way of thinking about and conducting mining activities.

The Sustainability Master Plan (known for its acronym "PMS" in Spanish) encourages us to strengthen the capabilities of our Corporation to be able to anticipate variables such as community needs and the effects of climate change.

The PMS also imposes concrete and challenging goals for the years 2020, 2030 and 2040 through each of the six pillars defined specifically for sustainability: 1) occupational health and safety, 2) environment, 3) community and territory, 4) business and corporate governance, 5) people and 6) strategic innovation. The PMS calls on us to reduce uncertainties regarding the availability of resources and minimizing risk and socio-environmental impact.

To make the PMS a reality, during 2017 we developed and implemented a set of action plans to meet the committed goals. In 2018 we monitored and controlled each of these plans.

Moreover, we conducted specific workshops for each pillar of the plan and 2 expanded workshops in the North and South-Central districts. The key goals of each pillar of the Sustainability Master Plan are presented in the following infographic:

Occupational health and safety	Environment	Business and corporate governance
Zero fatalities	10% reduction in consumption of fresh water per treated ton	The Business and Development Plan must ensure an average C1 cost within the second quartile of the industry.

KEY GOALS OF THE 2018 SUSTAINABILITY MASTER PLAN

Key human resource management system with sustainable outlook.	5% traceable copper cathodes.	Record zero community incidents with loss of production and reputation
People	Strategic innovation	Communities and territory



Within the framework of the National Plan for Human Rights and Business, a government initiative aimed at safeguarding human rights in relation to the actions of companies, Codelco completed its first due diligence process both at the corporate level and at certain divisions. Accordingly, Codelco properly manages its risks and impacts on issues related to the safety and health of its employees, non-discrimination, inclusion and labor agreements. The process also identified strengths and areas for improvement for the complaints and grievances mechanisms of the Corporation, for which we are currently developing improvements. The next steps point to developing a specific policy and organizational framework for the management of human rights risks.

Investments in sustainability

In 2018, Codelco invested US\$ 986 million in sustainability projects, of which US\$ 644 million correspond to projects for compliance with Supreme Decree No. 28 of the Ministry of the Environment, which regulates copper smelter emissions.

Occupational health and safety

Safety and occupational health are one of the fundamental pillars of our corporate management approach. The protection of our workers, whether internal or third party, is a core value and central principle of our Occupational Health and Safety in the Workplace and Operational Risk policy. This guiding principle materializes through specific plans and programs underway in all our work centers,

and extends to contractor companies. The principal plans and actions developed during 2018 are as follows:

Leadership: during the January-December 2018 period we reached 90% compliance with our leadership and safety program for executives and supervisors. Among the activities carried out were the executive night walks, area inspections with a specific focus on working conditions such as housekeeping and cleanliness, engagement and dialogue with workers in the field, meetings of the High Council for Safety and extended meetings with contractors to analyze results. Also during the year we held 12 safety talks with the CEO, addressed to the entire Corporation which representatives of Sernageomin and the Superintendence of Social Security (Suseso) participated. These talks are aimed at creating awareness within the organization on preventive management in occupational health and safety and strengthening preventive leadership.

Observation of behavior: this initiative has become an important preventive, cross-application tool at our work centers. It has allowed us to focus our efforts on risky behavior, providing feedback and adopting corrective actions to move towards a preventive culture.

US\$986

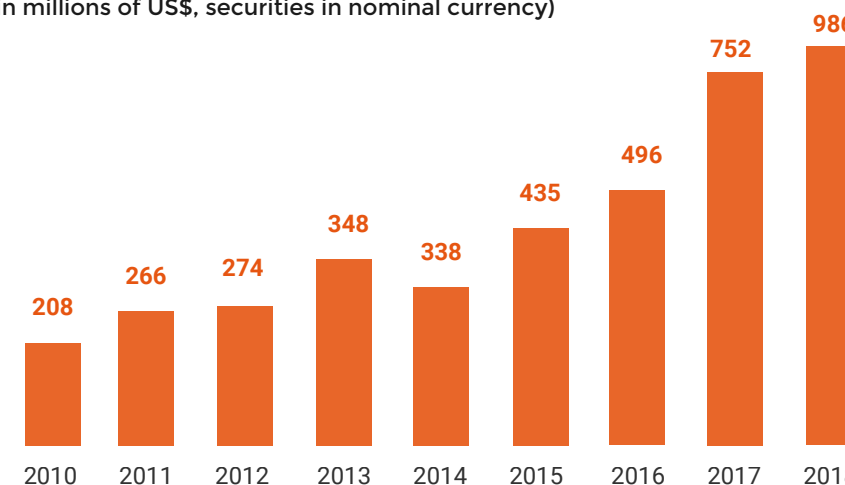
millions in sustainability projects



US\$644

million in projects linked to compliance with DS 28

2010-2018 INVESTMENT IN SUSTAINABILITY
(in millions of US\$, securities in nominal currency)





During 2018, over 350 thousand behavioral observations were made, in which trained and qualified observers participated. Through the Preventive Tool Management System (“SGHP”) it was possible to monitor the status and trends of observed behaviors, which is reported in detail to the general managers in the quarterly management report issued by the Corporate Occupational Health and Safety Department.

Technical work groups: the technical work groups are an important aspect of our preventive management, since these groups are responsible for gathering the know-how of the work centers, generating internal regulations on specific matters that are transversal to the divisions and providing the competent advice on the specific topics, in addition to sharing lessons learned.

During 2018, technical work groups were formed for industrial facilities and structures, loss management, training, arsenic and noise were established.

Training: during 2018 we started a workshop for front-line supervisors whose purpose is to train leaders with skills to foster preventive behaviors. This workshop was held at all work centers and will continue throughout 2019.

In October, we conducted two videoconferences with an international expert to learn new techniques for managing incidents with high potential for serious and fatal injuries. In December we held a workshop with divisional managers for occupational health

and safety with the same consultant.

Corrective actions and lessons learned from incidents: all high potential incidents, qualified according to the respective procedure, were investigated. All control actions generated by this process were entered into the database for dissemination and reporting to all work centers. During the year, 73 incidents, both real and potential, were reviewed, generating a total of 1,803 corrective actions.

In June and July, at the request of the CEO, we carried out a safety reinforcement plan led by corporate management.

Among the activities carried out included the evaluation of compliance with corrective actions generated from investigations of high potential incidents, serious and fatal accidents during 2015, 2016 and 2017.

Use of the green card and occupational health and safety reports: the green card is a participatory tool that allows workers to refuse to start or stop a task when any of the controls established in the procedures are not implemented. In March 2018, the CEO launched a safety reinforcement plan that included this self-care measure, which we have continued to decisively promote throughout the organization.



On the other hand, occupational health and safety reports constitute a source of information that display opportunities for improvement and prioritizing control actions, in relation to fatality control standards, health standards at work and critical risks.

440 thousand occupational health and safety reports were recorded in 2018 in the platform database of which over 93% are closed.

Management of contractors and subcontractors

Regarding the occupational health and safety management of these companies, professionals from the administrating bodies of Law 16.744 (on work-related accidents and occupational illness) advised on and controlled specific activities associated with legal requirements and the obligations established in the Special Occupational Health and Safety Regulations of the Corporation ("Resso").

In accordance with the established programs, monthly audits are conducted and quarterly consolidated audits are conducted on the performance in occupational health and safety of the contractors and subcontractors, according to the guidelines and requirements established in the Resso.

We carried out a training plan for Resso leaders belonging to the Vice Presidencies of North, South Center Operations and Projects (VP), to standardize the evaluation criteria as established in the Resso Implementation Guide. Additionally, we included prevention management of the contractor companies in the semi-annual audits on the

Occupational Health, Safety and Operational Risk Management System (SIGO) with an overall result of 94% compliance.

Joint Committee on Hygiene and Safety

In October 2018 we held the annual of joint hygiene and safety committee meeting ("Ecopar" 2018), an event that took place in the División Radomiro Tomic. 130 members of the 47 committees of the Corporation attended, who received the welcoming of Codelco's CEO, who opened the event.

For its part, the technical work group of the joint committees met on three occasions, in which they analyzed management development and planned actions to promote incident reporting, lessons learned, compliance with corrective actions in the field, support for medical and hygiene oversight plans and the publication of safety issues among workers.

In terms of occupational hygiene, we drafted a new Codelco Corporate Standard ("NCC") to eradicate silicosis. This standard aims to promote operational and maintenance controls to advance the eradication of this illness in our company, in accordance with the objectives of the National Plan for the Eradication of Silicosis (Planesi).

We also made progress in the management of hazardous substances after formalizing the regulation "Requirements and standards for chemical products on Codelco job sites and Projects". Under the framework of this regulation, we perform external audits to evaluate compliance with the

Occupational health and hygiene

In matters of occupational health and hygiene, we continue to implement monitoring plans, focusing on sources of emission or the generation of agents and risk factors critical to health within operational areas. The objective is to reduce exposure of internal and contractors workers and to monitor environmentally and medically exposed workers, as established by current regulations.

DS 43 Adaptation Projects, storage of hazardous substances, and compliance with radiation management and protection requirements. Moreover, we implemented computer platforms to standardize the management of hazardous substances and ionizing radiation and train related personnel and those in charge of emergencies on such matters.



Accident rate indicators

We sadly regret the occurrence of four fatal accidents in 2018.

Immediately, the executive presidency ordered the execution of an extensive plan to strengthen safety across the entire Corporation.

With respect to accident rate indicators, we recorded a global frequency rate (including internal and contractors) of 0.86, the lowest recorded in the history of Codelco.

The global severity rate (internal and contractor staff) reached 244, up 68% from 2017, which reflects the fatalities recorded in 2018.

244

Severity rate



0,86

Incident frequency rate





ENVIRONMENTAL PERFORMANCE

The Environmental Risk Management System (SGRA) was formalized within the framework of the Corporate Sustainability Policy and the Corporate Policy of Risk Management. The SGRA consists of a document structure that defines activities and minimum requirements to strengthen our environmental management, integrating other baseline documents already in place at Codelco.

The SGRA is a corporate system and seeks to preemptively and transparently manage all environmental risks. Additionally, it is aligned with Codelco's Comprehensive Risk and Control Model and ISO 14001 standard. The SGRA includes the following documents:

- Charter of values
- Code of business behavior
- Corporate sustainability policy
- Environmental standards and guidelines
- Corporate standards
- Special environmental and community regulation for contractors and subcontractors
- SGRA Manual
- Procedures
- Instructions
- Forms

The environmental management of our operations has a structure led at the corporate level by the Department of Sustainability and Institutional Relations and by said department's counterparts within each work center. These counterparts coordinate the fulfillment of the objectives of the Sustainability Master Plan on environmental protocol and engage each operational area with respect to environmental risks.



Total DS 28 investments

CHUQUICAMATA Smelter

US\$1,034
million



POTRERILLOS smelter

US\$426
million

CALETONES Smelter

US\$629
million



VENTANAS Smelter

US\$113
million

Given the importance of strategic aspects such as water resources and energy, we also have departments for Strategic Supplies and Water Tailings and Divisional Projects. Both of these are responsible for ensuring compliance with environmental standards and the targets set forth in the respective Sustainability Master Plan.

Smelter emissions

During the 2018 fiscal year we approved Codelco's development strategy for smelters and refineries, whose core objective was defined as the optimization of current smelters and refineries in the context of value creation. The basic idea is to improve smelter and refinery efficiency, productivity and cost competitiveness by incorporating best practices, innovation and development into the processes, while complying with the emissions and capture requirements set forth in the environmental regulations.

Most of our efforts in 2018 focused on executing projects to comply with the emission regulations of Supreme Decree 28 issued by the Ministry of the Environment for the Chuquicamata, Potrerillos and Caletones smelters. Our Ventanas smelter has been compliant with said decree since December 2016. Therefore, efforts here centered on consolidating Ventanas gas capture to exceed the 95% level required by the standard. At the corporate level we are investing approximately US\$ 2,200 million in this area.

Chuquicamata smelter During 2018, the Chuquicamata smelter achieved 79% progress for the eight projects required by DS 28. Among these projects includes the construction of two new double absorption sulphuric acid plants, optimization of the flash furnace with an increase in its fusion capacity from 800 thousand to 1.1 million tons of concentrates and calcinates per year, and the replacement of the concentrate dryer. Due to the considerable size and complexity of the investment projects, there was a delay in their start-up. Therefore, the smelter stopped operations on December 12.

Potreriillos smelter: we executed the second stage of the gas capture projects and the visible smoke treatment by fire refining. As of December 2018, these projects reached physical progress of 84%.

Caletones smelter: División El Teniente smelter has been compliant with DS 28 since December 12, 2018, after the execution and implementation of four investment projects that reduced gas emissions: the optimization of concentrate drying, the increase in residual gas capture from sulfuric acid plants, the reduction of visible fire refining smoke opacity and a reduction of arsenic emissions in the slag cleaning furnaces in the Teniente Converters.

Ventanas smelter: the División Ventanas complied with the permitted levels of emissions and capture stated in DS 28 for the second consecutive year.



3 PILLARS OF WATER TREATMENT



Efficiency

Sustainable exploitation

New sources

Liquid industrial wastes

We report monthly to the competent authorities the results of the monitoring of our nine authorized discharge lines (four in Andina, three in Salvador, one in Ventanas and one in El Teniente). We are compliant in all cases with the established limits. The Radomiro Tomic, Chuquicamata, Ministro Hales, and División Gabriela Mistral do not discharge liquid industrial waste into water courses.

Solid industrial waste

In accordance with our Sustainability Master Plan, in 2018 we made progress on two specific plans. The first seeks to standardize the classification, recording and quantification standards of all solid industrial waste generated in our divisions. The second seeks to increase created value of these wastes by identifying whether they have potential for reuse, recycle or energy recovery. To this end, a

cross-disciplinary work group was established with the participation of the Innovation and Technology, Sustainable Market Development and Sustainability and Institutional Relations departments.

Water resources

During 2018 we continued the tender process for the desalinated water supply project for the divisions located in Calama; that is, Chuquicamata, Radomiro Tomic and Ministro Hales. Several world-class consortiums are tendering bids to be awarded the construction, operation, maintenance and financing of the project, which is expected to enter into operation within the first half of 2022.

Moreover, we defined a strategic framework to achieve greater effectiveness in water resource management. What we seek is to guide our decision-making process to cover Codelco's risks in this matter and ensure a water supply while

controlling the consequent increase in water access costs. For this we have established three key approaches:

- Water efficiency
- Sustainable exploitation of water sources
- Development of new water sources

In terms of management, we made progress on implementing a guide to the corporate standard for water resources. This guide highlights the materialization and formalization of a methodology to prepare water balances, the development of a baseline document to report water resources, and the establishment of quarterly corporate and divisional committees. We also managed to improve water consumption indicators, in line with the Sustainability Master Plan.

At Codelco, we are committed to progress in the

standardization of reporting, executing water efficiency plans and improving water consumption indicators at our sites.

Tailings management

Codelco has worked on implementing the best practices of the industry and we are moving forward to find the best available technologies for our tailings systems. We encourage continuous improvement in this area, through controls and audits and the incorporation of internal and external experience. During this period, we implemented the services of the Tailings Independent Review Board, the Records Engineer and the Dam Safety Review, through companies and professionals with extensive experience and international prestige.



Codelco is committed to achieve maximum control of the risks present at its tailings facilities, with special focus on avoiding catastrophic failures, maintaining strict compliance with current regulations and integrating the best practices of the mining industry in this field.

We have established and are moving forward with an oversight system that ensures effective management of these facilities. This systems shall be sustainable throughout the life cycles of the facilities and based on the "Position Statement on preventing catastrophic failure of tailings storage facilities" a document issued by the International Council of Mining and Metals (ICMM).



Sustainable energy

In 2018 we started a pilot electro-mobility project to evaluate the efficiency and profitability of passenger transfers at three divisions of the Northern District: Ministro Hales, Radomiro Tomic and Gabriela Mistral.

This is the first plan of its kind developed by a mining company, implemented under the harsh conditions of the Atacama desert, the driest place on the planet, with a significant temperature variations and at an altitude of up to 3,000 masl.

During this period we also initiated the feasibility study for using a diesel-equivalent fuel, obtained from the tires previously used by our ore extraction trucks.

The objective of the project is to revalue our waste, reduce costs and reduce our carbon footprint. In the same vein, we are evaluating the feasibility of using liquefied natural gas to replace diesel in the trucks we use to extract ore from mines.

Project environmental assessment

Not one Codelco project was rejected by the Environmental Impact Assessment System (SEIA) in 2018. During this period the authorities approved 22 initiatives, among which include:

- Environmental impact study "Improvement to the generation, transport and disposal of arsenic waste from the División El Teniente"
- Environmental Impact Statement (EIS) "Modifications to the Radomiro Tomic mine extraction and ore transport project"
- Environmental Impact Statement "Modification to RCA No. 227/2011 Potrerillos slag flotation"

We also submitted the addendum for the environmental impact study "Adaptation of Andina mining works for current operational continuity" and we began the process for the SEIA of the "Rajo Inca Project", which seeks to extend the operations of the División Salvador for another 40 years.

Closure of mine sites and facilities

To comply with the transitional provisions of Law No. 20.551, Codelco has eight current closure plans duly approved by the authority, corresponding to each of its eight operating divisions. During 2018 we continued updating these plans with the objective of bringing them from the transitional rules of the law to full regularization for 2020.

Up to December 31, 2018, we have bank guarantees constituted for 27,058,918 Unidades de Fomento (UF) in favor of the Chilean state, to ensure full compliance of with facility closures when this occurs.



22 Codelco initiatives were approved by the Environmental Impact Assessment Service





Operational incidents with environmental consequences

Our corporate standard NCC No. 38 regulates the identification, control and evaluation of all operational incidents with environmental consequences and classifies such incidents into categories ranging from “mild” to “very severe”

In 2018 we recorded a single incident with environmental consequences, which was classified as “severe” and occurred at the División Salvador. The incident involved a slag concentrate solution spill of approximately 35 cubic meters at the slag flotation plant. After the fact, we set up a corporate research team and designed a plan of corrective and preventive measures.

COMMUNITY DEVELOPMENT

2018 was highlighted by progress in reaching our goals established in the Sustainability Master Plan. This plan establishes that community development is a strategic area of management and one of its objectives is to contribute to the territorial development of the areas of influence of our operations.

In this context, we are making progress the in implementation of a territorial development model and the development of a community engagement strategy, whose focus is risk management and the design of new community tools.

In the first semester of 2018 we updated our socioeconomic impact study. This permitted us to

validate and identify the areas of influence and the main socioeconomic indicators linked to Codelco's operations. We also worked on developing a policy for indigenous peoples and during the first quarter of 2019 we will begin the stage of indigenous community engagement within our area of influence.

Community investment

As established by Codelco's corporate standard NCC No. 39, community investment agreements are the instrument through which the Corporation signs agreements with public and private legal institutions to formalize the delivery of contributions to carry out community projects. All such contributions must involve an agreement with these characteristics.

Community investment during 2018 focused on four areas: human capital, development of the territory, socio-environmental commitments and native peoples.

This year we signed 114 social investment agreements with organizations and institutions, with a total budget of \$4,628,787,779.

It should be noted that we achieved 100% compliance in agreements with compliance certifications and sworn declarations according to Law No. 20.393 on criminal liability of legal persons.

Furthermore, in November and December we conducted an internal audit on a sample of 15 valid agreements to verify compliance with our internal regulations.





BUDGETED AGREEMENTS 2018

DIVISION	AGREEMENTS SIGNED IN 2018	TOTAL BUDGET
North District	64	\$2,723,560,765
Salvador	1	\$160,575,075
Andina	38	\$1,085,157,169
Ventanas	7	\$157,802,070
El Teniente	4	\$501,692,700
TOTAL	114	\$4,628,787,779

Key community projects

North District

Toconce electrification project:

Ninety families from the Toconce settlement were benefited with the Rural Electrification Project that included the installation of solar energy home kits. The purpose of the project was to provide an energy solution on a continuous basis (24 hours a day) to the village in addition to maintaining and improving public lighting. This was done through the installation

of independent electric solar kits of 2,480 kwh each. These kits supply enough energy for the consumption of an average Chilean family in any region and can power a refrigerator, computer, electric kettle, irons, washing machines, TV, lighting and other appliances. The project, which in November 2018 won first place in the "Best practices for a more sustainable energy future" contest by Generadoras de Chile, had as strategic partners the Indigenous Community of Toconce, Codelco North District, Geotérmica del Norte and the Municipality of Calama.

TOCONCE ELECTRIFICATION PROJECT	AMOUNT
CODELCO - NORTH DISTRICT	\$300,000,000
GEOTÉRMICA DEL NORTE S.A.	\$300,000,000
MUNICIPALITY OF CALAMA	\$69,260,670
TOTAL	\$669,260.670



Revitalization and dissemination of the cultural heritage within Codelco's areas of influence:

This is a joint effort between Codelco North District and the Corporación de Cultura y Turismo, which allowed initiatives such as "The museum visits your school" in which students from several establishments in Calama, Alto Loa and María Elena , among other territories of the area of influence, witnessed an entertaining exhibit about the origin of dinosaurs in the Province of El Loa.

Within the framework of this agreement, other actions were carried out such as lectures on patrimonial safeguards addressed to the community, emergency organisms and professionals from the North District, as well as a work of valorization of archaeological and paleontological material that have been identified at different projects within the North District operations.

REVITALIZATION AND DISSEMINATION OF THE CULTURAL HERITAGE WITHIN CODELCO'S AREAS OF INFLUENCE	AMOUNT
CODELCO - NORTH DISTRICT	\$500,000,000
CORPORATION OF CULTURE AND TOURISM OF CALAMA	\$150,000,000
TOTAL	\$650,000,000

Student environmental fair:

Within the framework of this agreement, Codelco North District organized for the second consecutive year an Environmental Fair that brought together students from several schools across Calama, who showed all their ingenuity and creativity

through a variety initiatives aimed at protecting the environment. This work is part of the Codelco's strategic approach to community investment and aims to generate environmental awareness from an early age.

STUDENT ENVIRONMENTAL FAIR	AMOUNT
CODELCO - NORTH DISTRICT	\$100,000,000
CORPORATION OF SOCIAL DEVELOPMENT OF CALAMA	\$5,000,000
TOTAL	\$105,000,000





Don Bosco School of Calama:

Through continuous actions to promote education, Codelco contributed to the construction of the first and second stage of the Don Bosco School in Calama. This subsidized private establishment belongs to the Regional Educational Foundation

of Mining (linked to the Antofagasta Industrial Association) with the support of the Salesian Congregation. The primary goal of the school is to serve families from vulnerable socio-economic sectors of Calama.

DON BOSCO SCHOOL IN CALAMA	AMOUNT
CODELCO - NORTH DISTRICT	\$ 1,100,000,200

Preventive talks for hazardous substances emergency response:

This joint effort began in 2017. During 2018 more members of the community were added to give preventive talks on emergency response to hazardous substances such as sulfuric acid. Community representatives were joined by members of different provincial emergency agencies and their own workers, as well as contractors from the North District divisions. These training talks were

complemented by different simulation drills in which the capacity to respond to emergencies associated with the transport of hazardous materials and other events was put to the test. These instances have made it possible to materialize different emergency support services through the Emergency Operating Committee (EOC).

PREVENTIVE TALKS FOR HAZARDOUS SUBSTANCES EMERGENCY RESPONSE	AMOUNT
CODELCO - NORTH DISTRICT	\$ 280.000.000



Renewable energy for Calama and Alto Loa:

In 2018 the North District of Codelco continued to strengthen and promote the use of non-conventional renewable energies (NCRE) through the installation of solar heaters, benefiting more than a thousand families in Calama and certain locations in Alto Loa. This support includes training for community members on the installation, use

and maintenance of this equipment. The initiative permits significant savings in monthly gas bills of the beneficiaries, which in turn positively impacts the household economy, improves the quality of life of our neighbors and contributes to the reduction of precursor gases that cause climate change.

RENEWABLE ENERGY FOR CALAMA AND ALTO LOA	AMOUNT
CODELCO - NORTH DISTRICT	\$456,760,000

Community tourism in Atacama la Grande:

As a way to promote tourism that is sustainable, environmentally friendly and respectful to local cultural heritage, the Atacameño communities of Peine, Talabre, and the Turi Hualka Tourism Association of Santiago de Río Grande, developed a tourist circuit in which, for two days, visitors can see a series of attractions such as petroglyph fields, rock art, development of high altitude agriculture,

archaeological-astronomical heritage, ancestral customs and typical foods, among others. The initiative is part of a joint effort between the Culture and Tourism Foundation of San Pedro de Atacama and Codelco North District, which addresses the development of indigenous peoples as one of its key drivers of community investment.

COMMUNITY TOURISM IN ATACAMA LA GRANDE	AMOUNT
CODELCO - NORTH DISTRICT	\$ 60,155,170
CULTURE AND TOURISM FOUNDATION OF SAN PEDRO DE ATACAMA	\$ 21,200,000
TOTAL	\$ 81,355,170





Solar heaters for the Lasana community:

In mid-2018, Lasana’s community fulfilled one of its great aspirations. Through a cooperative agreement with Codelco North District, the installation of solar heaters, procurement of fire suppression equipment and improvements to the infrastructure of several community spaces, including the repair of bathrooms, showers, barbecue areas and cabins

at the “Corazón de Lasana” campsite. Nearly 100 people benefited directly from the initiative. Moreover, a competitive fund was developed that allowed a series of improvements to be made to the “Agroindustry” facilities, an important sector for the internal economy of the community.

SOLAR HEATERS FOR THE LASANA COMMUNITY	AMOUNT
CODELCO - NORTH DISTRICT	\$ 92,900,000
ATACAMEÑA COMMUNITY OF LASANA	\$ 28,500,000
TOTAL	\$ 121,400,000

Orchestra of Mejillones:

In 2018, and for the eighth consecutive year, Codelco North District and the Municipality of Mejillones renewed an agreement to promote the development of the Youth Orchestra of that coastal town. The work, which took place throughout the year, was

topped off with an outstanding Christmas concert offered by this orchestra in Calama and was aimed at the local community and staff of the Northern District, who enjoyed the presentation in the institutional building of Codelco.

ORCHESTRA OF MEJILLONES	AMOUNT
CODELCO - NORTH DISTRICT	\$45,000,000



San Pedro de Atacama Children and Youth Orchestra: youngsters from that municipality. The objective is to generate cultural and artistic learning as tools to preserve and value the local culture, motivate interest in practices that foster cultural development, camaraderie, learning and the acquisition of personal development skills.

SAN PEDRO DE ATACAMA CHILDREN AND YOUTH ORCHESTRA	AMOUNT
CODELCO - NORTH DISTRICT	\$ 135,200,958
ILLUSTRIOUS MUNICIPALITY OF SAN PEDRO DE ATACAMA	\$ 243,882,000
TOTAL	\$ 379,082,958

Let's read well to understand each other better: This project seeks to increase the efficiency of the educational process of children and young people in the town of Sierra Gorda, through a literacy incentive program, whose fundamental benefit is to provide a high level option for the intellectual and social development of the participants. This initiative is developed in conjunction with the General Parent Center of the Caracoles School, directors and teachers of the establishment. The program includes the development of several activities such as workshops, a literary cafe, plays, interaction with artists, among others.

LET'S READ WELL TO UNDERSTAND EACH OTHER BETTER	AMOUNT
CODELCO - NORTH DISTRICT	\$ 117,500,000
GENERAL PARENTS AND TEACHERS CENTER SCHOOL G-101	\$ 25,100,000
SIERRA GORDA	
TOTAL	\$ 142,6000,00





Agreement with groups on the coastal border of Tocopilla:

As a way to reinforce a collaborative activities in the fishing sea algae and shellfish collection sector from the southern end of the Tocopilla coastal area, in 2018 Codelco North District signed a cooperative

agreement that provided for improvements to the quality of life of the inhabitants of Caleta Buena, Punta Atala and Cobija, through the use of unconventional renewable energies that entailed solar kits for 20 families. The agreement included the installation of 13 solar posts to illuminate the public highway.

AGREEMENT WITH GROUPS ON THE COASTAL BORDER OF TOCOPILLA	AMOUNT
CODELCO - NORTH DISTRICT	\$ 37,540,200

División Andina

Reopening of Río Blanco Fish Farming:

The educational and recreational park “Piscicultura Río Blanco Federico Albert Taupp”, an initiative selected in the Codelco Social Investment Fund (FIS) in 2017, has already opened its doors to the community of Aconcagua. Among its objectives is to ensure the conservation of natural, historical-social and cultural heritage. In partnership with the Entrepreneurs Association of Río Blanco, this park is a new commercial and tourist attraction, and contributes to expanding the job possibilities of the sector.



REOPENING OF RÍO BLANCO FISH FARMING	AMOUNT
CODELCO - DIVISIÓN ANDINA	\$ 94,500,000

Road safety program for students at El Sauce, Río Colorado and Río Blanco schools:

With the help of the Andina Más Cerca program, in partnership with Carabineros de Chile and the municipalities of Los Andes and San Esteban, this initiative provides safety equipment to students of the aforementioned schools.



ROAD SAFETY PROGRAM FOR STUDENTS AT EL SAUCE, RÍO COLORADO AND RÍO BLANCO SCHOOLS	AMOUNT
CODELCO - DIVISIÓN ANDINA	\$ 20,000,000

Reconstruction of the “Frutitos de Huechún” nursery school:

Improvements to these facilities was a long-awaited request in this community. This establishment receives 24 children between two and five years old, who now have a better education and receive comprehensive care.



RECONSTRUCTION OF THE "FRUTITOS DE HUECHÚN" NURSERY SCHOOL	AMOUNT
CODELCO - DIVISIÓN ANDINA	\$ 94,500,000



División El Teniente

Agreement to improve the hill channel:

Doñihue is part of the area of influence of the División El Teniente. A tailings line runs through this municipality. Therefore, it is essential to maintain a transparent and trusting relationship with community members and organizations, to guarantee human safety, the irrigation channels and the tailings line itself. In this context, the División El Teniente signed a community investment agreement with the Association Canalistas Canal Rinconada de Doñihue. Through this instrument we support the cleaning and control of the hill channel which runs parallel to the tailings launder. The agreement consisted of the execution of six cleaning activities which have already taken place.



AGREEMENT TO IMPROVE THE HILL CHANNEL	AMOUNT
CODELCO - DIVISIÓN EL TENIENTE	\$ 20,728,000

Agreement with the Santa María Help Committee:

The División El Teniente signed an agreement with the Santa María Help Committee to perform medical and / or dental operations in three municipality: Doñihue, Olivar and Rancagua. Thanks to this initiative, more than two thousand people from socially vulnerable backgrounds could access professional attention from different areas of health.

AGREEMENT WITH THE SANTA MARÍA HELP COMMITTEE	AMOUNT
CODELCO - DIVISIÓN EL TENIENTE	\$ 12,200,000

División Ventanas

Ventanas School Children's Symphonic Orchestra Program (Osiev):

Program associated with the Puchuncaví-Quintero Development Corporation, whose objective is to contribute to the socio-cultural integration of school children and young people from both municipalities, aimed at fostering the development of creative skills and providing access to cultural assets and social recovery and integration.



The program welcomes approximately 60 children from different schools in both places, who develop daily activities from Monday to Friday and from March to December of each year.

VENTANAS SCHOOL CHILDREN'S SYMPHONIC ORCHESTRA PROGRAM (OSIEV)	AMOUNT
CODELCO - DIVISIÓN VENTANAS	\$ 80,000,000

Codelco in your School Program:

This program is focused on bringing the División Ventanas closer to the youngest people in the municipality of Puchuncaví, in coordination with the Municipal Education Department. This program includes visits by professionals from the division to educational establishments to carry out an instructional divisional presentation on the importance of copper and its primary uses. The group of participating students will then take a field trip to the Campiche Wetland to show the environmental work that is being done. Beneficiaries: Students and teachers from different establishments in the municipality of Puchuncaví.

CODELCO IN YOUR SCHOOL PROGRAM	AMOUNT
CODELCO - DIVISIÓN VENTANAS	\$ 4,000,000



Codelco Social Investment Fund

The Social Investment Fund is one of our mechanisms for allocating resources with the aim of co-financing community projects. The SIF is aimed at civil partnership groups within our areas of influence, at each of our operations.

Investment focus is placed on projects related to human capital, territorial development and indigenous peoples. We are interested in initiatives that seek to solve socio-environmental impacts generated by our operations, encourage citizen participation and improve the quality of life of the people.

Tracking and assessment of community management

In 2018 we continued to follow up on our social investment agreements, engagement plans, commitments with communities, interest group management, identification of early warnings and monitoring of possible socio-environmental conflict.

DIVISION	PROJECT NAME	TOTAL PROJECT BUDGET (\$)	FINANCED BUDGET FOR THE SIF
El Teniente	Tourism Entrepreneurs Route in the areas of direct influence of the División El Teniente (Rutudet), a contribution to the territorial development of the municipality of Doñihue	110,000,000	35,000,000
Andina	Construction and enablement of Chacabuco Craft Village	67,574,000	32,242,000
TOTAL		177,574,000	67,242,000



Indigenous peoples

In our community relations plans we define actions for the indigenous communities in the area of influence of each division. Among these actions is to maintain a presence in the territory through periodic visits and hold work meetings, workshops, training and participatory projects.

In 2018 we worked on internally validating the draft of our indigenous peoples policy. During the first semester of 2019, we will engage the indigenous communities within each of our areas of influence.

During this period we signed 13 collaborative agreements with indigenous communities and organizations, with a total budget of \$ 310,677,079.

13 collaborative agreements with indigenous communities and organizations signed this year.

DIVISION	INDIGENOUS DEVELOPMENT AREA	INDIGENOUS COMMUNITIES
North District	Alto El Loa	Community of Taira Community of Conchi Viejo Community of Caspana Community of Toconce Community of Valle Lasana Community of Estación San Pedro Community of Chiu-Chiu Community of Ollagüe Community of Cupo Indigenous association of farmers and irrigators of Chiu-Chiu (Asachi) Neighborhood Council No. 24 of Village of Chiu-Chiu
	Atacama La Grande	Community of San Pedro de Atacama and the Indigenous Community Ayllus Community of Río Grande Community of Toconao Community of Peine Community of Socaire Community of Camar Community of Talabre
North District- Salvador		Colla Community of Diego de Almagro Colla Community of Geoxcultuxial Colla Community of Chiyagua



Collaborative agreements with indigenous communities and organizations, translated into the following initiatives:

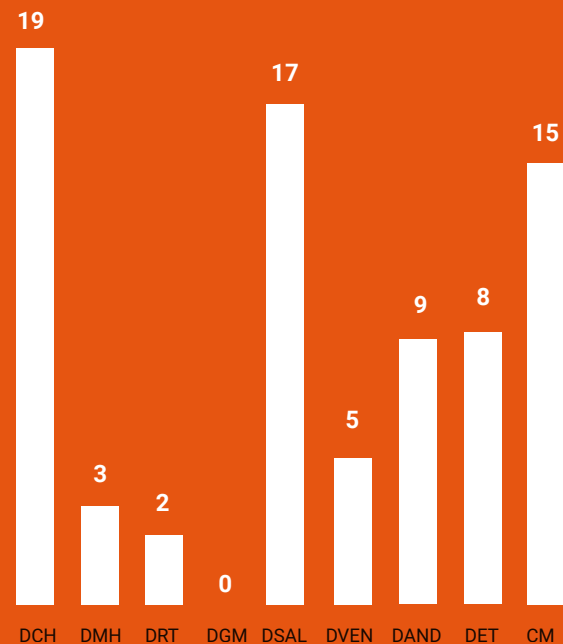
PROJECT NAME	START DATE	FINISH DATE	TOTAL BUDGET
2018 Investment fund: Protection of the environmental heritage of the Atacameña community of Coyo	20-12-2018	20-12-2019	\$15,000,000
2018 Investment fund: Equipping of a new hot springs tourist sector in the Second Region	19-11-2018	19-11-2019	\$15,000,000
2018 Investment fund: Enabling and improving Toconao irrigation channels	14-11-2018	14-11-2019	\$14,950,000
2018 Investment fund: Machuca ethno-tourism: implementation Turi Isatatai	14-11-2018	14-11-2019	\$6,000,000
2018 Investment fund: Heritage themed community center in Caspana	01-08-2018	31-07-2019	\$15,000,000
2018 Investment fund: Toconce: village of potters Ceramics course based on a technique aimed at preservation and sustainability of our cultural heritage	13-11-2018	13-11-2019	\$15,000,000
2018 Investment fund: Ancestral weaving Imilla Inti	29-10-2018	29-10-2019	\$6,334,000
2018 Investment fund: Promoting sport and dance in the highlands of Ollagüe	03-12-2018	02-12-2019	\$15,000,000
2018 Investment fund: Implementation and acquisition for the improvement of the Lasana campsite	11-12-2018	12-12-2019	\$15,000,000
2018 Investment fund: Remodeling and improvements to the headquarters of the Santo Patrono de Ollagüe, San Antonio de Padua	12-12-2018	12-12-2019	\$15,000,000
2018 Investment fund: Saving a little electricity each day will lead to success and joy in the future	01-12-2018	01-12-2019	\$3,000,000
2018 Investment fund: Cultural heritage and recovery of Hurricane club	01-12-2018	01-12-2019	\$14,818,004
2018 Investment fund: Development and characterization of the human environment in the Geocultuxial community and work plans for operational continuity projects at the División Salvador	17-01-2018	31-05-2018	\$160,575,075
TOTAL			\$310,677,079

GF: Grant funds





REQUESTS PER GEOGRAPHIC ZONE (76 tickets)



Concerns and Issues



Socio-environmental Grievances and Suggestion System

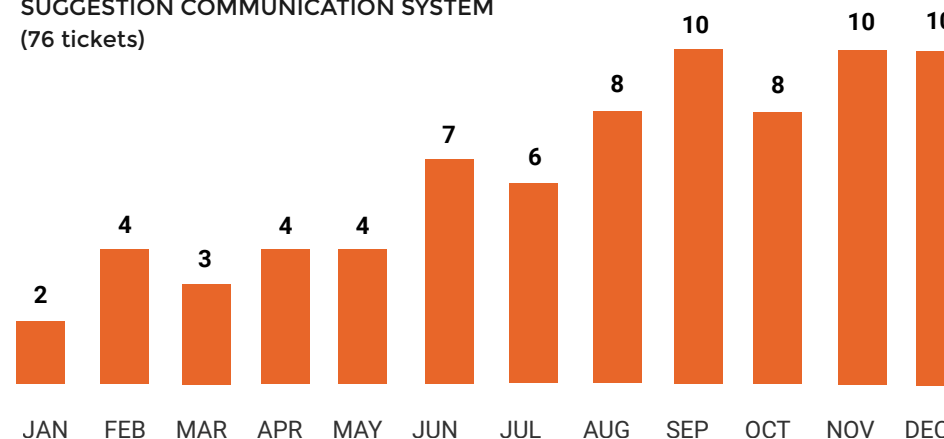
Codelco has a permanent communication platform open to the communities living within the areas where we operate. This platform seeks to respond to the neighboring community concerns, inconveniences and suggestions that we receive and that may arise as a result of production processes and / or investment projects. The system operates by means of a toll-free hotline (800222600) and email (contactosocioambiental@codelco.cl). During this period we introduced improvements to the response procedure

and in the tracking and reporting of tickets. We also expanded the scope of this communication channel to include the concerns that communities may have about human rights issues.

We received 76 calls through this mechanism and since the system was created in December 2014, 393 calls have been entered. Of the 81 contacts received, 55 were complaints, 9 were requests for information and 12 were suggestions.

As for observations, 35 were related to social issues, 32 to environmental issues and 9 dealt with miscellaneous issues. There were no calls associated with human rights.

CALLS PER MONTH IN THE GRIEVANCE AND SUGGESTION COMMUNICATION SYSTEM (76 tickets)



TRANSPARENCY, INTEGRITY, AND GOOD CORPORATE GOVERNANCE



2018 saw the end of a nine-year period following the approval of Codelco's corporate governance model, in Law 20.392. Breaking with our core management paradigms constituted a major challenge, and although we are now in full compliance with the highest international standards, we shall continue to make further progress in this area. We owe this to our company's shareholders: the Chilean people.

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Corporate profile



Key indicators



Our management



Transparency, integrity and good corporate governance



Transformation and the future



Subsidiaries and affiliate companies



Consolidated financial statements



Offices and representatives



Transparency, integrity, and good corporate governance

Risk management, a significant factor in decision making

We at Codelco operate an integrated risk management model that was approved by the Board in January 2017. This includes not only risks that are related to operations at mining sites, but also strategic, financial, and compliance risks. It also establishes a governance mechanism, a standardized risk management process, roles, and responsibilities.

In 2016 the creation of the Corporate Risk Management Division and corresponding divisional departments allowed us to strengthen this model and achieve the goals specified in the Corporate Governance Model, which specifies that the Board must operate its Auditing, Compensation, and Ethics Committee to understand and periodically review critical business risks.

Our goal for 2018 was to enhance the model with the inclusion of existing risk management systems designed to oversee specific risks in areas as diverse as occupational health, tailings systems, and communities. We also manage more than 400 specific risks across our eight divisions, Projects Area, and headquarters, more than 50% of which have been identified as critical. This operation requires over 1,300 control mechanisms, which are subject

to a permanent process of effectiveness validation and documentation.

As risk management is a dynamic and ongoing process, it has become a major factor in decision making. By identifying, evaluating, and managing risk in a timely and effective manner, we can attain reasonable certainty of our capacity to achieve stated objectives.

The challenges of a culture of business integrity

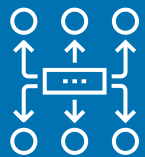
We are engaged in the largest investment plan in our company's history, while also tracing the pathway to a transformation that will ensure our long-term economic viability.

The core underpinnings of this transformation are innovation in sustainable and inclusive mining, reducing costs while increasing productivity, in an environment of respect for people's comprehensive safety, in which our working teams' commitment to professionalism do not go unrewarded. Yet greater emphasis is now also being placed on the imperative of raising our ethical standards and integrity across all of our administrative actions, decisions, and operations.





Principal provisions of our Business Code of Conduct



Impartiality

ensuring objectivity and traceability of all processes.

Compliance

with all regulations



Equality

Ensuring equality of conditions and equity for contractors

We at Codelco want and need to be transparent. Not just because this is the mandate of all Chilean people, in their capacity as joint owners of the company, but also because we are the largest and most significant company in our country. The only path open to us is to strengthen our standards in terms of transparency and conflict of interest management.

Business Code of Conduct Update

The Business Code of Conduct is a management tool designed for people who work at Codelco, specifying how people should behave across a wide range of areas - from occupational health and safety to respect for diversity and professional interpersonal relations. It also covers the issue of actions relating to usage of available resources and relations with contractors and with our surroundings.

At its meeting held in April 2018, the Board approved an update to which code, which had last been reissued in 2011. Its key provisions include:

- Codelco makes business decisions based on a foundation of impartiality, with the highest standards of commercial ethics, transparency, and integrity, ensuring the objectivity and traceability of all processes.
- We ensure absolute compliance with all internal regulations and legal requirements, treating all applicant companies and bidders in the same way at all times.
- We ensure equity and equal conditions: no administrative entitlement or benefits of any kind are offered based on any past or present links with the company or political exposure.

Conflict of interest prevention and incompatibility handling

We apply specific regulations for business activities with related persons and entities, covering all operations between Codelco and companies that have links to our personnel and their relatives, through management or ownership connections.



Our regulations also specify incompatibilities that could affect people in our working teams, and the control mechanisms that must be applied in recruitment and selection processes.

We are proactive in preventing influence peddling

We permanently control and audit business activities with companies that are managed or owned by persons with political exposure. We also specify extra requirements for authorizing any business activity involving former Codelco employees within 18 months of their departure from the Corporation.

Built on our awareness of the importance of transparency in our relations with oversight and regulatory bodies, we have developed an internal procedure to ensure compliance with Law 20.730, regulating lobbying and activities in representation of private interests with public officials and authorities.

Declarations of interests and regulations on gifts

Codelco operates strict and demanding regulations regarding gifts and invitations, with clear limits on acceptability and obligations to return any gifts in situations that fail to meet the guidelines.

Our key executives and Board members all submit declarations of interests and ownership in accordance with Law 20.880, under the oversight of the Comptroller General. In an ongoing effort to exceed the requirements imposed by law, we have also established an internal declaration of equity ownership that is now mandatory of executive level

employees, and also submitted on a voluntary basis by hundreds of other staff members.

We have appointed a head of crime prevention and address Law 20.393, the corruption prevention law

In 2018 the Board appointed the Corporate Head of Risk and Control as lead for the corporate crime prevention system (for Codelco and its subsidiaries). The idea behind this change is to provide greater the position with greater independence, in line with international best practice, and to help to concentrate regulatory compliance functions under a single organizational umbrella.

Under the leadership of the newly appointed Head, this year we have renewed certification of our prevention model in accordance with the Commission

for the Financial Market (CMF), with certification running from July 3, 2018 to July 2, 2020. Here we face the major challenge of handling changes introduced with the entry into force in October 2018 of Law 21.121, which is designed to prevent, detect, and pursue instances of corruption. The new law brings with it amendments to the Criminal Code, specifies new criminal acts, and increases applicable sentences. It also amends Law 20.393, on Criminal Liability for Legal Entities, expanding the range of crimes covered under this corporate liability and increasing the sanctions.

Reporting line

Our reporting line was opened in August 2009 and allows both named and anonymous reporting of events that could constitute breaches of the



PREVENTIVE MEASURES

Incompatibility management

Declaration of interests and equity ownership



Regulations on gifts

Corporate crime and corruption prevention system





Business Code of Conduct, legal regulations, and policies, procedures, or any other standards that apply to our workers, their relationships with contractors, and/or third parties.

A total of 494 complaints were received in 2018, representing a 38% increase compared to 2017. Investigations into 445 complaints were completed during this year (94 originating in previous years and 351 from 2018); a further 143 remain under ongoing investigation. 25 of the completed cases ended in sanctions.

We maintain strict compliance with the Transparency Law, and were named the country's most highly valued public company and mining company.

Improvements in our standards for transparency and integrity have been continuous and permanent. In 2018 our company met all legal requirements for providing citizens with access to public information for the third year running, according to the oversight report of the Council for Transparency.

It was verified that Codelco publishes all information required by law, such as the applicable regulatory framework, financial statements and annual reports, details on subsidiaries and related companies in which it owns holdings, the composition of its Board of Directors, details on the persons responsible for company management and administration, and consolidated information on salaries received by each director, the CEO, vice-presidents, and senior management personnel at the company.

The Council also noted a number of best practices. These included publishing financial statements from previous years, transparency and integrity standards and codes and the Business Code of Conduct, declarations of interests and ownership, and the reporting line.

This year our company also advanced three positions up the ranking, taking sixth place amongst the 100 most highly valued companies in the country, according to the Merco 2018 Corporate Reputation Business Monitor. This put the company at the head of the mining sector and rated it as the most highly valued public Chilean company.

REPORTING LINE



494
complaints
recorded

6th place
among the country's
most highly valued
companies

Source: Merco



100%
compliance with the
Transparency Law





68% of news reports linked to Codelco were positive

Our company is never far from the media spotlight both in Chile and internationally. In 2018 we received major coverage regarding a number of areas of our activities in major press, radio, TV, and internet news outlets. Indeed, 3,506 out of a total of 5,114 non-neutral media items published about Codelco during the year were positive, amounting to 68.56% of the total.

We maintain a presence on all major social networks and have been operating official accounts since 2009, pioneering this area in Chile and in the mining industry with our digital communication strategy.

We also provide stakeholders with relevant information on a regular basis, paying particular attention to government figures, members of the legislature, NGOs, professors, and financial analysts.

OUR SOCIAL NETWORKS CONTINUE TO ACCRUE NEW FOLLOWERS



In 2018 our numbers of followers on these platforms showed levels of growth:

- On Facebook we received our number of followers grew by 25.34%, to a total of 313,633.
- The @Codelco Chile Twitter account grew by 3.45%, to a total of 208,440 followers.
- Meanwhile, our secondary Twitter account @CodelcoCorp showed 5.38% growth, to 101,968 followers.
- 309,592 people follow us on LinkedIn, representing 43.75% growth in 2018.
- Our official Instagram account almost doubled in popularity over the period, attaining a total of 32,139 followers: growth of 93.52% compared to 2017.
- Our YouTube channel earned 1,655,831 views, some 75% up on the previous year. Since we started operating on this platform in 2009, our videos have received 3,710,000 views.



www.codelco.com

Our site www.codelco.com received 3,108,036 visits, with 6,777,281 pageviews in 2018.

The section on questions and complaints draws together all of our electronic communication channels for interacting with the community.

One of these is the comunica.cl address, which received 15,407 emails in 2018 (equivalent to over 39 messages per day). Most of the questions related to suppliers, jobs, and recruitment.



Directors' Committee management report

Annual management report

The chairman of the Directors' Committee, Blas Tomic Errázuriz, stated that in accordance with Article 50 of the Law on Sociedad Anónima Companies (LSA), the Codelco Directors' Committee, also referred to as the Auditing, Compensation and Ethics Committee, is tasked with submitting an annual report at the Ordinary Shareholders'

Meeting covering activities conducted, its annual management report, and the costs that it has incurred, including advisory service expenses, during the 2018 period. For these purposes he put forward the following text for approval by The Committee:

ANNUAL DIRECTORS' COMMITTEE MANAGEMENT REPORT

During 2018 the Codelco Directors' Committee comprised Juan Enrique Morales Jaramillo, Isidoro Palma Penco, Paul Schiodtz Obilinovich, and Blas Tomic Errázuriz.

During the period The Committee set out to fulfill its duties and conduct the activities specified under Decree Law 1.350 of 1976 and Law 18.046, the the Corporation Act "Ley sobre Sociedades Anónimas" (LSA), including examination of the external auditors' reports, quarterly financial statements, payroll systems and compensation plans for senior executives and management personnel, and information on operations as stipulated in Section XVI of Law 18.046, the LSA. With regard to the latter point, it should be noted that The Committee analyzed the transactions specified in that section and verified that all operations were in accordance with market conditions.





The principal activities and matters covered by the Directors' Committee during the 2018 period are listed below.

1. General Information

Auditing matters:

- In an ordinary session held on January 18th, 2018 [The Committee] evaluated the Internal Auditing Statute, made certain amendments, and recommended it to the Board.

The Directors' Committee reviewed the results of the Cochilco 2017 Auditing Plan and action plans to be implemented, reaffirming the need to draw up a work plan and plan for relations with that body, reflecting the importance of its oversight tasks.

[The Committee] conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

The Directors' Committee reviewed the 2017 External Auditors' Report. It also reviewed changes in critical risks and critical events during 2017 and the value of assets held by Codelco.

- At an ordinary session held on February 26, 2018, [the Committee] met with the General Auditor to learn the results of work in that area, specifically to analyze and approve activities under the 2018 Internal Auditing Plan. It also received information on monitoring of agreements at Internal Auditing and the audits of Cochilco, and the Action Plan for remarks submitted by the external auditors.

Blas Tomic submitted the Directors' Committee Management Report for 2017, which the Committee reviewed, approved, and authorized for publication in the Corporation's Annual Report.

- At an ordinary session held on March 22nd, 2018, [the Committee] reviewed the Codelco consolidated Financial Statements and external auditors' reports. Following a number of questions to and responses from the persons presenting this information, the Directors' Committee unanimously declared the company's financial statements to have been reviewed, together with corresponding notes, profit and loss statements, and relevant facts, as well as the external auditors' reports.

The Directors' Committee conducted a full study into the various proposals and put forward the gazette for publications in 2018 and the risk classification agency for the same period.





It also conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

- **At an ordinary session held on April 19th, 2018,** [The Committee] met with the General Auditor to learn the results of work in that area, specifically to analyze activities under the Internal Auditing Plan and the deficiencies that had been detected.

The Directors' Committee advised the Board to appoint Mario Orellana as Head of Crime Prevention.

The Directors' Committee was informed of the new 2018 IFRS Standards and their impact, for analysis.

It also conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

Finally, it received information on critical risk management and monitoring of agreements at Internal Auditing and the audit departments of Cochilco.

- **At an ordinary session held on May 18th, 2018,** [the Committee] was informed regarding monitoring of agreements and auditing at Cochilco.

The Directors' Committee was also informed of and analyzed a presentation on disclosure of critical or confidential information.

It also reviewed and analyzed the external auditors' work plan, the report on the March 31 review, and the financial statements from the first quarter.

The Directors' Committee conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

- **At an ordinary session held on June 21st, 2018,** [the Committee] was informed regarding monitoring of agreements and auditing at Cochilco.

The Directors' Committee received the underground mining services strategy for analysis and review. Following an exchange of questions and responses with the persons presenting information, The Committee agreed to recommend the strategy in question to the Board. It also conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.



- At an ordinary session held on July 26th, 2018, the Directors' Committee met with the General Auditor to learn the results of quarterly activities in that area, specifically to analyze activities under the Internal Auditing Plan and the deficiencies that had been detected.

The Directors' Committee conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

Finally, it received information on critical risk management and monitoring of agreements at Internal Auditing and the audit departments of Cochilco.

- At an ordinary session held on August 24th, 2018,

the Directors' Committee analyzed and approved the 2019 budget for Internal Auditing.

The Directors' Committee received a proposal for improvement of internal control mechanisms, which it returned for adjustments based on the recommendations of The Committee. The Committee also received a proposal for the Crime Prevention Model.

The Directors' Committee received the División Salvador earthmoving strategy, for analysis and review. Following an exchange of questions and responses with the persons presenting information, The Committee agreed to recommend the strategy in question to the Board. It also conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division, and advised the Board to approve these procedures.

The Directors' Committee then analyzed the Codelco financial statements and external auditors' reports. Following a number of questions to and responses from the persons presenting this information, the Directors' Committee unanimously declared the company's financial statements to have been reviewed, together with corresponding notes, profit and loss statements, and relevant facts, as well as the external auditors' reports.

- At an ordinary session held on September 27th, 2018, the Directors' Committee conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

The Directors' Committee reviewed a table of allowances for each type of tender process, and

was informed regarding the applicable schedules.

- At an ordinary session held on October 25th, 2018, the Directors' Committee met with the General Auditor to learn the results of quarterly activities in that area, specifically to analyze activities under the Internal Auditing Plan and the deficiencies that had been detected, and the receipt of certification by the Internal Auditing Department.

It also conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

Finally, the Directors' Committee received information on critical risk management and monitoring of agreements at Internal Auditing and the audit departments of Cochilco.





- At an ordinary session held on November 29th, 2018, the Directors' Committee received a proposal for the approval system and Scope of Faculties Manual.

Following an exchange of questions and responses with the persons presenting information, The Committee requested the management to take applicable measures and proceed in accordance with the guidelines presented.

The Directors' Committee conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

It reviewed the financial statements and external auditors' reports. Following a number of questions to and responses from the persons presenting this information, the Directors' Committee unanimously declared the company's financial statements to have been reviewed, together with corresponding notes, profit and loss statements, and relevant facts, as well as the external auditors' reports.

A presentation was given on the property renovation and Insurance Plan, and [the Committee] advised the management to take applicable measures and proceed in accordance with the guidelines presented. Finally, [the Committee] was informed regarding progress

in the tender process for mining work and earthmoving at the División Salvador.

- At an ordinary session held on December 20th, 2018, the Directors' Committee approved the 2019-2022 Internal Auditing Plan and Internal Auditing Statute.

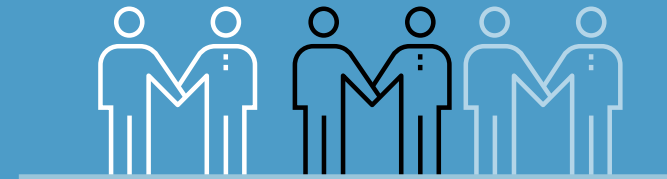
The Directors' Committee conducted an in-depth analysis of procedures for purchases and contracts for more than US\$ 100 million and contract modifications amounting to more than 40%, submitted by the Corporate Supply Management Division and Vice-Presidency of Projects, and advised the Board to approve these procedures.

Finally, the Directors' Committee received information on critical risk management and monitoring of agreements at Internal Auditing and the audit departments of Cochilco, and progress in the 2020 Supply transformation initiative.



Regarding related parties and persons

Throughout the 2018 period, and at each ordinary session, the Board Committee reviewed all transactions with related parties, parties with exposure to Codelco, and politically exposed parties, as well as all transactions in which any director, executive, or manager of the company could have conflicts of interest, and advised the Board to approve the contracts that had been reviewed, on finding that each one was in accordance with market conditions.



- At an ordinary session held on April 19, 2018, The Committee was informed of the status of declarations of equity ownership and interest within the Corporation.
- At an ordinary session held on June 21, 2018, The Committee was informed of the status of declarations of equity ownership and interest in accordance with NCC 18.
- At an ordinary session held on August 30, 2018, The Committee fully reviewed all information made available to it and agreed to advise the Board to approve the proposal for modification of authorization levels for transactions with related and exposed parties.
- The Directors' Committee prepared a report with an analysis and approvals agreed at each session. A copy of this report was sent to the Board for information purposes.



Regarding compensation:

During 2018, the Directors' Committee reviewed and monitored compensation plans and payroll systems (Performance Agreements) of the CEO and division managers, vice-presidents, and other level-two executives, and was informed regarding human capital and compensation policies at the company.

In particular:

- An ordinary session held on January 18th, 2018, received a presentation from the Vice-Presidency of Administration and Finance, and the Directors' Committee reviewed the results, indicators, and key focus points of the 2017 Performance Agreement.
- At an extraordinary session held on January 22nd, 2018, the Directors' Committee conducted performance evaluations on the CEO and General Auditor for 2017, and unanimously approved the evaluations and corresponding bonus payments.
- At an ordinary session held on February 26th, 2018, [the Committee] conducted an exhaustive analysis before approving the 2018 Performance Agreement Proposal submitted by the Vice-Presidency of Administration and Finance, and requested the administration to take The Committee's opinions into consideration.
- At an ordinary session held on April 19th, 2018, the Directors' Committee conducted a detailed review of the proposal for adjustment of the individual performance matrix and individual salary bonus policy.
- At an ordinary session held on May 24th, 2018, a new proposal for adjustment of the individual performance matrix and individual salary bonus policy was submitted, taking into account the observations made by The Committee, which recommended its approval by the Board.
- At an ordinary session held on July 26th, 2018, the Directors' Committee analyzed progress in the Codelco succession plan and model.
- At an ordinary session held on September 27th, 2018, the Directors' Committee reviewed medium-term retention mechanisms and the proposal to modify the Annual Management Bonus, and advised the Board to approve these items.
- At an ordinary session held on October 25th, 2018, information was presented regarding the 2017 plan for A and B role compensation, and requested a strategy to be formulated taking into account the recommendations and observations of The Committee.



Regarding ethics

The Directors' Committee was informed regarding compliance with the Corporation's Business Code of Conduct and Ethics, particularly practices to prevent or manage conflicts of interest, transparency, corruption, and fraud. It also oversaw compliance with regulations on criminal liability for legal entities.

In particular, during all ordinary sessions held in 2018, it studied, analyzed, and received reporting prepared by the management regarding contracts signed with related, linked, and subsidiary companies, and reporting on all direct awards entered into. Additionally:



- At an ordinary session held on February 26th, 2018, [the Committee] analyzed the report prepared by the Internal Auditing Department on hiring of executives' relatives, and the management was requested to prepare a survey of all exceptional hiring actions and a corresponding monthly report, as part of information relating to each ordinary session of the Board.
- At an ordinary session held on April 19th, 2018, The Committee studied and agreed to advise the Board to approve the new text of the Corporation's Code of Conduct.
- At an ordinary session held on June 21st, 2018, The Committee agreed to amend NCC 18 in order to regulate conflicts of interest with former employers.
- At an ordinary session held on August 30th, 2018, [the Committee] analyzed a presentation on contracting with subsidiaries, in accordance with regulations applicable to Codelco.
- At an ordinary session held on September 27th, 2018, The Committee received a presentation on the enforceability of the Code of Conduct.
- At an ordinary held on December 20th, 2018, [the Committee] analyzed modifications to Law 20.393 and their impact on the crime prevention model.

2. Cochilco

The Directors' Committee was informed regarding the Cochilco Annual Review Plan, which for the 2018 period consisted of 36 activities, defined as:

- 8 audits.
- 21 oversight inspections.
- 2 reviews (compliance with Law 13.196).
- 5 monitoring activities.

During 2018, Cochilco issued 25 reports on these actions (8 on audits, 11 on oversight inspections, 2 for the reviews, and 4 for the monitoring activities).

The General Auditor gave a monthly presentation to the Auditing, Compensation and Ethics Committee on progress in work completed by Cochilco relating to its audits of Codelco during 2018. He reported on the observations made by Cochilco for 2017, together with the clarifications and/or action plans agreed with the management for effective risk mitigation; and reported that the relationship with the oversight body was suitable, allowing due completion of all work activities conducted in 2018.

Ongoing monitoring was conducted regarding both the manner and facts of the way in which the relationship between Codelco and the oversight body was managed, on request by the Auditing, Compensation and Ethics Committee, resulting in significant improvement to the process. Monitoring activities were conducted via the Coordination Committee, consisting of professionals from the Internal Auditing Department, General Corporate Management Office, Legal Service, Risk and Control Department, and Corporate Office for Project Oversight and Investments. The coordination activities consisted of fortnightly meetings with Codelco management and with supervisors tasked with oversight at Cochilco.

Finally, the Internal Auditing Department took on tasks consisting of continuous monitoring of oversight activity status, and set general criteria for providing information as requested by the oversight body.

3. Directors' Committee expenditure on advisory services

The Directors' Committee does not possess a budget for operating expenditure, so has not commissioned any advisory services.

TRANSFORMATION AND THE FUTURE



It is not going to be easy to continue the task Chileans have entrusted us with and also take advantage of our substantial geological resource base. It requires considerable investments and a technological and cultural transformation that will change how we understand mining. Only by doing so will Codelco be able to continue serving the country another 50 years.

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Corporate profile



Key indicators



Our management



Transparency, integrity & good corporate governance



Transformation & future



Subsidiaries & affiliate companies



Consolidated financial statements



Offices & representatives

Transformation and Future

Codelco's future outlook as the driving force behind Chile's development mostly depends on our capacity to renew our source of value: the mineral deposits we mine. This is a very complex challenge. Our operations are old with declining ore grades and for several years we have not invested in renewing our infrastructure.

The purpose of the project portfolio we are driving forward is to face this situation and prepare the Company in order to extend its useful life by at least another 50 years. From 2019 to 2028, we will invest US\$ 40 billion in structural projects, in ensuring our smelters comply with environmental standards, and in other initiatives to improve waste treatment; improve water and energy efficiency of our operations; replace equipment and repair facilities; and finance new exploration projects. No other mining company in the world has a project portfolio of this magnitude.

This effort will reach its first key milestone in mid 2019, when we begin operations at Chuquicamata Subterránea, a project that is transforming the world's largest open-pit mine into an underground mine with 140 kilometres of tunnels. At the same time, we continue to move forward with two other projects: Traspaso Andina System (scheduled to open in 2021) and División El Teniente Development Plan that consist of three subprojects: Andes Norte (scheduled to begin operations in 2023), Diamante (also in 2023)

and Andesita (2024).

We have already approved the Desarrollo Futuro Andina feasibility study and we submitted the Rajo Inca environmental impact study to authorities, this will help to extend the life of División Salvador by a further 40 years. The purpose of our sixth structural project, Sulfuros Radomiro Tomic Phase II, is to optimize its business case, and we expect to restart its feasibility study during 2019.

Mineral exploration is another strategic initiative we systematically conduct to discover new mineral deposits and contribute to our inventory of mineral resources. Since 1991, we have increased brownfield and greenfield (mainly in the Andean mountains) exploration management.

Furthermore, during the first phase towards globalizing our mining operations, we are developing activities in countries that have high exploration potential and where Codelco is satisfied with the economic, social environmental and legal conditions.



US\$ 40
Billion in investments
For the 2019 - 2028 period

3 Structural Projects under construction:

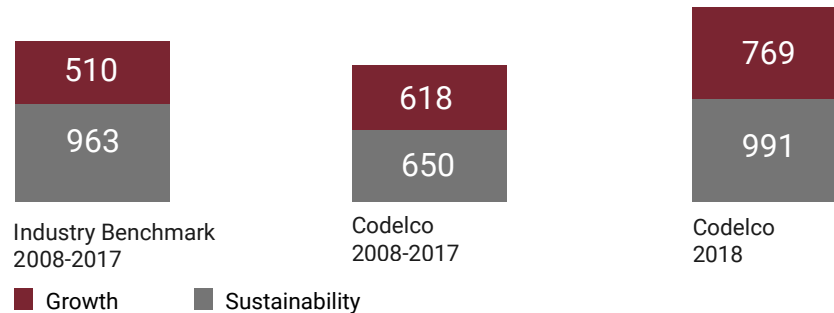
- Chuquicamata Subterránea
- Traspaso Andina System
- El Teniente Development Plan



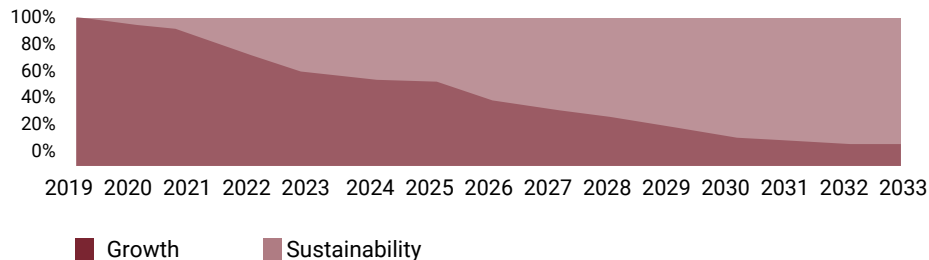
Capital Expenditure 2018

PROJECTS BY CATEGORY	MMUS\$
Development Projects	1.65
Facility Replacement and Refurbishment	127
Sustainability	986
Research & Studies	91
Business Activities	11
Mine Development & Deferred Costs	635
Exploration	47
TOTAL	3.551

Investment in Growth & Sustainability (US\$/Mt)



Contribution by Structural Projects to Codelco's Production



Investments and Projects

We invested US\$ 3.5 billions in 2018, mostly allocated to our structural projects and other initiatives to ensure we meet the copper smelter emission standards.



In general, the project portfolio currently underway is important because it ensures the Company's capacity to generate the earnings defined in our business plan.

Our capital expenditure in 2018 was US\$ 991 per ton of copper produced, similar to the rest of the industry. Investment in sustainability is higher than the industry average; we spent US\$ 769 per ton of copper produced. This amount was influenced by the implementation of the smelter projects.

Our investments in 2018 show the Company's priorities and strategic focus areas. In this context, the most important fact is that we invested more on the three structural projects that are currently in progress: Chuquicamata Subterránea, Traspaso Andina System and El Teniente Development Plan. In 2018 we invested US\$ 1.483 billion (42%) of the US\$ 3.5 billions allocated to these projects.

In 2018 we also focused on our project portfolio developed to ensure the Chuquicamata, Caletones and Potrerillos smelters meet the Chilean emission standards required by Supreme Decree 28 of the Ministry of the Environment.

Importance of Structural Projects

Our structural projects are essential not only because they help to transform our mineral resources and reserves into economic value, but also because they will help prolong our profit-generating capacity. By 2021, we estimate that 10% of our production will be provided by our structural projects. By 2026, this percentage should be 55%.

DIVISIÓN CHUQUICAMATA

Chuquicamata Subterránea

This megaproject will transform Chuquicamata from an open-pit mine into an underground operation. This is the most important initiative in our current portfolio, and it requires an investment of approximately US\$ 5.8 billion.

In 2018, we approved changes to optimize the project design, value contribution and ensure work continuity.

Overall project execution is 76% complete. We have already completed 100% of the main production sector developments and we have built 131 out of 142 kilometres of tunnels. Furthermore, we have made major progress in installing the ore transport system.

All these activities will move forward as a result of applying a productivity model to key construction contracts and collaboration between everyone involved in the project.

These achievements ensure that by 2019 we will begin mineral extraction and start running the ore crushing and transport system; all the milestones that form part of the final project execution stage.

Chuquicamata Smelter

In the context of the projects executed in order to comply with Supreme Decree 28, we continued to refurbish the gas cleaning plants, build two new double-absorption acid plants, implement refinery

gas treatment, replace dryer 5 and improve the flash furnace. Overall progress is 79%.

Other Projects

The Talabre dam is used as a storage facility for tailings from the sulphide process of all the Northern District operations. We are currently building Phase VIII of the dam wall, i.e., raising it up six metres.

As of December 2018, we have completed 75.9% of the project, improving work performance and reducing construction deadlines.

During the year we continued the Phase IX prefeasibility study to expand the dam capacity.



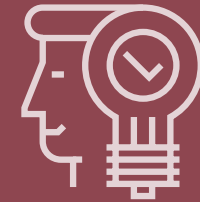
Chuquicamata Subterránea in Figures



US\$ 5.8
billion Total
Investment

131

kilometres of
142 kilometres
built



76%
Overall
Progress



DIVISIÓN RADOMIRO TOMIC

Sulfuros Radomiro Tomic Phase II

In 2018 we restarted the structural project studies, which we had stopped in 2016 to review and optimize the business case. We updated the data required and feasibility studies will continue throughout 2019.

Northern District Desalination Plant

We are developing a business model where the funding, construction and operation of this plant (that will supply desalinated seawater to our mining operations) are undertaken by a third party. The tender process for these services is currently underway. The plant is scheduled to begin operations by 2022.



2022 Desalination Plant will begin Operations

DIVISIÓN SALVADOR

Rajo Inca

This structural project aims to extend División Salvador's operations by four decades starting from 2021, when the current mined resources will be depleted.

This year was an turning point for Rajo Inca. We conducted its feasibility study and we started the early works involving road construction and earthworks. We also submitted an environmental impact study to the Environmental Assessment System.

Potreriillos Smelter

This project aims to comply with Supreme Decree 28. We have made progress at the Potreriillos Smelter in terms of capturing and processing gases and reducing smoke emissions from the refining furnaces. Overall project execution is 84% complete.

DIVISIÓN ANDINA

Traspaso Andina System

This structural project has been developed because the Andina primary crushing system will be affected by the planned mine expansion. Its purpose is to relocate the crushing facilities to the area known as Node 3,500 and connect them through an ore transport tunnel and a 4.8 km conveyor belt to the division's current concentrator. This will help to maintain Andina's current production rates.

In December 2018, project execution was 67% complete. Mine works have been conducted and most of the infrastructure has been built, this enabled us to begin installing the ore conveyor belt.

67%
Overall Progress
of Traspaso
Andina System



Desarrollo Futuro Andina

This structural project aims to expand Andina's current ore treatment capacity to 150,000 tons per day. In 2018, we started the feasibility studies, including activities to gather mining and environmental data.

Other Projects

During this period, work commenced to increase the Ovejería Dam's capacity and height to 650 metres above sea level.





DIVISIÓN EL TENIENTE

El Teniente Development Plan

El Teniente Development Plan incorporates the new business scenario and the experience gained from constructability data. It involves three subprojects: Andes Norte, Diamante and Andesita. This will allow us to extend the life of this division by 50 years.

In 2018, we continued the mining developments within the site and to build the personnel access and ore transport tunnels. The Andes Norte subproject is 49% complete.

49%



Completion of mining developments for Andes Norte subproject

2018

Caletones Smelter has been in operation since December and is compliant with Supreme Decree 28 requirements

Caletones Smelter

It is currently in operation under the new standard since December 2018. Today, the acid plant tail gas treatment project is in compliance with this standard. The slag treatment plant will begin operation during the second half of 2019. While, our drying plants meet the smelter standards.

Other Projects

In 2018 we completed the construction of a 4-metre embankment on the main wall of the Carén dam, and we started the infrastructure work to expand the dam's capacity. These works form part of stage 7, scheduled to be completed by 2022 and involves building the embankment up to nine metres.



Mineral Resources and Reserves

Codelco can firmly sustain its long-term mining plans with a mineral resource base of more than 110 million tons of refined copper.

At Codelco we report the inventory of our mining assets, in accordance with current regulations. We also report the geological resources that indicate the potential of the ore deposits that have been identified to date.

Geological resources result from the exploration process and are estimated by geo-scientific modelling. These resources are classified into measured, indicated and inferred categories. When these geological resources present reasonable prospects for eventual economic extraction, they are called mineral resources.

The classification of our mining assets is based on the company's standards, similar to the classification used by the rest of the industry. We conduct an understandable and auditable follow-up of the classification process and quality control of the geological modelling and the resource estimation process.

The 2018 geological resource inventory increased by 3% for refined copper, mainly as a result of the progress made by the exploration activities at the División Ministro Hales, the inclusion of La Huifa and increased depth of resources at División El Teniente.



Total Geological Resource Inventory

Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
	2018	2017	2018	2017	2018	2017
Radomiro Tomic	7,442	7,372	0.41	0.41	30.5	30.0
Measured	1,324	1,349	0.48	0.49	6.4	6.6
Indicated	1,701	1,688	0.43	0.43	7.4	7.3
Inferred	4,417	4,335	0.38	0.37	16.7	16.1
Chuquicamata	14,588	14,652	0.44	0.44	63.7	64.1
Measured	2,850	2,914	0.63	0.63	18.0	18.4
Indicated	1,843	1,843	0.50	0.50	9.2	9.2
Inferred	9,895	9,895	0.37	0.37	36.5	36.5
Ministro Hales	2,421	2,075	0.79	0.75	19.2	15.5
Measured	308	192	1.00	1.06	3.1	2.0
Indicated	522	393	0.84	0.87	4.4	3.4
Inferred	1,591	1,490	0.74	0.68	11.8	10.1
Gabriela Mistral	1,469	917	0.34	0.33	4.9	3.1
Measured	378	328	0.34	0.34	1.4	1.1
Indicated	68	80	0.34	0.29	0.2	0.2
Inferred	1,024	509	0.34	0.33	3.3	1.7
Salvador	3,484	3,564	0.41	0.42	14.3	14.8
Measured	616	636	0.47	0.48	2.9	3.0
Indicated	604	617	0.37	0.38	2.2	2.4
Inferred	2,265	2,311	0.40	0.41	9.1	9.4

(table continues to the right side)

Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
	2018	2017	2018	2017	2018	2017
Andina	22,096	22,271	0.61	0.62	135.9	137.6
Measured	2,812	2,886	0.72	0.73	20.3	21.2
Indicated	2,586	2,548	0.64	0.66	16.6	16.8
Inferred	16,699	16,837	0.59	0.59	98.9	99.6
El Teniente	16,367	14,923	0.57	0.56	93.4	84.3
Measured	2,904	2,898	0.82	0.82	23.9	23.9
Indicated	2,935	2,647	0.57	0.56	16.8	14.8
Inferred	10,529	9,379	0.50	0.49	52.7	45.6
Other Deposits	3,035	3,035	0.34	0.34	10.5	10.5
Measured	149	149	0.26	0.26	0.4	0.4
Indicated	170	170	0.27	0.27	0.5	0.5
Inferred	2,716	2,716	0.35	0.35	9.6	9.6
Remnant Material Resources	5,386	5,386	0.37	0.37	19.9	19.9
Measured	116	116	0.57	0.57	0.7	0.7
Indicated	231	231	0.55	0.55	1.3	1.3
Inferred	5,038	5,038	0.36	0.36	17.9	17.9
TOTAL RESOURCES	76,290	74,196	0.51	0.51	392.1	379.8
Measured	11,457	11,469	0.67	0.67	77.0	77.3
Indicated	10,658	10,216	0.55	0.55	58.5	55.8
Inferred	54,174	52,511	0.47	0.47	256.6	246.6

Mt: Millions of tons
 CuT%: Total Copper Grade
 (Cut-off Grade: in-situ ore 0.2%, remnant material 0%)

Mineral Resources

Every year we prepare our Business and Development Plan that contains a short, medium and long-term business outlook. This outlook is based on a long-term strategic plan that involves economically viable mineral resources and it includes geological, metallurgical, geo-mechanical, economic, financial, environmental and community-related factors.

Our corporate mineral resource inventory includes mineral reserves and consolidates the oxide and sulphide ore data from all the divisions, based on estimates of the open-pit envelope size and the mineral volumes recoverable from underground mines.

Every year we carry out exploration drilling campaigns that provide additional data. This allows us to create robust resource models that support operations and define the different engineering stages of divisional projects.

The Foregoing involves a series of activities defined in the corporate strategic agenda and each activity has schedules, plans and budget timelines.

Resources in remnant material deposits consist of crushed ore created by underground mining and stockpiles, i.e., the resources removed by surface mining and then piled in duly identified areas.

Mineral resources increased by 1.4 million tons of refined copper compared to 2017. This is primarily because the resource model increase at División Ministro Hales

and the open-pit design modification at División Radomiro Tomic.

If we include our stake in Anglo American Sur, Inca de Oro and El Abra deposits, this inventory adds a further 18.1 million tons of refined copper. Codelco's overall mineral resources amount to 134.2 million tons of refined copper.



Inventory of Mineral Resources By Division

Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
	2018	2017	2018	2017	2018	2017
Radomiro Tomic	3,972	3,638	0.45	0.46	17.8	16.8
Measured	1,183	1,205	0.49	0.49	5.7	6.0
Indicated	1,374	1,263	0.44	0.45	6.0	5.7
Inferred	1,415	1,170	0.43	0.44	6.1	5.2
Chuquicamata	1,934	1,995	0.69	0.69	13.3	13.7
Measured	713	930	0.84	0.81	6.0	7.6
Indicated	590	410	0.72	0.71	4.3	2.9
Inferred	632	655	0.49	0.50	3.1	3.3
Ministro Hales	1,233	1,063	0.87	0.89	10.7	9.5
Measured	216	142	1.03	1.07	2.2	1.5
Indicated	242	80	0.98	0.91	2.4	0.7
Inferred	774	840	0.79	0.86	6.1	7.2
Gabriela Mistral	414	388	0.35	0.34	1.4	1.3
Measured	304	318	0.35	0.35	1.1	1.1
Indicated	40	62	0.34	0.31	0.1	0.2
Inferred	70	8	0.35	0.26	0.2	0.0

(table continues to the right side)

Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
	2018	2017	2018	2017	2018	2017
Salvador	828	791	0.59	0.56	4.9	4.5
Measured	377	355	0.65	0.63	2.4	2.2
Indicated	265	211	0.61	0.57	1.6	1.2
Inferred	186	225	0.47	0.46	0.9	1.0
Andina	4,139	4,187	0.80	0.80	32.9	33.5
Measured	1,261	1,197	0.77	0.83	9.8	9.9
Indicated	894	873	0.77	0.78	6.9	6.8
Inferred	1,984	2,117	0.82	0.79	16.3	16.7
El Teniente	4,381	4,435	0.80	0.80	34.9	35.4
Measured	1,505	1,447	0.97	0.97	14.5	14.1
Indicated	954	795	0.80	0.80	7.6	6.3
Inferred	1,922	2,193	0.66	0.69	12.8	15.0
TOTAL RESOURCES	16,902	16,497	0.69	0.70	116.1	114.7

Mt: Millions of tons
CuT%: Total Copper Grade

Corporate Inventory of Mineral Resources by Mineral Type

MINERAL RESOURCES		MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
	Category	2018	2017	2018	2017	2018	2017
Sulphide		15,491	15,144	0.71	0.72	110.6	109.5
	Measured	4,899	4,930	0.80	0.81	39.1	39.8
	Indicated	3,877	3,303	0.70	0.68	27.1	22.5
	Inferred	6,715	6,911	0.66	0.68	44.5	47.3
Oxide		1,411	1,353	0.39	0.38	5.5	5.2
	Measured	661	665	0.40	0.38	2.6	2.6
	Indicated	483	391	0.40	0.37	1.9	1.4
	Inferred	268	296	0.37	0.41	1.0	1.2
TOTAL RESOURCES		16,902	16,497	0.69	0.70	116.1	114.7
	Measured	5,559	5,595	0.75	0.76	41.7	42.3
	Indicated	4,360	3,695	0.66	0.65	29.0	23.9
	Inferred	6,983	7,207	0.65	0.67	45.4	48.5

Mt: Millions of tons
CuT%: Total Copper Grade

Corporate Inventory of In-Situ and Remnant Mineral Resources

MINERAL RESOURCES		MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
	Category	2018	2017	2018	2017	2018	2017
In Situ		15,662	15,299	0.70	0.70	109.3	107.7
	Measured	5,377	5,432	0.76	0.76	40.7	41.4
	Indicated	4,091	3,416	0.67	0.65	27.3	22.2
	Inferred	6,194	6,452	0.67	0.69	41.3	44.2
Remnant Material		1,240	1,198	0.55	0.58	6.8	6.9
	Measured	182	164	0.55	0.58	1.0	1.0
	Indicated	269	279	0.61	0.63	1.6	1.7
	Inferred	789	755	0.53	0.56	4.2	4.3
TOTAL RESOURCES		16,902	16,497	0.69	0.70	116.1	114.7
	Measured	5,559	5,595	0.75	0.76	41.7	42.3
	Indicated	4,360	3,695	0.66	0.65	29.0	23.9
	Inferred	6,983	7,207	0.65	0.67	45.4	48.5

Mineral Resources contributed by Associated Companies

MINERAL RESOURCES	MINERAL (Mt)	GRADE (CuT%)	REFINED COPPER (Mt)
Associated Company (Ownership Interest)			
Anglo American Sur (20%)	1,827	0.67	12.2
Inca de Oro (33.8%)	153	0.41	0.6
El Abra (49%)	1,222	0.6	5.2
Subtotal, Associated Companies	3,201	0.56	18.1
Subtotal, Divisions	16,902	0.69	116.1
TOTAL RESOURCES	20,104	0.67	134

Note: Codelco's stake in other companies i.e., Los Bronces, El Soldado, El Abra and Inca de Oro mines Mineral resources include mineral reserves.

Source: Anglo American Sur, Freeport McMoran and Panaust (Annual Report 2017).

Mt: Millions of tons. / CuT%: Total Copper Grade

Mineral Reserves

Our mineral reserves are determined in accordance with the code prepared by the Commission for the Qualification of Competencies in Mineral Resources and Reserves, created under Chilean Law 20.235. Mineral reserves are the result of long-term mine planning that only include measured and indicated resources from mines in operation and projects that have completed their pre-feasibility or feasibility studies. Inferred resources within the economic envelope of the surface and underground mines are considered waste rock.

Codelco's 2018 mineral reserves are published in the public reports on resources and reserves issued by each division and certified by Codelco internal and external competent persons.

Mineral reserves have not undergone significant variation (0.7 million tons of refined copper). Consumption in 2018 explains a decline of 2 million tons of refined copper; this volume is partially offset by increased reserves at División Salvador and División El Teniente.

If Codelco's stake in El Abra and Anglo American Sur are included, another 2.5 million tons of refined copper are added to the mineral reserve inventory. Overall, this implies 48 million tons of refined copper in mineral reserves.





Inventory of Mineral Reserves by Division

RESERVES	Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
		2018	2017	2018	2017	2018	2017
Radomiro Tomic		1,926	2,043	0.50	0.48	9.6	9.9
	Proven	713	738	0.51	0.50	3.6	3.7
	Probable	1,212	1,305	0.49	0.47	5.9	6.2
Chuquicamata		1,303	1,336	0.73	0.72	9.5	9.7
	Proven	679	860	0.84	0.84	5.7	7.2
	Probable	624	476	0.60	0.52	3.7	2.5
Ministro Hales		185	194	0.91	1.02	1.7	2.0
	Proven	150	142	0.95	1.06	1.4	1.5
	Probable	35	52	0.74	0.91	0.3	0.5
Gabriela Mistral		336	351	0.35	0.34	1.2	1.2
	Proven	298	281	0.35	0.36	1.1	1.0
	Probable	38	71	0.32	0.30	0.1	0.2

(Table continues on the right)

RESERVES	Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
		2018	2017	2018	2017	2018	2017
Salvador		581	530	0.64	0.64	3.7	3.4
	Proven	12	25	0.55	0.52	0.1	0.1
	Probable	570	505	0.64	0.65	3.7	3.3
Andina		1,163	1,167	0.69	0.71	8.0	8.3
	Proven	219	246	0.69	0.75	1.5	1.8
	Probable	943	921	0.69	0.70	6.5	6.5
El Teniente		1,348	1,307	0.85	0.86	11.4	11.2
	Proven	975	744	0.98	0.99	9.6	7.4
	Probable	373	563	0.50	0.67	1.9	3.8
TOTAL RESERVES		6,842	6,928	0.66	0.66	45.0	45.7

Note: Tonnage determined by variable cut-off grade of mine plan.

Mt: Millions of tons.

CuT%: Total Copper Grade



Corporate Inventory of Mineral Reserves by Mineral Type

RESERVES	Category	MINERAL (Mt)		GRADE (CuT%)		REFINED COPPER (Mt)	
		2018	2017	2018	2017	2018	2017
Sulphide		5,838	5,962	0.70	0.70	40.9	41.9
	Proven	2,480	2,444	0.84	0.83	20.8	20.4
	Probable	3,358	3,518	0.60	0.61	20.1	21.5
Oxide		1,004	966	0.41	0.39	4.2	3.8
	Proven	566	592	0.39	0.40	2.2	2.4
	Probable	437	374	0.45	0.38	2.0	1.4
TOTAL RESERVES		6,842	6,928	0.66	0.66	45.0	45.7
	Proven	3,047	3,037	0.76	0.75	23.0	22.8
	Probable	3,795	3,891	0.58	0.59	22.0	22.9

Nota: Tonnage determined by variable cut-off grade of mine plan.
Mt: Millions of tons. / CuT%: Total Copper Grade

Mineral Reserves Contributed by Associated Companies

RESERVES	MINERAL (Mt)	GRADE (CuT%)	REFINED COPPER (Mt)
Associated Companies (Ownership Interest)			
Anglo American Sur (20%)	319	0.53	1.7
El Abra (49%)	193	0.44	0.9
Subtotal Associated Companies	512	0.50	2.5
Subtotal Divisions	6,842	0.66	45.0
TOTAL RESERVES	7,353	0.65	47.6

Competent Persons

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 inscribed and authorized as such in the registry of the Comisión Calificadora de Competencias en Recursos y Reservas Mineras (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.

Every year the mineral reserve and resource statement issued by each Division is signed off by independent and Codelco competent persons, pursuant to Chilean Law 20.235 that regulates a "competent person" and creates the aforementioned Comisión Calificadora de Competencias en Recursos y Reservas Mineras.

Registry No.	COMPETENT PERSON	DIVISION	ORGANIZATION DEPARTMENT
99	Patricio Zúñiga Rojas	Head Office	Mineral Resources
93	Manuel Mansilla Orellana	Head Office	Mineral Resources
192	Raúl Cancino González	Radomiro Tomic	Mineral Resources & Development
1	Edmundo Tulcanaza N.	Radomiro Tomic	EMI - SA
257	Renato Valdés Romo	Chuquicamata	Mineral Resources & Development
252	Juan Carlos Peña Pérez	Chuquicamata	Mineral Resources & Development
197	Victorio Moyano Escobar	Ministro Hales	Mineral Resources & Development
118	Orlando Rojas V.	Ministro Hales	EMI - SA
203	Claudio Nicolás Vargas	Gabriela Mistral	Mineral Resources & Development
118	Orlando Rojas V.	Gabriela Mistral	EMI - SA
78	Marcial Vergara M.	Salvador	Tetra Tech
128	Raúl Contreras G.	Salvador	Tetra Tech
254	Michel Galeb Nicolás	Andina	Mineral Resources & Development
239	Víctor Sandoval Zepeda	Andina	Mineral Resources & Development
84	Felipe Celhay Schoelerman	El Teniente	Mineral Resources & Development
198	Daniel Bustamante Valdés	El Teniente	Mineral Resources & Development

Mineral Exploration and Globalization

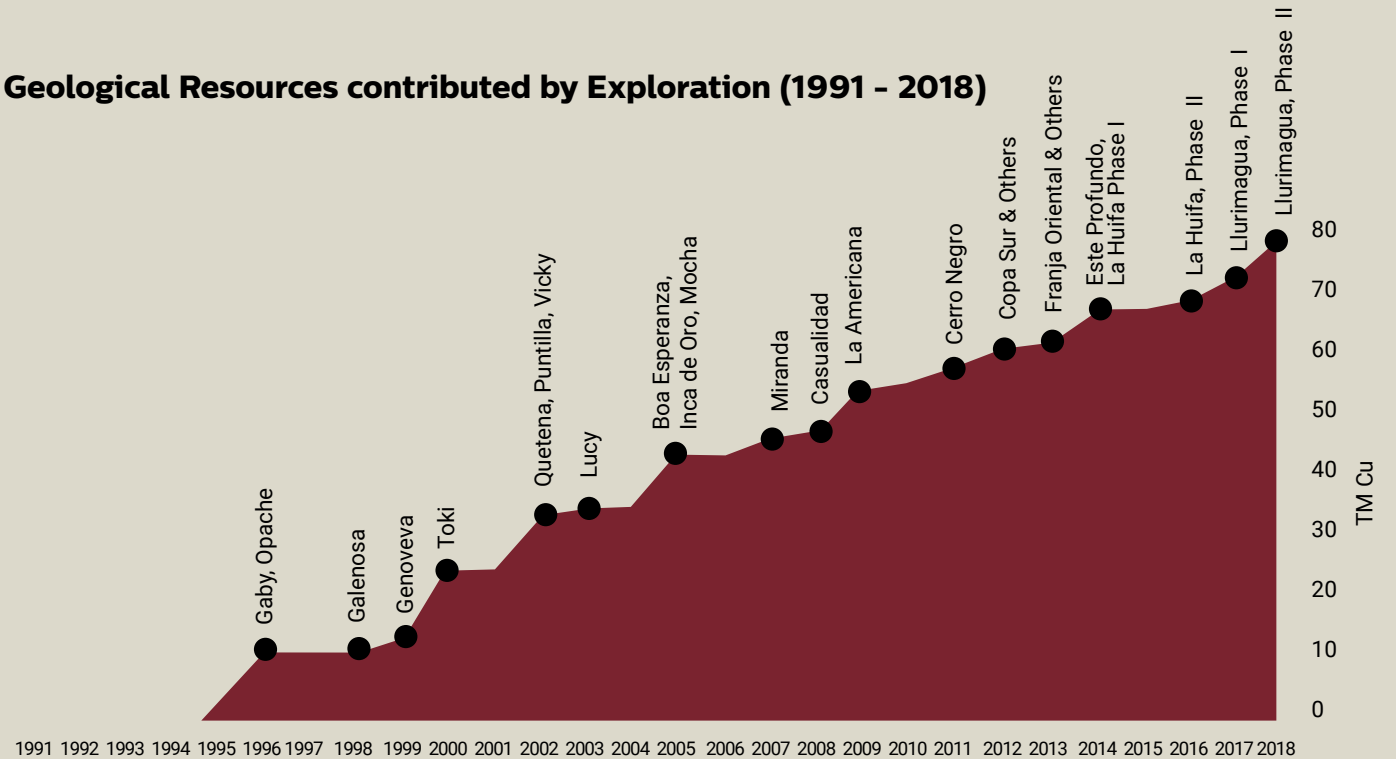
We conduct explorations in Chile and abroad to discover new mining districts and ensure our long-term business. Our goal is to position Codelco among the world's top globalized companies.

Mineral exploration efforts aim to add value to the company by incorporating new geological resources into the corporate mineral inventory and hence improve Codelco's Business and Development Plan in the medium and long term.

From 1991 to 2018 mineral exploration has contributed 79.2 million tons of refined copper to the corporate resource and reserve inventory, thus positioning Codelco as one of the top performing companies in terms of exploration discoveries.

During 2018, exploration activities in Chile included updating the resource estimation and geological models for the Vicky and Lucy projects. This allowed us to increase the geological resources of División Gabriela Mistral by 1.1 million tons of refined copper.

Geological Resources contributed by Exploration (1991 - 2018)



In foreign exploration, the Llurimagua project in Ecuador carried out approximately 23,000 metres of diamond drilling and we completed the advanced exploration phase by drilling approximately 99,000 metres at 98 drill holes. The preliminary resource estimation for the Llurimagua Project is as follows.

PROJECT	MINERAL mt	AVERAGE GRADE (CuT)	REFINED COPPER (Mt)	CONTRIBUTION TO REFINED CU INVENTORY (Mt)
Llurimagua	3,846	0.44	16.92	8.29*

*These resources represent Codelco's stake (49%) under the Ecuador Enami EP agreement, of which 4.41 million tons of refined copper were included in FY2018. The resources are reported at a Cut-Off Grade of 0.2% CuT



Exploration Investments

Investors have become interested in the mining sector as a result of improved market conditions and rising metal prices since mid 2016. Non-ferrous metal exploration budgets increased for a second consecutive year, allocating approximately US\$ 9.62 billion in 2018, up 21% from US\$ 7.95 billion in 2017.

It is important to point out that for the first time since 2012, the number of exploration companies has increased to 1,651, up 8% from 2017. Budgets among junior companies, explorers by nature, have also increased 35%. The top destination for

global exploration budgets continues to be Canada, Australia and the United States, with 38% of the global budget. Latin America accounted for 28% of the global budget and six countries (Peru, Mexico, Chile, Brazil, Argentina and Ecuador) concentrate 90% of the total budget for the region.

Chile continues to be one of the world's most attractive destinations; US\$ 576.2 million were invested in this region. However, it fell from fourth to sixth place in the global ranking for investment in exploration. In Latin America, Chile ranked third behind Peru and Mexico.

Codelco invested US\$ 61.8 million in exploration during 2018; similar to the amount spent the previous year.

Exploration in Chile

In 2018 we continued to focus our exploration activities on our regional areas (greenfield) and district areas (brownfield). Our main goal is to explore new geological resources of economic interest that can contribute to our Business and Development Plan in the medium and long term.

In the case of greenfield exploration conducted outside the Company's operating districts, we focused our activities on creating and following up on prospects and targets located within belts that contain porphyry copper-molybdenum and copper-gold deposits.

We predominantly concentrated on northern Chile, between the Región de Arica and Coquimbo, where

one of the most significant results is the Exploradora area, which is about 60 kilometres north of El Salvador. At this location we identified a copper sulphide and oxide deposit that also contains gold and molybdenum.

In brownfield exploration carried out in the areas near the Company's division sites, we searched for new geological resources in line with the requirements of each division, such as replacement of the mine base and use of available infrastructure.

The most important results were obtained in the Filo Norte area, located northeast of El Teniente operations, with copper and molybdenum intercepts similar to La Huifa project discovered in 2014.

2018 Work Areas. District and Regional Exploration in Chile

	ANOMALIES*	PROSPECTS**	TARGETS***	ADVANCED EXPLORATION ****	TOTAL
Areas under study	71	11	12	3	97
Areas Drilled	Studies without drilling	7	6	-	13
Meters Drilled	-	6,884	24,009	-	30,892

* 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.





Updated In-Situ Refined Copper Resources 2018

PROYECTO	MINERAL (Mt)	AVERAGE GRADE (CuT%)	REFINED COPPER (Mt)	CONTRIBUTED TO INVENTORY 2018 (Cu fino mt)
Vicky	126	0.6	0.756	0.253
Lucy	585	0.3	1.748	0.846

**Difference of refined Cu contributed to Codelco's inventory during FY 2018 Resources are posted at cut-off grade of 0.2% CuT.*

At División Gabriela Mistral we completed advanced exploration activities in the Vicky, Lucy and Lagarto areas. After updating the mineral resource geological and estimation models, the volume of mineral resources increased.

Overseas Exploration

Outside of Chile, we have assets in Ecuador, where porphyry copper deposits are located and in Brazil, where large IOCG deposits (iron oxide, copper and gold ore deposits) are found.

In other world regions we have predominantly focused on creating and detecting business opportunities where economic, social, environmental and legal conditions are satisfactory for Codelco.

Brazil

Codelco do Brasil subsidiary continued to assess our own prospect portfolio as well as prospects in existing partnerships. Exploration activities primarily focused on identifying opportunities and expanding our prospect portfolio outside the traditional Carajás district, in the state of Pará. During the period, we identified areas of interest in eight other Brazilian states and we added around one million hectares of prospective land to the portfolio.

Ecuador

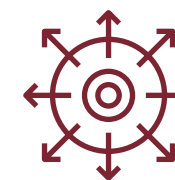
We continued to undertake exploration activities in Ecuador under the Mineral Exploration Agreement entered into with the state-owned Enami EP (Empresa Nacional Minera del Ecuador). We also conducted our own exploration activities through

Exploraciones Mineras Andinas Ecuador (Emsaec S.A.), a Codelco subsidiary.

Emsaec's portfolio contains 16 internal prospects on 55,000 hectares under mining concessions where we will begin exploration work to determine their potential.

The Llurimagua Project, under the Enami EP agreement, completed its advanced exploration stage; more than 23,000 metres of diamond drilling were completed in 2018. Therefore, in this project, Codelco has drilled 98 holes for a total of 99,000 metres. We will integrate this data into the updated geological model for the deposit and we will also calculate its new mineral resource estimation during 2019.

We are also in the process of building a corporate vehicle to move forward into the engineering stage.

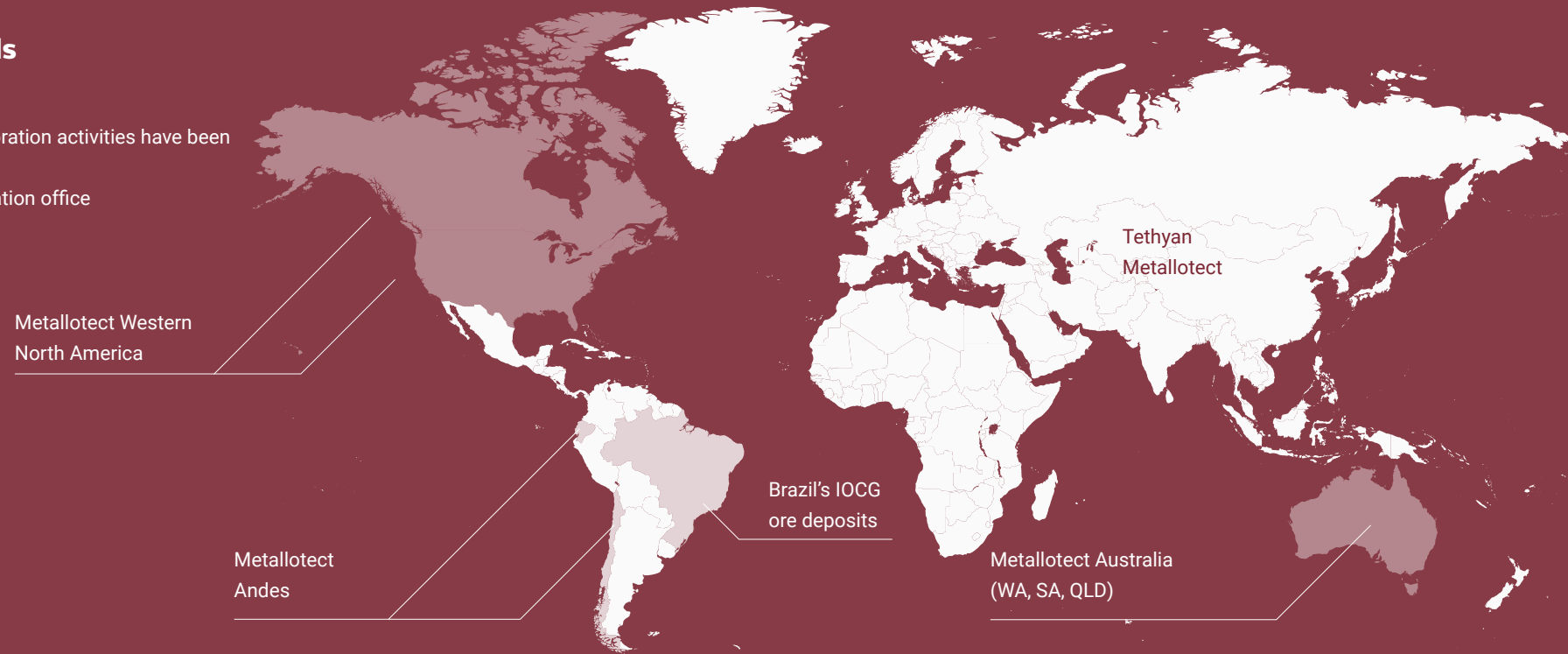


More than
23,000
metres have
been drilled on the
Llurimagua project



Current Global Exploration Trends

- Countries where exploration activities have been started
- Countries with exploration office



Exploration Innovation and Technology Development

Our efforts were directed at incorporating new technological tools to support exploration. These tools will help to detect hidden ore bodies that cannot be detected when using traditional technologies.

In 2018, our Exploration Department participated in several geo-scientific research and development projects with universities and national and international investigation centres, such as:

Amira (Australian Mineral Industries Research Association):
Develop a tool that by geochemical studying of

minerals (“halos verdes” or green rock halos) to guide the search for hidden porphyry copper deposits.

IBM, Cognitiva and Codelco Tech: implementation and use of exploration Big Data to create predictive models to support regional exploration.

AMTC, Universidad de Chile: seismic tomography, seismic wave study to identify favourable areas in order to locate porphyry copper deposits.

GIS Project: helps to interpret data obtained during exploratory process and see data in a 3D room.



Partnerships

In October 2018, within the framework of the exploration strategy, the Board approved entering into partnerships with third-parties involving non-priority properties. The purpose of these partnerships is to obtain short-term geological data and also develop projects to explore and make these mining properties profitable.

We establish exploration strategic partnerships with third parties as an additional mechanism to increase the probability of new exploration discoveries and add value to the Company's long-term production plans.

Through such partnerships, Codelco aims to maximize the value of its mining property and also assess opportunities related to third-party properties.

Exploration Partnerships

PROJECTS IN CHILE	PARTNER	TYPE	STAGE
Puntilla – Galenosa	Pucobre	Copper	Engineering
FOREIGN PROJECTS			
Liberdade	Pan Brasil	Copper	Exploration
Tancredo and other projects	Xstrata Brasil	Copper	Exploration
Grupo Propiedades	Enami EP Ecuador	Copper	Exploration

Market Development

Our goal is to protect and promote copper and molybdenum demand (Codelco's main by-product). We also want to meet both national and international standards and ensure future regulations are developed based on robust scientific facts, to certify sustainable sales and marketing of our product portfolio.

Market Access

To ensure market access we actively participate in the International Copper Association (ICA), International Molybdenum Association (IMOA) and the International Council on Mining and Metals (ICMM).

International Copper Association, ICA

In 2018, as a result of the strong link between copper consumption and clean energies, efforts to develop markets were chiefly focused on clean energy transition programs to ensure copper continues to be the preferred material in this global megatrend. These programs represented approximately 40% of the ICA portfolio.

With respect to the environment, activities were primarily focused on the following: classifying hazards associated with copper products and derivatives, and their potential impact on market access; appeals to

regular political authorities to reverse regulatory decisions affecting the entry, transport and sale of copper products and on adapting the product life cycle assessment systems to the reality of modern mining.

This year the ICA also launched a voluntary review program for copper produced by the different companies. This program focuses on sustainability aspects involving human rights, gender equality and good environmental management.

Finally, ICA focused its efforts on promoting the copper industry by strengthening its online channels and its position in strategic geographical locations such as Beijing, Brussels, Santiago and Washington DC. A key milestone during the year was the Life Cycle Assessment (LCA) project launched to assess power cables in China. The project demonstrated the superiority of copper versus aluminium in several key parameters for the sustainable development of this Asian country.

International Molybdenum Association, IMOA

Molybdenum is a key by-product for our company; in fact, we are the world's second largest producer of this metal. IMOA, an association that groups the world's largest molybdenum producers and processors, drives the demand for this metal by promoting its use in new and existing applications, particularly for alloy and stainless steels.

As a result of a complex regulatory scenario in some markets, IMOA participated in different local and regional initiatives, The IMOA was generally successful in addressing these challenges, thanks to the extensive scientific research it has conducted on molybdenum and its impact on human health. Nevertheless, there have been setbacks, the most significant of which was the European Chemicals Agency queries regarding technical content related to molybdenum registration in the REACH system. To rectify, IMOA is developing a new toxicological study agenda for 2019. Codelco actively participates in the technical work groups of this association.

International Council on Mining and Metals, ICMM

Codelco is also a member of the International Council on Mining and Metals (ICMM), an organization dedicated to promoting a safe, fair and sustainable mining and metals industry. This organization groups 27 mining and metals companies and more than 30 commodities associations.

Contrary to the ICA and IMOA, the ICMM is a multi-metal organization.

Key activities carried out during the year were:

- Led response to concentrate shipping regulations developed issued by the International Maritime Organization.
- Led response at the Minamata Convention, regarding mining waste management and disposal.
- Developed national requirements for a harmonized system of chemical hazard classification.
- Copper hazard classification for aquatic life and human health.
- Prepared responsible supply chain accreditation scheme.
- Maintain Codelco's product registrations in Europe's Registration, Evaluation and Authorisation of Chemicals (Reach).

Our membership in different organizations implies a series of commitments regarding sustainable development, transparency and auditable sustainability performance. In 2018 we participated in several committees and work groups that addressed various aspects of mining sustainability, such as regulations on the transport of mining products by sea, responsible supply chain in conflict-affected areas, complaints and suggestion systems, human rights, relationships with indigenous peoples, mine site closures and water resources.

Traceable Copper Initiative

In the context of the Sustainability Master Plan, at Codelco we decided to have responsible, traceable and sustainable mining processes and products. Our goal is to have 5% traceable cathodes by 2020.

In 2018, in order to achieve this target that includes productive, labour, socio-environmental and governance issues, we launched a pilot plan at the División Gabriela Mistral. Additionally, by means of cooperative agreements with Nexan (a French cable manufacturer), BMW (a car manufacturer) and Mitsui (a Japanese trader), we completed a comprehensive review and validation of all the key sustainability indicators for the copper value chain. These indicators were grouped into eight categories: (1) occupational health and safety, (2) inclusion and equal opportunities, (3) respect for human rights, (4) transparency, ethics and compliance, (5) impact on community and environment, (6) water footprint, (7) emission footprint, and (8) energy and carbon footprint.

As part of the work method, which consisted of defining and modelling the relationship between the impact of resource consumption or production and sustainability indicators, we developed with the Universidad Católica de Chile a life cycle inventory model for all key inputs associated with cathode production at División Gabriela Mistral, and their impact on indicators such as carbon footprint, water footprint and acidification potential. At the same time, we gathered all the data associated with the remaining categories.

The results obtained allowed us to have fully traceable products and to reach the goal defined in the Sustainability Master Plan two years in advance. Furthermore, this product has a series of competitive advantages such as energy efficiency, low water footprint, more than 20% female participation, 8% participation of indigenous employees, and full compliance with and respect for human rights.

División Gabriela Mistral is a symbol of a new type of mining and is the world's first copper mine to produce cathodes that are 100% traceable.



SUBSIDIARIES AND AFFILIATE COMPANIES



Whether as a primary or secondary partner, Codelco has participation in 44 companies and corporations. We have also established a specific area aimed at new third-party business development.

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Note for tables: () Directors or executives of Codelco.*



Corporate profile



Key indicators



Our management



Transparency, integrity and good corporate governance



Transformation and the future



Subsidiaries and affiliate companies



Consolidated financial statements



Offices and representatives

Subsidiaries and affiliate companies

Codelco's Subsidiary and affiliate company network covers sectors such as mining, electric power, development of new uses for copper, research, technology, ports and healthcare institutions.

In 2018 we performed a capital injection into these companies amounting to US\$ 10.9 million in total, and we received US\$ 8.3 million in dividends. As of December 31, 2018, the subsidiary network had a 1,299-person headcount.

Directors or executives from Codelco who participate on the boards of subsidiaries or associate companies do not receive extra payment for this role.

The most important milestones of the period were as follows:

- On September 2018, Innovaciones en Cobre S.A. (Codelco Lab) took over Ecosesa Farming S.A. subsidiary company, which developed technologies for using copper in aquaculture.
- On July 2018, Codelco Kupferhandel GmbH, Codelco's commercial operation agent in northern Europe materialized the sale of its share in Deutsche Giessdraht GmbH, a wire rod production company, to Aurubis AG.

New Businesses

The main purpose of the Business Development Management is to identify opportunities and then assess, design and execute projects that may add value to the Corporation, without neglecting the associated risk and impact. Codelco generates procurement and sales transactions related to our core business and forms associations with mining, technology or exploration assets in Chile and abroad.

In this context our Salar de Maricunga SpA subsidiary company entered into a Special Lithium Operation Agreement with the Ministry of Mining, which will allow the exploration, extraction and production of Lithium from the Maricunga salt flat (a mine claim held since 1979).

In addition, in August we received the permit from the Chilean Nuclear Energy Commission (Cchen) for extracting and commercializing lithium from the mining claims held by Codelco in the Pedernales salt flat.





Mining Companies

AGUA DE LA FALDA S.A.

As of December 31st, 2018

Taxpayer ID: 96.801.450-1
Legal name: Agua de la Falda S.A.
Type: Stock Corporation
Incorporation: July 25th, 1996.
Partners: Codelco, 42.26%; and Meridian Limitada Mining Company, 57.74%

Proportionally Subscribed and Paid-Up capital by Codelco

US\$ 42,451,000

Line of business

Surveying, exploring and exploiting mining claims containing gold, precious metals and other metals; and their commercialization in any way.

Senior Directors

Roberto Alarcón Bittner, Chairman.
 Jason Joseph LeBlanc
 Gerardo Fernández Tobar
 Denny Díaz Rodríguez (*)
 Diego Brieba Vial (*)

Deputy Directors

Sergio Orrego Flory Andres
 Guzmán Bosque Miguel Pérez
 Aspe Santiago Núñez Lagos
 (*) Olga Alfaro Toledo (*)

General Manager

Appointment pending.

Codelco interest and changes during the reporting period

Codelco directly owns 42.26% of shareholder's equity. During the period, there was a capital increase from US\$ 42,113,000 to US\$ 42,913,000, fully subscribed and paid-up by both Codelco and Minera Meridian Limitada.

Business relationship with Codelco

There were no sales or procurement of goods and services besides the agreements between the company and Codelco.

Contracts entered into with Codelco

The company has an agreement in force with Codelco comprising the following services: fresh water, industrial water, and electric power supply; and a leasing agreement.

ANGLO AMERICAN SUR S.A.

As of December 31st, 2018

Taxpayer ID: 77.762.940-9
Legal name: Anglo American Sur S.A.
Type: Stock Corporation
Incorporation: July 31st, 2007.
Partners: Inversiones Anglo American Sur S.A, 50.05992%; Clarent SÁRL, 0,00008%; Inversiones Mineras Becrux SpA, 29.5%; and MC Resource Development Ltd., 20.44%.

Subscribed and paid-up capital by Codelco

US\$ 248,000,000

Line of business

The main activity of the company is exploration, extraction, exploitation, production, winning and commercialization of minerals, mineral concentrates, precipitates, copper and other metallic and non-metallic bars; and, in general, any fossil, liquid and gaseous hydrocarbon substance in any natural state, including exploring, extracting, and using all kind of natural energy sources susceptible of being used at industrial level; and products and by-products obtained from those substances; and, in general, performing any other similar, connected or complementary activity shareholders agree to perform.

Senior Directors

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

Deputy Directors

Alejandro Mena Frau
 Richard Leclerc
 Felipe Purcell Douds
 Hideyuki Takemura
 Kazutaka Shiba

General Manager

Juan Carlos Román

Codelco interest and changes during the reporting period

Codelco indirectly owns 20% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

Sales of anodes, cathodes and concentrate.

Contracts entered into with Codelco

Agreements for anode, cathode and concentrate procurement, through Inversiones Mineras Nueva Acrux SpA.



COBREX PROSPECÇÃO MINERAL S.A.

As of December 31st, 2018

Legal name:	Cobrex Prospecção Mineral S.A.
Type:	Stock Corporation (Brazil)
Incorporation:	Brazil, January 14th, 2013. Record No. 33.3.0030616-1 Rio de Janeiro Commercial Registrar.
Partners:	Codelco do Brasil Mineragao Ltda., 51%; and Xstrata do Brasil Exploragao Mineral Ltda., 49%.

Subscribed and paid-up capital by Codelco

US\$ 4,558,000

Codelco do Brasil Mineragao Ltda.: 33.37% subscribed and paid-up capital; and 17.63% subscribed and unpaid capital as of November, 2018.

Xstrata do Brasil Exploragao Mineral Ltda.: 49% Subscribed and paid-up capital.

Line of business

Procuring share in incorporations or companies whose line of business is mining exploitation of any nature in Brazil and/or abroad, and administrating own assets or on behalf of third parties, performing any activity related with mining, including but not limited to research, exploration, and exploitation of economic resources and/or orebodies in Brazil. Performing, in general, any other civil or commercial activity directly or indirectly related with research, exploration, economic exploitation, or production or commercialization of mining products and derivatives.

Senior Directors

Marcos André Gonçalves, chairman
Felisberto de Castro

Deputy Directors

Humberto Eustáquio
Luis Ferraioulli

General Manager

Marcos André Gonçalves

Codelco interest and changes during the reporting period

Codelco indirectly owns 51% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

There were no commercial relationships between both companies, except for the fact that this is a subsidiary company of Codelco.

Contracts entered into with Codelco

There are no contracts or agreements substantially influencing the operations or results.

Headcount

None.

CODELCO DO BRASIL MINERAÇÃO LTDA.

As of December 31st, 2018

Legal name:	Codelco do Brasil Mineragao Limitada.
Type:	Limited liability company (Brazil).
Incorporation:	Brazil, September 14th, 2001. Record No. 33.2.0708361-1 Rio de Janeiro Commercial Registrar.
Partners:	Commercial Registrar. Codelco International Limited, 90%; and Codelco Technologies Limited, 10%.

Subscribed and paid-up capital by Codelco

US\$ 67,201,000

Line of business

Procuring share in incorporations or companies which line of business is mining exploitation of any nature in Brazil and/or abroad, and administrating own assets or on behalf of third parties.

Performing any activity related with mining, including but not limited to research, exploration, exploitation of economic resources and/or orebodies in Brazil.

Performing, in general, any other civil or commercial activity directly or indirectly related with research, exploration, economic exploitation, or production or commercialization of mining products and derivatives.

Senior Directors

Francisco Fernández Jimenez (*)
Nicolai Bakovic Hudig (*)
Roberto Fréaut (*)
Jaime San Martín (*)
Fabio Spina

Deputy Directors

None

General Manager

Marcos André Gonçalves

Codelco interest and changes during the reporting period

Codelco indirectly owns 51% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

There were no commercial relationships between both companies, except for the fact that this is a subsidiary company of Codelco.

Contracts entered into with Codelco

There are no contracts or agreements substantially influencing the operations or results.

Headcount

Executives and managers: 2
Professionals and technicians: 40
Employees: 31



COMPAÑÍA CONTRACTUAL MINERA LOS ANDES - CCMLA

As of December 31st, 2018

- Taxpayer ID** 78.860.780-6
- Legal name:** Compañía Contractual Minera Los Andes -CCMLA.
- Type:** Mining Contracting Company.
- Incorporation:** May 16th, 1996, Record No. 273. M. Gloria Acharán Toledo's Public Notary Subscribed on page No. 117 back, 1996, in Commercial Registrar, and page No. 9550 in the stock ledger in the Santiago Mine Registrar.
- Partners:** Codelco, 99.97%; and Sociedad de Inversiones Copperfield SpA, 0.03%.

Subscribed and paid-up capital by Codelco
US\$ 23,698,000.

Line of business

Performing geological surveys or surveys of any other nature, aimed at discover and acknowledge existent orebodies, in the country or abroad.

Senior Directors

Roberto Fréaut Contreras,
chairman (*)
Javiera Estrada Quezada (*)
Patricio Zuñiga Rojas (*)

Deputy Directors

None

General Manager

Carlos Gómez Cárdenas (*)

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity.

Business relationship with Codelco

Exploration activities are developed by Codelco through contracts entered into with other companies, having the option to incorporate a Stock Corporation with it. During the period, Codelco performed, on behalf of CCMLA, maintenance payments for the mining property, expenses which are recorded in the inter-company account.

During 2018, no option agreements were entered into on CCMLA mining properties.

Contracts entered into with Codelco

Master Agreement for exploration, in force since 2014. On September, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.



EXPLORACIONES MINERAS ANDINAS S.A.

As of December 31st, 2018

Taxpayer ID 99.569.520-0

Legal name: Exploraciones Mineras Andinas S.A.

Type: Stock Corporation

Incorporation: July 29th, 2004.

Partners: Codelco, 99.9%; and Sociedad de Inversiones Copperfield SpA., 0.1%.

Subscribed and paid-up capital by Codelco

US\$ 1,424,000.

Line of business

Performing planning, steering and execution of mining and water resource exploration programs considering the execution of core drilling works, chemical analysis, sampling, laboratory analysis, geological mapping, geophysical works, measuring physical properties, material characterization, ancillary services and every other necessary services for the execution of the aforementioned programs; consultancy services on geology, geophysics, geo-statistics, geotechnics, geochemistry, geo-metallurgy, hydrogeology; Continuous education and training programs for personnel, on matters related to mining exploitation, and publications, seminars, workshops and courses.

Senior Directors

Francisco Fernández Jiménez (*)

Valentina Santelices Riquelme (*)

Jaime San Martín Larenas (*)

Deputy Directors

None

General Manager

Guillermo Müller Masser

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

The company provides geological mining surveying services.

Contracts entered into with Codelco

Mining surveying services agreement Since October 15th, 2004, the company has entered into different agreements with Codelco for the execution and concretion of Codelco's exploration programs in Chile and abroad.

Currently, the contract in force is called Comprehensive Mining Exploration Services for the 2018-2021 period programs – which considers, at the same time, gathering geological information and making preliminary resource evaluations.

Headcount

Executives and managers: 7

Professionals and technicians: 54

Employees: 1

EXPLORACIONES MINERAS ANDINAS ECUADOR, EMSAEC S.A.

As of December 31st, 2018

Taxpayer ID 1792431565001

Legal name: Stock Corporation

Type: Mining Contracting Company.

Incorporation: December 19th, 2012. Exploraciones Mineras

Partners: Andinas S.A., 99%; and Sociedad de Inversiones Copperfield SpA, 1%.

Subscribed and paid-up capital by Codelco

US\$ 2,245,000.

Line of business

Service provision for the mining industry and other similar sectors. In order to execute its line of business, the company performs on its own or on behalf of third parties planning, steering and execution of mining and water resource exploration programs considering the execution of core drilling works, chemical analysis, sampling, laboratory analysis, geological or geophysical mapping, measuring physical properties, material characterization, ancillary services and every other necessary services for the execution of the aforementioned programs. Likewise, it provides consultancy services on geology, geophysics, geo-statistics, geotechnics, geochemistry, geo-metallurgy, and hydrogeology.

Senior Directors

Roberto Frérait Contreras (*)

María Susana Rioseco (*)

Olivar Hernández Giugliano (*)

Verónica Bilbao Solar (*)

Guillermo Müller Masser (*)

Deputy Directors

None

General Manager

Santiago Bustamante Sáenz

Codelco interest and changes during the reporting period

Codelco indirectly owns 100% of shareholder's equity.

A US\$ 1.2-million capital injection was performed, prorated according to the interest share owned by each shareholder.

Business relationship with Codelco

Exploraciones Mineras Andinas S.A. Subsidiary Company

Contracts entered into with Codelco

None. There is a contract currently in force with Exploraciones Mineras Andinas S.A.

Headcount

Executives and managers: 2

Professionals and technicians: 56

Employees: 126



INCA DE ORO S.A.

As of December 31st, 2018

Taxpayer ID 76.063.022-5
Legal name: Inca de Oro S.A.
Type: Stock Corporation June 11th, 2009.
Incorporation: Osvaldo Pereira González's Public Notary Record No. 7.565.09, abstract on page no. 30101 No. 20730 of the Commercial Registrar of the Real State Registrar of Santiago.
Partners: Codelco, 34%; and PanAust, 66%.

Subscribed and paid-up capital by Codelco

US\$ 102,010,000.

Line of business

Exploiting mining resources and mineral winning plants. Incorporating or having interest share in other companies with similar, alike, linked or complementary purposes; or acquiring and alienating rights or shares in them.

Acquiring, incorporating and selling mining claims, orebodies, licenses and mining rights, in general; real estate or movable properties; and securities and financial instruments of any type. Performing all kind of services for the mining sector, both in Chile and abroad.

Senior Directors

Fred Hess, president
 Paul Scarr
 Simon Milroy
 José Pesce Rosenthal (*)
 Diego Briebea Vial (*)

Deputy Directors

Andrew Price
 George Piggott
 Geoff Kernick
 Jaime San Martín Larenas (*)
 Javiera Estrada Quezada (*)

General Manager

Simon Milroy

Codelco interest and changes during the reporting period

Codelco directly owns 34% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

The company had no commercial activities during 2018.

Contracts entered into with Codelco

Service Contract entered into between Inca de Oro S.A. and Codelco, for service provision and administration of the Inca de Oro S.A.'s Mining Property.

Headcount

None.

INVERSIONES MINERAS LOS LEONES SPA

As of December 31st, 2018

Taxpayer ID 76.237.866-3
Legal name: Inversiones Mineras Los Leones SpA
Type: Joint Stock Company
Incorporation: August 20th, 2012.
Partners: Codelco, 100%.

Subscribed and paid-up capital by Codelco

US\$ 1,000,000.

Line of business

Exploring mineral resources in properties in the Andina-Los Bronces District.

Senior Directors

None

Deputy Directors

None

General Manager

None

Codelco interest and changes during the reporting period

Codelco, 100%. No variations were recorded during the period.

Business relationship with Codelco

There is a contract through which Codelco performs surveys on mining claims of this company.

Contracts entered into with Codelco

On August, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.



SOCIEDAD CONTRACTUAL MINERA EL ABRA

As of December 31st, 2018

Taxpayer ID	96.701.340-4
Legal name:	Sociedad Contractual Minera El Abra - SCM El Abra.
Type:	Mining Contracting Company.
Incorporation:	June 28th, 1994. Santiago Notary, Victor Manuel Correa Valenzuela.
Partners:	Codelco 49% y Freeport-McMoRan Inc. 51%.

Subscribed and paid-up capital by Codelco
US\$ 317,059,000.

Line of business

Surveying, exploring and exploiting the El Abra orebody, located in the Región de Antofagasta of Chile, including its enhancement areas, and the adjacent or surrounding areas. Extracting, winning and processing minerals obtained from the exploitation of the mining claims comprising that orebody and areas; and transporting and commercializing the products and by-products obtained from processing those minerals; and other activities derived from the exploitation of the orebody.

Senior Directors

Francisco Costabal Madrid, chairman
Harry M. Conger
Steve I. Tanner
Francisco Fernández (*)
Alejandro Rivera (*)

Deputy Directors

Kathleen Quirk
Joseph Kridel
Taylor Melvin
Jimena Vargas (*)
José Pesce Rosenthal (*)

Chairman

Joseph Kridel

General Manager

Rubén Funes M.

Codelco interest and changes during the reporting period

Codelco directly owns 49% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

The main common business refers to copper sales in cathodes by SCM EL ABRA to Codelco. In addition, Codelco sells sulphuric acid to SCM El Abra, in amounts and prices negotiated every year.

Contracts entered into with Codelco

The copper sales agreement is under the scope of a marketing agreement signed on January 1st, 2004, between SCM El Abra and Codelco, which considers automatic renewals on an annual basis. There are agreements entered into for sulphuric acid sales, which are in force until December 31st, 2022.

SALAR DE MARICUNGA SPA

As of December 31st, 2018

Taxpayer ID	76.754.301-8
Legal name:	Salar de Maricunga SpA.
Type:	Sociedad por acciones.
Incorporation:	April 26th, 2017
Partners:	Codelco 100%.

Subscribed and paid-up capital by Codelco
US\$ 286,000 subscribed and paid

Line of business

Exploiting, studying, evaluating, developing, exploiting, extracting, treating, winning, concentrating, transporting and commercializing, on its own or on behalf of third parties, any metallic and/or non-metallic mineral substance containing lithium, potassium, boron, magnesium, including lithium salt, lithium brine, and potassium or other mineral salts.

Senior Directors

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

Deputy Directors

None.

General Manager

Jaime San Martín Larenas (*)

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity. During the period, a US\$ 286,000 capital was subscribed and paid.

Business relationship with Codelco

There were no business relationships with Codelco.

Contracts entered into with Codelco

On August, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.



SOCIEDAD CONTRACTUAL MINERA PURÉN

As of December 31st, 2018

Taxpayer ID 76.028.880-2

Legal name: Sociedad Contractual Minera Purén.

Type: Mining Contracting Company.

Incorporation: September 23rd, 2003.

Partners: Codelco, 35%; and Minera Mantos de Oro (Kinross), 65%.

Subscribed and paid-up capital by Codelco

US\$ 9,913,000.

Line of business

Exploring, acknowledging, surveying, researching, developing and exploiting mining orebodies to extract, produce and process concentrated minerals or other products from mineral substances, being entitled, to this effect, to install and operate processing and mineral treatment plants; incorporating and acquiring mining rights of any nature; selling, transporting, exporting and commercializing substances and mineral products, being entitled, to this effect, to execute all actions and enter into all contracts and conventions that, directly or indirectly, aim to fulfill the objective.

Senior Directors

Luis Alberto Opazo Mondaca,
chairman

Ximena Matas Quilodrán

Luis Parra Falcón

Carlos Wulff Moreno (*)

Diego Briebe Vial (*)

Deputy Directors

Guillermo Contreras Gómez

Kathleen Uribe Huidobro

Fiona Macleay Coop

Francisco Fernández Jiménez (*)

Jorge Lagos Rodríguez (*)

General Manager

Rodrigo Moscoso

Codelco interest and changes during the reporting period

Codelco owns 35% interest share, with 350 shares subscribed, out of 1000.

No variations were recorded during the period.

Business relationship with Codelco

There were no sales or procurement of goods and services besides the agreements between the company and Codelco.

Contracts entered into with Codelco

There were no contracts substantially influencing Codelco's operations and results.



Investment Companies

CODELCO CANADA LIMITED

As of December 31st, 2018

Legal name: Codelco Canada Ltd.
Type: Limited liability company.
Incorporation: March 3rd, 2016.
Partners: Codelco International Ltd., 99.99%; and Inversiones Copperfield SpA, 0.01%.

Total Subscribed and Paid-Up capital by Codelco
 US\$ 10,000

Line of business
 To conduct the necessary businesses and activities that include debt certificates or shares controlled by Codelco.

Senior Directors
 None

Deputy Directors
 None

General Manager
 None

Codelco interest and changes during the reporting period
 Codelco indirectly owns 100% of shareholder's equity. No variations were recorded during the period.

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

Contracts entered into with Codelco
 On August, 2018, a service provision agreement was entered into with Codelco.

Headcount
 None.

CODELCO INTERNATIONAL LIMITED

As of December 31st, 2018

Taxpayer ID 59.156.920-1
Legal name: Codelco International Limited.
Type: Limited liability company (Bermuda).
Incorporation: Bermuda, 2000. Registered under record No. C-28890.
Partners: Codelco, 100%.

Total Subscribed and Paid-Up capital by Codelco
 US\$ 90,982,000

Line of business
 Administrating and controlling Codelco's interest in several international projects. Though Codelco Technologies Limited subsidiary company, it has investments in Ecometales Limited company in Jersey-Channel Island and in Ecometales Limited (Chile) operational agency, for developing and exploiting biology-based technologies and for processing materials, and copper and molybdenum concentrates. In partnership with Codelco Technologies Limited, it has incorporated Codelco do Brasil Mineragao Limitada, in Brazil, which goal is developing exploration, exploitation and market development projects.

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

Deputy Directors
 None

General Manager
 Víctor Janer Pérez (*)

Codelco interest and changes during the reporting period
 Codelco directly owns 100% of hareholder's equity. No variations were recorded during the period.

Business relationship with Codelco
 During the period, Codelco International Limited received US\$ 147,000 in dividends from Cooper Partners Investment Company Limited.

Contracts entered into with Codelco
 On August, 2018, a service provision agreement was entered into with Codelco.

Headcount
 None.



CODELCO TECHNOLOGIES LIMITED

As of December 31st, 2018

Legal name: Codelco Technologies Limited
Type: Limited liability company (Bermuda).
Incorporation: Bermuda, 2000. Registered under record No. EC-28891.

Capital subscribed and paid by the partners

US\$ 44,450,000.

Line of business

Administering and controlling Codelco's interest in several international projects. Under this structure, it has investments in Ecometales Limited company in Jersey-Channel Island and in Ecometales Limited (Chile) operational agency, for developing and exploiting biology-based technologies and for processing materials, and copper and molybdenum concentrates. It also has investments in Codelco do Brasil Mineragao Limitada, in Brazil, which goal is developing exploration, exploitation and market development projects.

Senior Directors

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

Deputy Directors

None

General Manager

Víctor Janer Pérez (*)

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

There was no commercial relationship.

Contracts entered into with Codelco

On August, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.

INVERSIONES GACRUX SPA

As of December 31st, 2018

Taxpayer ID 76.173.357-5
Legal name: Inversiones Gacrux SpA
Type: Joint Stock Company
Incorporation: October 5th, 2011.
Partners: Codelco, 100%.

Subscribed and paid-up capital by Codelco

US\$ 167,789,000

Line of business

Conducting investments in shares, rights of ownership, fund quotas, and securities in general, which are directly or indirectly related to mining activities or businesses, or are issued by mining companies.

Senior Directors

None

Deputy Directors

None

General Manager

None

Codelco interest and changes during the reporting period

Codelco, 100%. No variations were recorded during the period.

Business relationship with Codelco

Inversiones Gacrux SpA is a means of Codelco to maintain the investment in Becrux SpA, a joint venture between Codelco and Mitsui & Co., for a 29.5% interest share investment in Anglo American Sur S.A.

Contracts entered into with Codelco

On May, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.



INVERSIONES MINERAS BECRUX SPA

As of December 31st, 2018

Taxpayer ID 76.173.783-K
Legal name: Inversiones Mineras Becrux SpA
Type: Joint Stock Company
Incorporation: October 6th, 2011.
Partners: Inversiones Gacrux SpA 67.80% and MMRD Gama Limitada 32.20%

Capital subscribed and paid by the partners

US\$ 2,447,000

Line of business

The company's line of business is being a shareholder of shares issued by Anglo American Sur S.A. or the company succeeding or replacing it, for which it will be entitled to exert the rights and fulfill the obligations arisen from those shares, being able to perform or grant all actions or contracts leading to the aforementioned purpose.

Senior Directors

José Pesce Rosenthal (*)
 Alejandro Rivera Stambuk (*)
 Nicolai Bakovic Hudig (*)
 Álvaro Aliaga Jobet (*)
 Kazutaka Shiba

Deputy Directors

Francisco Fernández Jiménez (*)
 Víctor Janer Pérez (*)
 Diego Brieba Vial (*)
 Raúl de la Piedra Ramírez (*)
 Ricardo Álvarez

General Manager

None

Codelco interest and changes during the reporting period

Codelco indirectly owns 67.80% of shareholder's equity. During 2018 the company's capital was reduced from US\$ 2.671 to US\$ 2.447 billion without affecting the number of shares comprising the equity; said reduction was prorated across the shareholders.

Business relationship with Codelco

Inversiones Gacrux SpA is a joint venture between Codelco and Mitsui & Co., comprising 29.5% Anglo American Sur S.A.'s interest share.

Contracts entered into with Codelco

On May, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.

SOCIEDAD DE INVERSIONES COPPERFIELD SPA

As of December 31st, 2018

Taxpayer ID 77.773.260-9
Legal name: Sociedad de Inversiones Copperfield SpA
Type: Joint Stock Company
Incorporation: Public deed from December 12th, 2001. Alvaro Bianchi Rosas' Public Notary. Registered in the Commerce Registrar on page 32430 No. 26478, on December 14th, 2001.
Partners: Codelco, 99.99%; and Codelco International Limited, 0.01%.

Subscribed and paid-up capital by Codelco

US\$ 9,280,000

Line of business

Exploring and exploiting mining resources and process plants; acquiring, incorporating and exploiting mining claims, orebodies and mining rights; and participating in companies of any nature, through directly or indirectly holding rights in them and holding interest in their shareholder's equity.

Senior Directors

Lucila Siskind (*)
 María Francisca Domínguez Meza (*)
 Víctor Janer Pérez (*)

Deputy Directors

None

General Manager

Víctor Janer Pérez (*)

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

It has no current commercial relationships.

Contracts entered into with Codelco

On August, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.



Energy Companies

CENTRAL ELÉCTRICA LUZ MINERA SPA

As of December 31st, 2018

Taxpayer ID 76.255.061-K
Legal name: Central Eléctrica Luz Minera SpA
Type: Joint Stock Company
Incorporation: December 3rd, 2012.
Partners: Codelco, 100%.

Subscribed and paid-up capital by Codelco

US\$ 4,628,000

Line of business

Generating, transmitting, destributing, supplying, purchasing and selling electric power; as well as providing power services of all kind.

Senior Directors

Francisco Danitz Miller, chairman (*)
 Nicolai Bakovic Hudig (*)
 Verónica Bilbao Solar (*)

Deputy Directors

None

General Manager

Francisco Danitz Miller (*)

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

There was none.

Contracts entered into with Codelco

On August, 2018, a service provision agreement was entered into with Codelco.

Headcount

None.

GNL MEJILLONES S.A.

As of December 31st, 2018

Taxpayer ID 76.775.710-7
Legal name: Sociedad GNL MEJILLONES S.A.
Type: Non-Listed Stock Corporation
Incorporation: January 31st, 2007. Osvaldo Pereira González's Public Notary Commercial Registrar of Santiago, page 6,625, No. 4,909, 2007.
Partners: Codelco, 37%; and Engie Chile S.A., 63% (former Suez Energy).

Subscribed and paid-up capital by Codelco

US\$ 37,000,000

Line of business

Producing, storing, commercializing, transporting and distributing all kinds of fuels; acquiring, building, maintaining, and exploiting infrastructure facilities and physical works which are necessary for these fuels to be transported, received, processed, and stored, both in Chile and abroad, on its own or in partnership with third parties.

Senior Directors

Axel Leveque, chairman
 Francisco Danitz Miller, vicechairman (*)
 Pablo Villarino
 Eduardo Milligan
 Jean-Louis Pairon
 Ingrid Antonijevic H.
 Luis Valenzuela P.

Deputy Directors

Pierre Devillers
 Daniel Pellegrini
 Aníbal Prieto
 Diego Briebe Vial (*)
 María Francisca Domínguez Meza (*)
 Héctor Rodrigo Jorquera
 Chellew (*)

General Manager

Gustavo Schettini

Codelco interest and changes during the reporting period

Codelco directly owns 37% of shareholder's equity. No variations were recorded during the period.

Business relationship with Codelco

Sociedad GNL Mejillones S.A. is related to Codelco as a service provider for the regasification of liquified natural gas.

Contracts entered into with Codelco

Sociedad GNL Mejillones S.A. holds a contract called Terminal Use Agreement with Codelco, entered into on April 5th, 2013. Contracts with Codelco's Complejo Portuario Mejillones S.A. subsidiary company, in relation to the lease of the plot where the facilities of Sociedad GNL are located.

Process plants

ECOMETALES LIMITED

As of December 31st, 2018

Taxpayer ID	59.087.530-9
Legal name:	EcoMetales Limited. Limited liability
Type:	company. Operates in Chile as an agency. August 22nd, 2000.
Incorporation:	Registration number 78014, in Jersey Island (UK).
Notary:	Geoffrey St. Clair Cornwall.
Partners:	2001. Codelco Technologies Limited, 100%.

Capital subscribed and paid by the partners

US\$ 181,592,000

Line of business

- Developing technological innovations aimed at treating smelting dust and other smelting and refining effluents.
- Providing administration or operation services for mining projects requiring the use of technologies aimed at treating smelting dust and other smelting and refining effluents.
- Exploiting industrial mining process plants requiring the use of technologies aimed at treating impurities, smelting dust and other smelting and refining effluents.
- Commercializing mining products, both in Chile and abroad, processed and manufactured in plants operated by company.

Contracts entered into with Codelco

- Modification No.4 to the service provision agreement for the detail engineering and support of environmental permit arrangement for the improvement in generation, transportation and disposal of arsenic waste in División El Teniente project, subscribed on December 31st, 2017.
- Modification No. 7 to the service provision and tolling agreement for refinery dust and effluents, subscribed on September 5th, 2018.
- Modification No. 8 to the service provision and tolling agreement for refinery dust and effluent, subscribed on September 5th, 2018.

Headcount

Executives and managers: 7
Professionals and technicians: 114
Employees: 56

Senior Directors

José Pesce Rosenthal,
chairman (*)
Francisca Domínguez Meza (*)
Sebastián Carmona Caldera (*)
Christian Dummer Scheel (*)

Deputy Directors

None Deputy Directors

General Manager

Iván Valenzuela Rabí

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity.
There were no other variaciones.

Business relationship with Codelco

- Tolling service provision agreement for smelting dust, subscribed on March 31st, 2007, and its modification No. 8, subscribed on September 5th, 2018.
- Interdivisional transfer of smelting dust agreement (PEPA - Acid Plant Electrofilter Dust) subscribed on June 1st, 2008.
- Reduction and disposal of arsenic and antimony service agreement subscribed on January 10th, 2011, and its modification No. 2, subscribed on August 5th, 2015.
- Study and evaluation service agreement for building a hazardous industrial waste dump for División El Teniente, subscribed on March 7th, 2012, and its modification subscribed on June 6th, 2012.
- Service provision agreement for the environmental impact study and the community relationships plan for the hazardous industrial waste dump for División El Teniente, subscribed on July 13th, 2012.
- Service provision agreement for the detail engineering and support of environmental permit arrangement for the improvement in generation, transportation and disposal of arsenic waste in El Teniente, subscriber on April 1st, 2014, and its modification No.4, subscribed on December 31st, 2017.
- Memorandum of understanding with División El Teniente for the development of the copper production increase project in the SX-EW plant, subscribed on December 20th, 2017.
- Collaboration agreement for information and automation technology services (TICA services), subscribed on February 6th, 2013.



PLANTA RECUPERADORA DE METALES SPA

As of December 31st, 2018

Taxpayer ID 76.255.054-7
Legal name: Planta Recuperadora de Metales SpA.
Type: Joint Stock Company
Incorporation: December 3rd, 2012.
Partners: Codelco, 34%; and LS Nikko, 66%.

Subscribed and paid-up capital by Codelco

US\$ 12,376,000

Line of business

Processing intermediate products in copper and other metals refining and processing, in order to recover copper, other contained metals and byproducts – transforming them into commercial products; as well as commercializing and distributing all kinds of goods or supplies related to such processing.

Senior Directors

Choong Goo Kang, chairman
 Sung Sil Park
 Sung Jik Kim
 José Robles (*)
 Diego Brieba Vial (*)

Deputy Directors

Han Young Cho
 Woochul Kang
 Sang Yul Lee
 Nicolai Bakovic Hudig (*)
 María Blanco Araoz (*)

General Manager

Sung Jik Kim

Codelco interest and changes during the reporting period

Codelco contributed US\$ 0 through capital contributions and US\$ 0 through loans during the 2018. The accumulated capital contributions as of December 31st, 2018, are:

- Codelco: US\$ 12,376,000
- LS-Nikko Copper : US\$ 24,024,000

The accumulated loans as of December 31st, 2018, are:

- Codelco: US\$ 20,306,320
- LS-Nikko Copper : US\$ 39,418,151

Business relationship with Codelco

It started with the commissioning of the plant in 2016, with generating and delivery of gold and silver ingots to Codelco, in 2013.

Contracts entered into with Codelco

PRRC tolling agreement, which regulates within the next 20 years the treatment of PRRC produced by Codelco, for contained precious metal winning.

MOLYB LTDA.

As of December 31st, 2018

Taxpayer ID 76.148.338-2
Legal name: Sociedad de Procesamiento de Molibdeno Limitada.
Type: Limited liability company.
Incorporation: May 18th, 2011.
Partners: Codelco, 99.95%; and Inversiones Copperfield SpA., 0.05%.

Subscribed and paid-up capital by Codelco

US\$ 217,343,000 as of November, 2018

Line of business

Internal processing, or through a third party, of molybdenum concentrate or other elements containing molybdenum and/or byproducts obtained from that same processing, in order to transform them into commercial products and recovering the contained byproducts.

Senior Directors

Alejandro Rivera Stambuk, chairman (*)
 Octavio Araneda Oses (*)
 Roberto Ecclefield Escobar (*)
 Francisco Ruiz Figueroa
 Pauline de Vidts S.

Deputy Directors

None

General Manager

Nicolás Espinosa Navarro

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity. On August 23rd, 2018, CODELCO and Inversiones Copperfield SpA. agreed to modify the statutory capital of the Company, indicating that under already subscribed contributions amounting US\$ 112,123,000, the company's capital amounts to US\$ 217,343,000 as of that date.

Business relationship with Codelco

Subsidiary company aimed at the processing of molybdenum concentrate from Codelco divisions.

Contracts entered into with Codelco

- Molybdenum Concentrate Transformation Service Agreement
- Molybdenum and By-Product Procurement and Sales Agreement
- Service Provision Agreement by the Vicepresidency of Projects.
- Commercial Current Account Agreement.
- Information Technology Service Agreement.

Research and Technology Companies

CODELCO TEC SPA

As of December 31st, 2018

Taxpayer ID 96.991.180-9
Legal name: CodelcoTec SpA.
Type: Joint Stock Company
Incorporation: May 31st, 2002.
 Nancy de la Fuente Hernandez's Public Notary. Commercial Registrar of the Real State Registrar of Santiago, recorded on page No 14,849, No 12,239, 2002, and modified to CodelcoTec SpA on November 21st, 2016. Roberto Cifuentes Allel's Public Notary. Commercial Registrar of the Real State Registrar of Santiago, recorded on page No 92,113, No 49,939, 2016.
Partners: Codelco, 99.99%; and Inversiones Copperfield SpA., 0.01%.

Subscribed and paid-up capital by Codelco
 US\$ 59,913,000

Line of business
 Developing technological, mining and metallurgic innovations; commercial development of processes and technology in the fields of genomics, proteomics, and bioinformatics for mining; and, in general, applying microorganism-based systems; analyzing, researching, inventing and creating, developing and implementing new applications, benefits and uses for copper, molybdenum, lithium, and other byproducts from mining processes, as long as they are directly related to a higher copper usage rate.
 In addition, technological surveillance of copper substitutes; representing companies, individuals and legal entities, national or foreign, in purchasing, selling, distributing, commercializing, importing, and exporting these and other activities and businesses related to the aforementioned.

Headcount
 Executives and managers: 5
 Professionals and technicians: 115
 Employees: 0

Senior Directors
 Jaime Rivera Machado (*)
 Lodewijk Verdeyen (*)
 Tina Christa Rosenfeld (*)
 Sebastian Carmona Caldera (*)
 Victor Perez Vallejos (*)

Deputy Directors
 None

General Manager
 Oscar Castañeda Calderon (i)

Codelco interest and changes during the reporting period
 On November 21st, 2016, the company as of that date called BioSigma SpA (former BioSigma S.A.) changed its name to CodelcoTec SpA; in addition, on a later date, December 2nd, 2016, it took over the Codelco subsidiary company called Instituto de Innovación en Minería y Metalurgia S.A. Codelco increased its interest share from 66.7% of the shareholder's equity to 99.9% of the shareholder's equity, after JX Nippon Mining alienated its interest share, materialized in October 28th, 2016. No variations were recorded during the period.

- Contracts entered into with Codelco**
- Research, development and technological innovation service provision agreement, from December, 2016. Mineral Bioleaching service agreement for
 - División Radomiro Tomic, subscribed on February, 2015.
 - Information, Communication and Automation Technology Service Collaboration Agreement, subscribed on November, 2016.



INNOVACIONES EN COBRE S.A. (CODELCO LAB)

As of December 31st, 2018

Taxpayer ID 76.043.396-9
Legal name: Innovaciones en Cobre S.A.
Type: Stock Corporation
Incorporation: Record No. 20536/2008 Eighteenth Notary of Santiago.
 Codelco, 0.05%; and
Partners: Sociedad de Inversiones Copperfield SpA, 99.95%.

Subscribed and paid-up capital by Codelco
 US\$ 13,246,000.

Line of business
 Analyzing, researching, inventing, creating, developing and implementing new applications, benefits and uses for copper and molybdenum. The company is under a takeover process by Codelco Tec.

Senior Directors
 Víctor Pérez Vallejos, chairman (*)
 Víctor Farías Toro (*)
 Sebastián Carmona Caldera (*)
 Alejandro Rivera Stambuk (*)
 Alan Farcas Guendelman

Deputy Directors
 None

General Manager
 Eduardo Foix Iñiguez (*)

Codelco interest and changes during the reporting period
 Codelco directly and indirectly owns 100% of shareholder's equity.

Business relationship with Codelco
 Codelco related company for investments in innovation and entrepreneurship businesses and projects having relation with new applications of copper, molybdenum, lithium and other minerals.

Contracts entered into with Codelco
 None

Headcount
 None.

KAIROS MINING S.A.

As of December 31st, 2018

Taxpayer ID 76.781.030-K
Legal name: Kairos Mining S.A.
Type: Non-Listed Stock Corporation
Incorporation: December 12th, 2006. Eduardo Avello Concha Notary Public. Registered in the Commerce Registry on page 363, Record No. 295, 2008. Official Gazette Publication No 38,671, on January 24th, 2008.
Partners: Codelco, 5%; and Honeywell Chile S.A., 95%.

Subscribed and paid-up capital by Codelco
 US\$ 5,000,000

Line of business
 Providing automation and industrial and mining activity control services; in addition to granting technology and software licenses.

Senior Directors
 Claudio Zamora Larrebourg, chairman
 Tina Pierce
 John Lewis

Deputy Directors
 None

General Manager
 Fernando Lorca Arancibia

Codelco interest and changes during the reporting period
 Codelco directly owns 5% of shareholder's equity. No variations were registered.

Business relationship with Codelco
 There is a master agreement in force for long-term services between Kairos Mining S.A. and Codelco Chile.

Contracts entered into with Codelco

- Master Service Agreement for developing an Automation Program on Codelco's concentration plants at five-year term (from April 3rd, 2007), extendable for equal-length, successive five-year-term periods.
- On September 10th, 2010, modification No 1 of the Master Service Agreement was subscribed, introducing explicitly the Salvador and División Ministro Hales concentration plants within the scope of this program-initiative.
- On April 1st, 2012, Modification No 2 of the Master Service Agreement was subscribed, extending the validity term of the Master Agreement until April 3rd, 2017.

Contracts entered into with Codelco

- On April 1st, 2015, the KDMS-1 Master Service Agreement was entered into with División Salvador, with an 18-month validity term from the subscription date of the Agreement.
- On December 1st, 2017, Codelco awarded Kairos the Contract No 4600016095, which is the new Master Service Agreement, through the the corresponding Award Letter and KMAMS-02 Commencement Notice in order to execute Service Orders during the 2017-2018 period.

Sales Companies

CHILE COPPER LIMITED

As of December 31st, 2018

Legal name: Chile Copper Limited
Type: Limited liability company (UK).
Incorporation: England, March 29th, 1971.
Partners: Codelco, 100%.

Subscribed and paid-up capital by Codelco
 US\$ 126,000

Line of business
 Codelco Chile's sales agent and representative for copper and molybdenum products in European and Middle Eastern markets. It owns 80% of Codelco Services Ltd. subsidiary company. The remaining 20% is owned by Codelco Kupferhandel GmbH.

Senior Directors
 Roberto Ecclefield Escobar, chairman (*)
 Alejandro Sanhueza Díaz (*)
 Hernán Sepúlveda Astorga (*)

Deputy Directors
 None

General Manager
 Gonzalo Cuadra Lizana

Codelco interest and changes during the reporting period
 Codelco directly and indirectly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco
 Codelco's Sales Agents. Through Codelco Services Ltd. subsidiary company, it performs physical copper and molybdenum trading in order to fulfill contracts entered into by Codelco Chile; besides, it performs physical hedge operations for Codelco Chile and Codelco Kupferhandel GmbH subsidiary company.

Contracts entered into with Codelco
 Copper and Molybdenum Sales Agency Agreement.

Headcount
 Executives and managers: 5
 Professionals and technicians: 3
 Employees: 0

CODELCO SERVICES LIMITED

As of December 31st, 2018

Legal name: Codelco Services Limited.
Type: Limited liability company (UK).
Incorporation: England, August 16th, 1988.
Partners: Chile Copper Ltd., 80%; and Codelco Kupferhandel GmbH, 20%.

Capital subscribed and paid by the partners
 US\$ 628,000

Line of business
 Trading copper and molybdenum products and copper futures, in order to provide services to Codelco Chile, Codelco Kupferhandel GmbH, and other companies of the holding the headquarters deem convenient.

Senior Directors
 Roberto Ecclefield Escobar, chairman (*)
 Alejandro Sanhueza Díaz (*)
 Hernán Sepúlveda Astorga (*)

Deputy Directors
 None

General Manager
 Gonzalo Cuadra Lizana

Codelco interest and changes during the reporting period
 Codelco directly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco
 Codelco Services Limited performs physical copper and molybdenum trading in order to fulfill contracts entered into by Codelco Chile; besides, it performs physical hedge operations for Codelco Chile and Codelco Kupferhandel GmbH subsidiary company.

Contracts entered into with Codelco
 Copper Services Agreement and Molybdenum Services Agreement.

Headcount
 None.



CODELCO KUPFERHANDEL GMBH

As of December 31st, 2018

Legal name:	Codelco Kupferhandel GmbH Limited liability company (Germany).
Type:	Limited liability company (Germany).
Incorporation:	Hamburg, March 27th, 1981.
Partners:	Codelco, 100%.

Subscribed and paid-up capital by Codelco

EUR 3,000,000

Line of business

Importing, exporting, trading and transforming metals in all their forms, in particular copper; and trading equipment for the copper production industry. Acquiring and administrating interest share in metal manufacturing industries, in particular for copper; and performing research work in the field of winning and elaborating metals.

Until July 31st, 2018, it owned 40% interest share of Deutsche Giessdraht GmbH, a rod wire production plant, through which it arranged cathode supplies, and it traded rod wire produced in such plant. Between August 1st and December 31st, 2018, it continued trading rod wire produced by Deutsche Giessdraht GmbH, pursuant to a transformation agreement (tolling).

It owns 20% interest share of Codelco Services (United Kingdom).

Senior Directors

Roberto Ecclefield Escobar (*), chairman
Daniela Blanco Araoz (*)
Paula Sánchez Gonzalez (*)
Alejandro Sanhueza Díaz (*)

Deputy Directors

None

General Manager

Christian Seemann Chacón

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity. During the period, the 40% interest share in the Deutsche Giessdraht GmbH rod wire production plant was sold to Aurubis AG.

Business relationship with Codelco

Codelco Chile's Commercial Operations Agent in Northern Europe countries (Codelco Chile copper product sales in Germany, Austria, Holland, and Denmark).

Codelco Chile's sales agent for molybdenum and other by-products in Germany, Austria, Holland, Czech Republic, Slovakia, and Poland. Provides logistics coordination and support for commercial operations of shipping and customer delivery.

Through its associate in the UK, Codelco Services Ltd performs hedging and other stock exchange operations for Codelco.

Contracts entered into with Codelco

Cathode Supply Agreement

Headcount

Executives and managers: 2

Professionals and technicians: 5

Employees: 0

CODELCO SHANGHAI CO. LTD

As of December 31st, 2018

Legal name:	Codelco Shanghai Company Limited.
Type:	Limited liability company (China).
Incorporation:	China, November 2nd, 2011
Partners:	Codelco, 100%.

Subscribed and paid-up capital by Codelco

US\$ 2,000,000

Line of business

- Copper, molybdenum and other metal importation and exportation.
- Copper, Molybdenum products and other by-products Sales Agency Agreement.
- Supply of products and materials for mining exploitation agency services.

Headcount

Executives and managers: 4

Professionals and technicians: 18

Employees: 0

Senior Directors

Roberto Ecclefield Escobar, chairman (*)
José Robles Becerra (*)
Hernán Sepúlveda Astorga (*)
Michael Gubbins Infante (*)
Alejandro Sanhueza Díaz (*)

Deputy Directors

None

General Manager

Helmut Arbert Gebert

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco

- Copper, Molybdenum products and other by-products
- Sales Agency Services.
- Supply of products and materials for mining exploitation agency services.

Contracts entered into with Codelco

- Commercial Agency Service Agreement.
- Supply Agency Service Agreement.

CODELCO GROUP (USA) INC.

As of December 31st, 2018

Legal name: Codelco Group (USA) Inc
Type: Stock Corporation (USA) Delaware, December 18th, 1992, pursuant to Section 108 (c) of the US Corporate Law.
Incorporation: 18th, 1992, pursuant to Section 108 (c) of the US Corporate Law.
Partners: Codelco, 100%.

Subscribed and paid-up capital by Codelco
 US\$ 100,000.

Line of business
 Any action or activity the Corporations Law of the Sate of Delaware allows. As of December 31st, 2017, there are two subsidiary companies under this company: Codelco USA Inc., whose line of business is acting as Codelco Chile's sales agent and representative for selling copper products and by-products in the NAFTA markets; and Codelco Metals Inc., whose line of business is domestic trade of copper and copper by-products in the NAFTA market, with their corresponding logistic and transformation processes, among others.

Senior Directors
 Roberto Ecclefield Escobar, chairman (*)
 Paula Sánchez González (*)
 Alejandro Sanhueza Díaz (*)

Deputy Directors
 None

General Manager
 George Howard Gavilán (*)

Codelco interest and changes during the reporting period
 Codelco directly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco
 Through Codelco Group (USA) Inc. subsidiary companies – Codelco USA Inc. and Codelco Metals Inc. – there are commercial relations with Codelco, the former acting as Codelco's Sales Agent and the latter as a physical copper and copper by-product (molybdenum, gold, silver and others) trading company.

Contracts entered into with Codelco
 Through its subsidiary companies, agency agreements, and copper and molybdenum purchase agreements.

Headcount
 None.

CODELCO METALS INC.

As of December 31st, 2018

Legal name: Codelco Metals Inc.
Type: Stock Corporation (USA) Delaware, December 18th, 1992.
Incorporation: 18th, 1992.
Partners: Codelco Group (USA) Inc 100%.

Line of business
 Support for the fulfillment of Codelco Group objectives.

Senior Directors
 Roberto Ecclefield Escobar, chairman (*)
 Paula Sánchez González (*)
 Alejandro Sanhueza Díaz (*)

Deputy Directors
 None

General Manager
 George Howard Gavilán (*)

Codelco interest and changes during the reporting period
 Codelco directly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco
 Associated with Codelco as a physical copper and molybdenum trading company for the Corporation. It complements Codelco Chile's commercial work, purchasing for latter sale to American customers which require on-site delivery.

Contracts entered into with Codelco
 Copper and molybdenum purchase agreements.

Headcount
 None.



CODELCO USA INC.

As of December 31st, 2018

Legal name: Codelco USA Inc.
Type: Stock Corporation (USA)
Incorporation: New York, December 4th, 1974.
Partners: Codelco Group (USA) Inc 100%.

Line of business

Support for the fulfillment of Codelco Group objectives.

Senior Directors

Roberto Ecclefield Escobar, chairman (*)
 Paula Sánchez González (*)
 Alejandro Sanhueza Díaz (*)

Deputy Directors

None

General Manager

George Howard Gavilán (*)

Codelco interest and changes during the reporting period

Codelco directly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco

Associated with Codelco since it plays the role of Copper, Molybdenum, Gold and Silver Sales Agent for the Corporation, with the aim of supporting the commercial work of Codelco Chile in selling products to the NAFTA market.

Contracts entered into with Codelco

Copper and Copper By-Product Agency Agreements.

Headcount

Executives and managers: 1
 Professionals and technicians: 3
 Employees: 0

INVERSIONES MINERAS NUEVA ACRUX SPA

As of December 31st, 2018

Taxpayer ID 76.231.838-5
Legal name: Inversiones Mineras Nueva Acrux SpA.
Type: Joint Stock Company
Incorporation: August 16th, 2012.
Partners: Inversiones Mineras Becrux SpA, 100%.

Capital subscribed and paid by the partners

US\$ 20,000

Line of business

Procurement, sales, distribution, transportation, intermediation and, in general, national or international commercialization of minerals, concentrates, precipitates, and copper bars; in addition to all metallic mineral substances and, in general, all fossil substance, in any way present in the nature, including products or by-products obtained from them and directly or indirectly coming from Anglo American Sur S.A. or from its succeeding or replacing companies, being entitled to acquire interest share in other companies or incorporations complementing its line of business or providing services to it.

Senior Directors

None

Deputy Directors

None

General Manager

None

Codelco interest and changes during the reporting period

Codelco indirectly owns 67.8% of shareholder's equity

Contracts entered into with Codelco

Agreement in force for anode, cathode and concentrate procurement and sales.

Headcount

None.

Ports

COMPLEJO PORTUARIO MEJILLONES S.A.

As of December 31st, 2018

Taxpayer ID 96.819.040-7
Legal name: Complejo Portuario Mejillones S.A.
Type: Non-Listed Stock Corporation
Incorporation: March 18th, 1997. Hugo Leonardo Perez Pousa Notary Commercial Registry of Santiago, page 7,188 No. 5,679.
Partners: Codelco, 99.99%; and Sociedad de Inversiones Copperfield SpA., 0.01%.

Capital subscribed and paid by the partners
 US\$ 32,596,000

Line of business
 Projecting, building, and exploiting a port in the Mejillones Bay, Región de Antofagasta. Complejo Portuario Mejillones (CPM) developed the project and awarded the construction and operation of the Terminal No. 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.

Headcount
 Executives and managers: 3
 Professionals and technicians: 1
 Employees: 3

Senior Directors
 Juan Villarzú Rohde
 Guido Sagues Lagos (*)
 Nicolai Bakovic Hudig (*)
 Pedro Jaramillo
 Teodoro Wigodski Sirebrenik

Deputy Directors
 None

General Manager
 Álvaro Arroyo Albala

Codelco interest and changes during the reporting period
 Codelco directly and indirectly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco
 Codelco provides IT services to Complejo Portuario Mejillones (CPM), which are charged into its cost center and then billed. On the other hand, CPM leases offices to Codelco at the administration building of the Terminal No. 1, in addition to containers and ancillary 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 Compañía Portuaria Mejillones S.A. the payment in full of each and every payable amount by CPM, to Compañía Portuaria; under the contract for the construction of the port facilities and the provision of port services at Terminal No. 1, Mejillones (BOT Contract), entered into by them, should CPM fail to provide the services.
 - Office lease contract in the administration building of Terminal No. 1, by CPM to Codelco, October 2003 (renewed in October, 2011).
 - Lease contract for containers and additional equipment, allocated to ground transportation and ocean freight of copper concentrate, by CPM to Codelco, entered into on March, 2014 (modified in May, 2015, in order to introduce additional container units, and parts and spare parts).



Health and Pension Funds

ASOCIACIÓN GARANTIZADORA DE PENSIONES

As of December 31st, 2018

Taxpayer ID 81.767.200-0

Legal name: Asociación
Garantizadora de
Pensiones (Pension
Guarantor Association)

Type: Pension funds

Incorporation: By decree No. 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\$ 1,131,000.

Line of business

Non-profit, mutual-insurance, pension-fund private law company. Incorporated to ensure, in substitution of the related companies, the payment of pensions of the Occupational Accidents Law No. 4.055, and only for that specific purpose.

Senior Directors

Diego Briebe Vial (*)
Olivar Hernández Giugliano (*)
Jaime Guzmán Echeverría (*)
Lucila Siskind (*)
Cecilia Restovic Verón (*)

Deputy Directors

None

General Manager

None

Codelco interest and changes during the reporting period

Corelco directly owns 96.69% of shareholder's equity. No variations were registered.

Business relationship with Codelco

None.

Contracts entered into with Codelco

There are no business relationships.

Headcount

None.



CENTRO DE ESPECIALIDADES MÉDICAS RÍO BLANCO LTDA.

As of December 31st, 2018

Taxpayer ID	76.064.682-2
Legal name:	Centro de Especialidades Médicas Río Blanco Ltda.
Type:	Limited liability company.
Incorporation:	June 30th, 2009. Nancy de la Fuente Hernandez's Public Notary. It was published in the Official Gazette No. 39,410, on July 13th, 2009. Registered on page 148 No. 142 of the Commercial Registrar of the Real State Registrar of Los Andes.
Partners:	Codelco, 99%; and Isapre Río Blanco Ltda., 1%.

Capital subscribed and paid by the partners

US\$ 518,000 subscribed and paid by Codelco
 US\$ 5,230 subscribed and paid by Isapre Río Blanco Ltda.
 US\$ 523.23 Total Equity subscribed and paid.

Line of business

Providing outpatient healthcare services, and administration of healthcare benefit for people enrolled in Isapre Río Blanco Ltda. and their dependent family members.

Senior Directors

Marcelo Álvarez Jara, chairman (*)
 Diego Ruidiaz Gómez (*)
 Olivar Hernández Giugliano (*)
 Álvaro Calbacho Méndez (*)
 Eugenio Concha Vergara

Deputy Directors

None

General Manager

Alberto Altermatt

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 99% of 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 Codelco División Andina employees, 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 31st, 2018

Taxpayer ID 99.573.600-4
Legal name: Clínica Río Blanco S.A.
Type: Non-Listed Stock Corporation
Incorporation: September 30th, 2004.
Partners: Codelco, 99%; and Isapre Río Blanco Ltda., 1%.

Subscribed and paid-up capital by Codelco

US\$ 4,898.52 subscribed and paid-up by Codelco. US\$ 48.98 subscribed and paid-up by Isapre Río Blanco Ltda. US\$ 4,948 Total Equity subscribed and paid

Line of business

Providing healthcare services and provisions through the administration of a private hospital; providing outpatient, emergency and paramedical healthcare services; performing laboratory tests, pharmacology, analysis, radiology; and, in general, providing medical services, according to their complexity levels; and providing professional intra-holding services to healthcare providers.

Headcount

Executives and managers: 1
 Professionals and technicians: 88
 Employees: 3

Senior Directors

Marcelo Álvarez Jara, chairman (*)
 Diego Ruidiaz Gómez (*)
 Olivar Hernández Giugliano (*)
 Álvaro Calbacho Méndez (*)
 Eugenio Concha Vergara

Deputy Directors

None

General Manager

Alberto Altermatt

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 99% of 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 Codelco División Andina employees, through the agreement with Isapre Río Blanco.

Contracts entered into with Codelco

- "Pre-occupational check-up" service agreement for \$433,995,170, 5-year term, due on August 20th, 2017.
- "Provisions Law No.16,744" service agreement for \$1,728,156,840, 3-year term, due on February 28th, 2019.
- "Occupational health" service agreement for \$1,905,936,142, 3-year term, due on February 28th, 2019.

CENTRO DE ESPECIALIDADES MÉDICAS SAN LORENZO LTDA.

As of December 31st, 2018

Taxpayer ID 76.124.156-7
Legal name: Centro de Especialidades Médicas San Lorenzo Limitada.
Type: Limited liability company.
Incorporation: November 2nd, 2010
Partners: Clínica San Lorenzo Ltda., 99%; and San Lorenzo Isapre Ltda., 1%.

Line of business

Providing outpatient healthcare services according to their complexity level, regardless their responsibility or classification.

Headcount

Executives and managers: 0
 Professionals and technicians: 2
 Employees: 0

Senior Directors

Marcelo Álvarez Jara, chairman (*)
 Olivar Hernández Giuliano (*)
 Diego Ruidiaz Gómez (*)
 Álvaro Calbacho Méndez (*)
 Eugenio Concha Vergara

Deputy Directors

None

General Manager

Alberto Altermatt

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides outpatient, and medical and nursing services to Codelco División Salvador employees.

Contracts entered into with Codelco

- Healthcare service provision agreement to workers from the División Salvador affected to Law 16,744.
- Agreement No. 4501620654 (from April 25th, 2016).



CLÍNICA SAN LORENZO LTDA.

As of December 31st, 2018

Taxpayer ID 88.497.100-4
Legal name: Clínica San Lorenzo Limitada.
Type: Limited liability company.

Incorporation: El Salvador, November 24th, 1981. Notary Public Mr. Ricardo Olivares Pizarro.

Partners: Codelco, 99.9%; and Sociedad de Inversiones Copperfield SpA., 0.1%.

Subscribed and paid-up capital by Codelco

US\$ 19,998,000

Line of business

Providing healthcare services and provisions through the administration of a private hospital; providing outpatient, emergency and paramedical healthcare services; performing laboratory tests, pharmacology, analysis, radiology; and, in general, providing medical services, according to their complexity levels.

Senior Directors

Marcelo Álvarez Jara, chairman (*)
 Olivar Hernández Giuliano (*)
 Diego Ruidiaz Gómez (*)
 Álvaro Calbacho Méndez (*)
 Eugenio Concha Vergara

Deputy Directors

None

General Manager

Gonzalo Espinoza Olguín

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides outpatient, emergency, and paramedical healthcare services, laboratory tests, pharmacology, analysis, radiology and, in general, medical and nursing services, to Codelco División Salvador employees.

Contracts entered into with Codelco

- Healthcare provision services agreement, División Salvador.
- Agreement No. 4501601915 dated January 7th, 2016.

Headcount

Executives and managers: 3
 Professionals and technicians: 46
 Employees: 29

ISAPRE CHUQUICAMATA LTDA.

As of December 31st, 2018

Taxpayer ID 79.566.720-2
Legal name: Institución de Salud Previsional Chuquicamata Ltda.

Type: Limited liability company. El Loa, February 4th,

Incorporation: 1982. Notary Public Mr. Claudio Mesina Schulz.

Partners: Codelco, 98.3%; and Fundación de Salud El Teniente, 1.7%.

Subscribed and paid-up capital by Codelco

\$ 765,000.

Line of business

Funding healthcare services and benefits, and related or complementary activities to this end, according to the terms stated in Law No.18,933 and its subsequent modifications.

Contracts entered into with Codelco

- Healthcare Benefit Administration Agreement (September 1st, 2018), due on July 31st, 2019.
- Healthcare Master Agreement between División Ministro Hales and Chuquicamata Isapre (February 15th, 2016).
- Service provision contract (September 1st, 2000), with automatic renewal every two years.

Headcount

Executives and managers: 1
 Professionals and technicians: 0
 Employees: 0

Senior Directors

Leonardo Whittle Ferrer
 Pablo Geisse Navarro (*)
 Luis Cifuentes Miranda (*)
 María Francisca Domínguez Meza (*)
 Lucila Siskind (*)

Deputy Directors

None

General Manager

Jaime del Solar Zorzano

Codelco interest and changes during the reporting period

Codelco directly owns 98.3% of shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides healthcare services through medical service facilities to every Codelco Employee enrolled in said Isapre, their dependent family members and former Codelco Employees enrolled.

Contracts entered into with Codelco

- Group healthcare plan agreement (Headquarters) (January 1st, 2006), with automatic renewal every two years.
- Administration and payment agreement (Headquarters) (January 2nd, 2006), with automatic renewal every two years.
- Administration and payment agreement (Radomiro Tomic) (December 1st, 2006), with automatic renewal every year.
- Temporary commodatum agreement (November 16th, 2009), due date on November 16th, 2029.



ISAPRE RÍO BLANCO LIMITADA

As of December 31st, 2018

Taxpayer ID 89.441.300-K
Legal name: Institución de Salud Previsional Chuquicamata Ltda.
Type: Limited liability company.

Incorporation: May 5th, 1983. Exempt Res. No. 001700, from May, 1983.

Partners: Codelco, 99.99%; and San Lorenzo Isapre Ltda., 0.01%.

Subscribed and paid-up capital by Codelco

\$ 537,000.

Line of business

Funding health services and benefits, besides related or complementary activities to this end, according to the terms stated in Law No.18,933 and its subsequent modifications.

Senior Directors

Leonardo Whittle Ferrer
 Pablo Geisse Navarro (*)
 Luis Cifuentes Miranda (*)
 María Francisca Domínguez Meza (*)
 Lucila Siskind (*)

Deputy Directors

None

General Manager

Jaime del Solar Zorzano

Codelco interest and changes during the reporting period

Codelco directly owns 99.99% of shareholder's equity. No variations were registered.

Business relationship with Codelco

Provides healthcare services through medical service facilities to every Codelco Employee enrolled in said Isapre, their dependent family members and former Codelco Employees enrolled.

Contracts entered into with Codelco

- Healthcare Benefit Administration Agreement (September 1st, 2015), due on September 1st, 2021.
- Healthcare Provision Agreement (September 1st, 2018), due on September 1st, 2021.
- Subsidy Payment Agreement (January 1st, 2007). Undefined.

Headcount

None.

SOCIEDAD EJECUTORA PROYECTO HOSPITAL DEL COBRE CALAMA S.A.

As of December 31st, 2018

Taxpayer ID 96.817.780-K
Legal name: Ejecutora Proyecto Hospital del Cobre-Calama S.A.

Type: Non-Listed Stock Corporation

Incorporation: Santiago, April 11th, 1997.

Partners: Codelco, 99.99%; and Clínica San Lorenzo Ltda., 0.01%.

Subscribed and paid-up capital by Codelco

US\$ 358,000.

Line of business

Healthcare, inpatient and ambulatory provisions.

Senior Directors

Marcelo Álvarez Jara, chairman (*)
 Álvaro Calbacho Méndez (*)
 Diego Ruidiaz Gómez (*)
 Olivar Hernández Giuliano (*)
 Pablo Geisse Navarro (*)

Deputy Directors

None

General Manager

Juan Pablo Duclos Cornejo

Codelco interest and changes during the reporting period

Codelco directly and indirectly owns 100% of shareholder's equity. No variations were registered.

Business relationship with Codelco

Master Agreement entered into by Codelco-Chile, Sociedad Ejecutora del Proyecto Hospital del Cobre-Calama S.A., and Las Americas Administradora Fondos de Inversión S.A., establishing the regulatory framework of the relationship among the parties for a 20-year period (until March 31st, 2021).

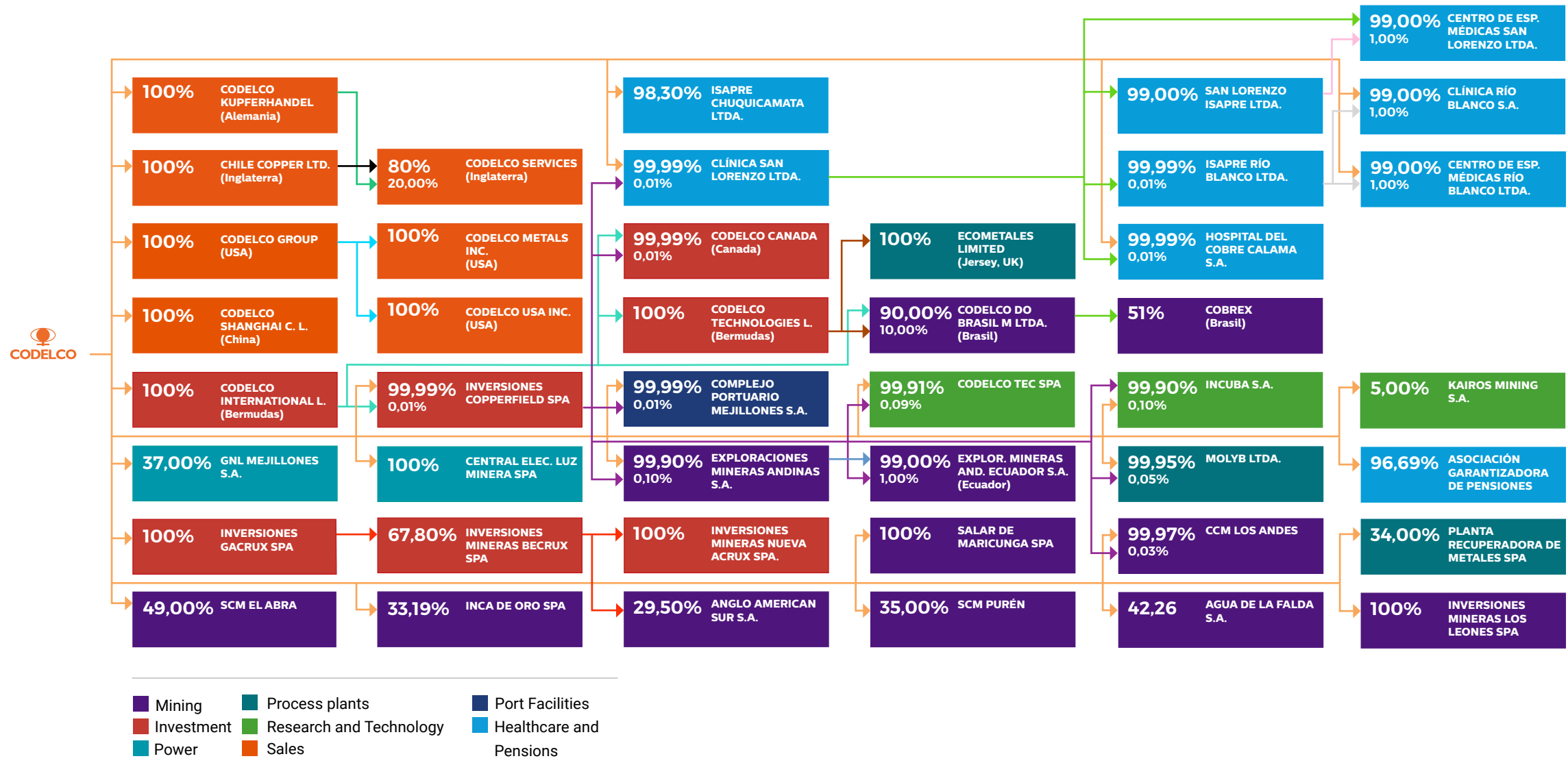
Contracts entered into with Codelco

- Sublease of Hospital del Cobre Dr. Salvador Allende G. until March 2021, according to the Master Agreement.
- Billing and accounting services for the executing company, from Codelco's side, until March 31st, 2021.

Headcount

None.

Codelco share in subsidiary and affiliate companies





INDEPENDENT AUDITORS' **REPORT**



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Deloitte.

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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 statements of financial position of Corporación Nacional del Cobre de Chile and its subsidiaries (the "Company") at December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial 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 audits. 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 express no 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.



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**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, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other-matter – Translation

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

Deloitte
March 28, 2019
Santiago, Chile





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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)
(Translation into English of the consolidated financial statements originally in Spanish - see Note I.2)

	Notes	12-31-2018	12-31-2017
Assets			
Current Assets			
Cash and cash equivalents	1	1,229,125	1,448,835
Other current financial assets	13	231,409	1,327
Other current non-financial assets		6,805	25,638
Trade and other current receivables	2	2,212,209	2,815,352
Accounts receivable from related parties, current	3	92,365	64,344
Inventories	4	2,042,648	1,829,698
Current tax assets	6	13,645	21,623
Total current assets other than assets or groups of assets for disposition classified as held for sale or held as distributable to owners		5,828,206	6,206,817
Non-current assets or groups of assets for disposition classified as held for sale	7	-	4,236
Total current assets		5,828,206	6,211,053
Non-current assets			
Other non-current financial assets	13	145,751	149,526
Other non-current non-financial assets	12	6,817	11,575
Non-current receivables	2	84,731	91,442
Accounts receivable from related parties, non-current	3	20,530	25,830
Non-current inventories	4	457,070	428,447
Investments accounted for using equity method	9	3,568,293	3,665,601
Intangible assets other than goodwill	10	48,379	219,117
Property, plant and equipment	8	26,754,998	25,275,512
Investment property		981	981
Non-current tax assets	6	143,606	233,772
Deferred tax assets	5	31,443	43,285
Total non-current assets		31,262,599	30,145,088
Total Assets		37,090,805	36,356,141

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



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally in Spanish - see Note I.2)

	Notes	12-31-2018	12-31-2017
Liabilities and Equity			
Liabilities			
Current liabilities			
Other current financial liabilities	14	872,277	324,388
Trade and other current payables	17	1,546,584	1,915,768
Accounts payable to related parties, current	3	150,916	123,791
Other current provisions	18	384,249	324,631
Current tax liabilities	6	10,777	58,690
Current provisions for employee benefits	19	510,034	516,681
Other current non-financial liabilities		64,575	51,507
Total current liabilities		3,539,412	3,315,456
Non-current liabilities			
Other non-current financial liabilities	14	14,674,510	14,648,004
Non-current payables		26,613	44,983
Other accounts payable to non-current related parties	3	-	-
Other non-current provisions	18	1,600,183	1,711,802
Deferred tax liabilities	5	4,586,168	4,314,237
Non-current provisions for employee benefits	19	1,315,520	1,392,659
Other non-current non-financial liabilities		4,530	3,662
Total non-current liabilities		22,207,524	22,115,347
Total liabilities		25,746,936	25,430,803
Equity			
Issued capital		5,219,423	4,619,423
Accumulated deficit		(198,917)	(36,672)
Other reserves	20	5,354,159	5,335,092
Equity attributable to owners of the parent		10,374,665	9,917,843
Non-controlling interests	20	969,204	1,007,495
Total equity		11,343,869	10,925,338
Total liabilities and equity		37,090,805	36,356,141

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE **INCOME (LOSS)**



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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)
(Translation into English of the consolidated financial statements originally in Spanish - see Note I.2)

	Notes	01-01-2018 12-31-2018	01-01-2017 12-31-2017
Revenue	21	14,308,758	14,641,555
Cost of sales		(11,194,341)	(10,380,403)
Gross profit		3,114,417	4,261,152
Other Income, by function	24.a	124,826	154,332
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9		158	-
Distribution costs		(18,262)	(10,403)
Administrative expenses		(465,328)	(428,140)
Other expenses	24.b	(2,115,314)	(1,557,473)
Other gains		21,395	32,605
Profit from operating activities		661,892	2,452,073
Finance income		51,329	29,836
Finance costs	25	(463,448)	(644,610)
Share of profit of associates and joint ventures accounted for using equity method	9	119,114	185,428
Foreign exchange difference	27	178,143	(206,058)
Profit for the years before tax		547,030	1,816,669
(Expenses) benefit - income taxes	5	(357,283)	(1,193,067)
Profit for the years		189,747	623,602
Profit attributable to			
Profit attributable to owners of parent		155,719	569,175
Profit attributable to non-controlling interests	20.b	34,028	54,427
Profit for the years		189,747	623,602

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



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (CONTINUED)

For the years ended December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)
(Translation into English of the consolidated financial statements originally in Spanish - see Note 1.2)

	Notes	01-01-2018 12-31-2018	01-01-2017 12-31-2017
Profit for the years		189,747	623,602
Other comprehensive result			
Components of other comprehensive income that will not be reclassified to profit or loss, before tax:			
Losses on remeasurement of defined benefit plans, before tax		(48,626)	25,106
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		(1,617)	123
Other comprehensive loss that will not be reclassified to profit or loss before tax		(50,243)	25,229
Components of other comprehensive income that will be reclassified to profit or loss, before tax:			
Exchange differences on translation:			
(Losses) gains on exchange difference on translation, before tax		(848)	4,592
Other comprehensive income, before tax, exchange difference on translation		(848)	4,592
Cash flow hedges:			
Gains (losses) on cash flow hedges, before tax		104,160	(2,874)
Other comprehensive income (loss), before tax, cash flow hedges		104,160	(2,874)
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		554	(604)
Other comprehensive income that will be reclassified to profit or loss before tax		103,866	1,114
Other comprehensive income, before tax		53,623	26,343
Income tax related to components of other comprehensive income			
Income tax effect relating to remeasurement of defined benefit plans of other comprehensive income	5	33,148	(16,937)
Income tax effect of components of other comprehensive income which will not be reclassified to profit or loss		33,148	(16,937)
Income taxes related to components of other comprehensive income that will be reclassified to the result of the period			
Income (loss) tax relating to cash flow hedges of the other comprehensive income	5	(67,704)	1,868
Income (loss) tax of components of other comprehensive income which will be reclassified to profit or loss		(67,704)	1,868
Total other comprehensive income		19,067	11,274
Total Comprehensive Income		208,814	634,876
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent		174,786	580,449
Comprehensive income attributable to non-controlling interests	20.b	34,028	54,427
Total comprehensive income		208,814	634,876

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

CONSOLIDATED
STATEMENTS OF
CASH FLOWS
DIRECT METHOD



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CONSOLIDATED STATEMENTS OF CASH FLOWS – DIRECT METHOD

For the years ended December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)
(Translation into English of the consolidated financial statements originally in Spanish - see Note I.2)

	Notes	01-01-2018 12-31-2018	01-01-2017 12-31-2017
Cash flows provided by operating activities:			
Receipts from sales of goods and rendering of services		15,428,893	14,521,538
Other cash receipts from operating activities	28	1,733,555	1,657,104
Payments to suppliers for goods and services		(8,870,763)	(7,822,093)
Payments to and on behalf of employees		(1,920,204)	(1,614,446)
Other cash payments from operating activities	28	(2,555,184)	(2,223,368)
Dividends received		188,749	227,843
Income taxes paid		(67,326)	(31,224)
Cash flows provided by operating activities		3,937,720	4,715,354
Cash flows used in investing activities:			
Other payments to acquire equity or debt instruments of other entities		(338)	-
Other charges for the sale of interests in joint ventures and associates	7	21,842	-
Purchase of property, plant and equipment		(3,893,851)	(3,411,496)
Interest received		47,259	15,290
Other outflows of cash		(127,570)	(49,897)
Cash flows used in investing activities		(3,952,658)	(3,446,103)
Cash flows used in financing activities:			
Total proceeds from borrowings		900,000	3,050,000
Repayment of borrowings		(259,011)	(3,375,216)
Payments of finance lease liabilities classified as financing activities		(27,130)	(25,565)
Dividends paid		(602,461)	(273,332)
Interest paid		(634,289)	(582,471)
Other cash inflow		500,802	790,149
Cash flows used in financing activities		(122,089)	(416,435)
Increase in cash and cash equivalents before effect of exchange rate changes		(137,027)	852,816
Effect of exchange rate changes on cash and cash equivalents		(82,683)	19,293
Increase (decrease) in cash and cash equivalents		(219,710)	872,109
Cash and cash equivalents at beginning of years	1	1,448,835	576,726
Cash and cash equivalents at end of years	1	1,229,125	1,448,835

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY



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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally in Spanish - see Note I.2)

December 31, 2018	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	Accumulated deficit	Equity attributable to owners of the parent	Non-controlling interests Note 20	Total Equity
Initial balance as of 01/01/2018	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
Increase (decrease) through changes in accounting policies							2,282	2,282	-	2,282
Initial balance restated	4,619,423	(6,015)	11,336	(259,002)	5,588,773	5,335,092	(34,390)	9,920,125	1,007,495	10,927,620
Changes in equity:										
Profit							155,719	155,719	34,028	189,747
Other comprehensive income (loss)		(848)	36,456	(15,478)	(1,063)	19,067		19,067	-	19,067
Comprehensive income								174,786	34,028	208,814
Dividends							(306,619)	(306,619)		(306,619)
Capital increases	600,000	-	-	-	-	-	-	600,000	-	600,000
Increase (decrease) through transfers and other changes	-	-	-	-	-	-	(13,627)	(13,627)	(72,319)	(85,946)
Total changes in equity	600,000	(848)	36,456	(15,478)	(1,063)	19,067	(164,527)	454,540	(38,291)	416,249
Final balance as of 12-31-2018	5,219,423	(6,863)	47,792	(274,480)	5,587,710	5,354,159	(198,917)	10,374,665	969,204	11,343,869

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



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2018 and 2017 (In thousands of US dollars - ThUS\$)

(Translation into English of the consolidated financial statements originally in Spanish - see Note I.2)

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	Accumulated deficit	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							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								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.

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.

(Translation into English of the consolidated financial statements originally issued in Spanish - see Note 1.2)



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I. GENERAL INFORMATION

1. Corporate Information

Corporación Nacional del Cobre de Chile (hereinafter referred to as “Codelco”, “Codelco - Chile”, or the “Corporation”), is, in Management’s opinion, 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.

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”), and is subject to its supervision. According to Article No. 10 of Law No. 20392 (related to 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.1349 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. 1350 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. 20392, Codelco is governed by its organic standards set forth in Decree Law No. 1350 (D.L. No. 1350) 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. 1350 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.1350 which refers to Decree Law No. 824 on Income Tax of 1974 and Decree Law No. 2398 (Article 2) of 1978, as applicable. The Corporation’s taxable income is also subject to a Specific Mining Tax in accordance with Law No. 20026 of 2005.

The Corporation is subject to Law No. 13196, 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. On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than December 15 of each year, the funds established in article 1 in that law.

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, 2018 and 2017, and the consolidated statements of comprehensive income for the years ended December 31, 2018 and 2017, changes in equity and of cash flows for the years ended December 31, 2018 and 2017, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).



II. SIGNIFICANT ACCOUNTING POLICIES

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 the information included in these consolidated financial statements and expressly declared its responsibility for the consistent and reliable nature of the information included in such financial statements as of and December 31, 2018, which fully comply with IFRS as issued by the IASB. These consolidated financial statements as of December 31, 2018, and for the year ended were approved by the Board of Directors at a meeting held on March 28, 2019.

Accounting Principles

These consolidated financial statements reflect the financial position of Codelco and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations for the years ended December 31, 2018 and 2017, changes in equity and cash flows for years ended December 31, 2018 and 2017, and their related notes, all prepared in accordance with IAS 1, "*Presentation of Financial Statements*", in consideration of the presentation instructions of the Commission for the Financial Markets, where not conflict with IFRS.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish into English.

1. Significant Judgments and Key Estimates

In preparing these consolidated financial statements, 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 period is required. Such preparation 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' accounting 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. 20235. 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 non-financial 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 indicator 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, where applicable. 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 is performed at the level of associates and joint arrangements.

d) Provisions for decommissioning and site restoration costs - The Corporation is obliged to incur decommissioning and site restoration costs when such site restoration or decommissioning is required due to a legal or constructive obligation. 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 property, plant and equipment in accordance with IAS 16, and simultaneously a liability in accordance with IAS 37, is recorded.

For these purposes, a defined list of mine sites, facilities and other equipment are studied under this process, considering the engineering level profile, the cubic meters of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best current knowledge related to

carrying 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, where applicable, 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 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 (as well as the associated liability). 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 considered such an indicator, 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 arise as a result of

the production phase of a mine are expensed as incurred.

The decommissioning costs are initially recorded 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 other comprehensive income or profit or loss (depending on the accounting standards applicable).



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 from contracts with customers" of Note 2 "Significant accounting policies" below.

g) Fair value of derivatives and other financial instruments - Management may use its judgment to choose an adequate and proper valuation method for financial instruments that are not quoted in an active market. In the case of derivative financial instruments, assumptions are based on observable market inputs, adjusted depending on factors specific to the instruments among others.

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 loss is not probable of occurring or where probable, may not be estimated reliably, no provisions are recognized.

i) Revenue recognition - Beginning on January 1, 2018, the Corporation has adopted retrospectively IFRS 15, Revenue from Contracts with Customers, which provides new guidance on recognition of revenue. The Corporation determines appropriate revenue recognition for its contracts with customers by analyzing the type, terms and conditions of each contract or agreement with a customer.

As part of the analysis, the management must make judgments about whether an agreement or contract is legally enforceable, and whether the agreement includes separate performance obligations. In addition, estimates are required in order to allocate the total price of the transaction to each performance obligation based on the stand-alone selling price of the promised goods or services underlying each performance obligation. (The Corporation applies the constraint on variable consideration as defined in IFRS 15, if applicable).

Although the abovementioned 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, 2018 and 2017.
- Consolidated statements of comprehensive income for years ended December 31, 2018 and 2017.
- Consolidated statements of changes in equity for years ended December 31, 2018 and 2017.
- Consolidated statements of cash flows for years ended December 31, 2018 and 2017.

b) Basis of preparation - The consolidated financial statements of the Corporation as of December 31, 2018, and for the years ended December 31, 2018 and 2017 have been prepared in accordance with the instructions from the Commission for the Financial Market which fully comply with IFRS as issued by the IASB.

The consolidated statement of financial position as of December 31, 2017, and the consolidated statement of income for the years ended December 31, 2017, the consolidated statement of changes in equity and consolidated statement of cash flows for the years ended December 31, 2017, which are included for comparative purposes, have been prepared in accordance with IFRS issued by the IASB, on a basis consistent with the criteria used for the same period ended December 31, 2018, except for the adoption of the new IFRS standards and interpretations adopted by the Corporation as of and

for the years ended December 31, 2018, which are disclosed in note II.3.

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 from the date the Corporation gains control until the date when the Corporation ceases to control the 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	12-31-2018 % Ownership			12-31-2017 % 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 Canadá	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



Taxpayer ID Number	Company	Country	Currency	12-31-2018 % Ownership			12-31-2017 % Ownership
				Direct	Indirect	Total	Total
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	Clínica 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 Proyecto 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\$	-	-	-	98.98
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	Clínica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
77.773.260-9	Inversiones Copperfield SpA	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\$	99.95	0.05	100.00	100.00
76.173.357-5	Inversiones GacruX SpA	Chile	US\$	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	US\$	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	US\$	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras BecruX SpA	Chile	US\$	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	US\$	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	US\$	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Inst. de Salud Previsional Fusat. Ltda.	Chile	CLP	-	-	-	-
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 Río 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	100.00



On December 21, 2017, according to decree No. 12285 / 2017, by public deed, it was agreed between the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") with the Investment Company Minera Becrux SpA ("Absorbing Company"), which took effect as of December 22, 2017, where the Absorbing Company acquired 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 which 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.

The value of the participation of non-controlling shareholders in equity, net income and comprehensive income of subsidiaries are presented, respectively, in the headings "Non-controlling interests" of the consolidated statement of financial position; "Net income attributable to non-controlling interests"; and "Comprehensive income attributable to non-controlling interests."

- 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 and related deferred tax balances 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 (and, where applicable, the associated cumulative translation adjustment). 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, associate or joint venture, any excess of the cost of the investment (consideration transferred) plus the amount of the non-controlling interest in the acquiree plus the fair value of any previously held equity interest in the acquiree, where applicable, over Codelco's share of the net fair value of the identifiable assets and liabilities is recognized as goodwill. Any excess of Codelco's share of the net fair value of the identifiable assets and liabilities over the consideration transferred, 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 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, foreign currency transactions denominated in foreign currencies are converted at the rates prevailing at that date. Exchange differences on such transactions 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 in foreign currency have been expressed in dollars at the exchange rate at the end of the period.

At the end of each reporting period, 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 (12/31/2018: US\$39.68; 12/31/2017: US\$43.59). The expenses and revenues in Chilean pesos have been expressed in dollars at the observed exchange rate, corresponding to the date of the accounting recording of each operation.

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 for purposes of consolidation:

- Monetary 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.

- Non-monetary assets and liabilities as well as equity are translated at historic exchange rates.



- 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:

Relation	Closing exchanges ratios	
	12-31-2018	12-31-2017
USD / CLP	0.00144	0.00163
USD / GBP	1.27000	1.35355
USD / BRL	0.25848	0.30198
USD / EURO	1.14390	1.20236

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 as well as when it is the intention of the Corporation to settle a transaction net.

Income or expenses arising from transactions which, for contractual or legal reasons, permit 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 may be revised at the end of each year or during the year 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 or disposal of an asset are 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, those reserves and resources acquired as part of acquisition of entities accounted for as business combinations, are recognized at their fair value.

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. Indefinitely-lived intangible assets are tested for impairment at least annually, and whenever there

is an indication that these assets may be impaired. Definitely-lived intangible assets are tested for impairment when an indicator of impairment has been identified. 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: The expenditures for the development of Technology and Innovation Projects are recognized as intangible assets at their cost and are considered to have indefinite useful lives.

Development expenses for technology and innovation projects are recognized as intangible assets at cost, if and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- That the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 lives are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. If any such indicator exists, the Corporation estimates the asset's recoverable amount to determine the extent of the impairment loss which is then recorded.

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 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 evaluation 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 amortized through profit or loss over the period during 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 annually 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. 2398, as well as, the specific tax on mining referred to in Law 20026 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. 1350, 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 differences 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 tax rates on remittances of dividends paid out by such companies to the Corporation.

m. Inventories - Inventories are measured at cost, when such does not exceed 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 of fixed assets, amortization of intangibles and indirect costs of each period. Inventories of products in process are classified in current and non-current, 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. 1350, 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, 2018.

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 such site restoration or decommissioning is required due to a legal or constructive obligation. 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 cannot 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 such an indicator exists, the Corporation tests the asset for impairment by estimating its recoverable amount, and recognizes an impairment loss, if any.

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

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 the 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 return 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 from Contracts with Customers - Revenue is recognized in an amount that reflects the consideration to which the entity expects to

be entitled in exchange for transferring goods or services.

- Sale of mineral goods and / or by-products:

Contracts with customers for the sale of mineral goods and / or by-products include the performance obligation for the delivery of the physical goods and the associated transportation service, at the place agreed with the customers. The Corporation recognizes revenue from the sale of goods at the time control of the asset is transferred to the customer, according to the shipment or dispatch of the products, in accordance with the agreed conditions, such revenue being subject to variations related to the content and / or sale price at the date of its liquidation. Notwithstanding the foregoing, there are some contracts where control is transferred substantially to the client based on the receipt of the product instead of the buyer's corresponding destination, making the revenue recognition at the time of said transfer. When services of transport of goods are provided, the Corporation recognizes revenue when the service obligation is satisfied.

Sales that have discounts associated with volume subject to compliance with goals are recognized net, estimating the probability that the volume target will be reached.

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. 16624, modified by Article 15 of Decree Law No. 1349 of 1976, on the determination of sales prices for the internal market which does not differ from IFRS 15.

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 those which are fair value hedges contracts are recognized as revenues.

- **Rendering of services:** 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.

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 measured 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” line 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 effect for the fluctuation in 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 accumulated in other comprehensive income are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Upon discontinuation of hedge

accounting and depending on the circumstances, the cumulative gain or loss on the hedging instrument remains in equity until the hedged transaction occurs or, if the hedged transaction is not expected to occur, the amount accumulated in other comprehensive income is reclassified to profit or loss.

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, forecasts of highly probable transactions or firm commitments. The Corporation does not enter into derivative transactions for non-hedging purposes.

The results of the exchange insurance operations are recorded as of the date of maturation or liquidation of the respective contracts.

- **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. When the sales agreements are fulfilled and the derivative contracts are settled, the results from sales and derivative transactions are offset in profit or loss in revenue.

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 the host contract is not a financial instrument and the characteristics and risks of the embedded derivative are not closely related to the host contract, the derivative is required to be recognized separately.



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-President of 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 business model in which the investments are managed and the contractual characteristics of their cash flows.

The Corporation’s financial assets are classified into the following categories:

- Fair value through profit or loss:
Initial recognition: This category includes those financial assets not qualifying under the categories of Fair Value through Other Comprehensive Income or Amortized Cost. These instruments are initially recognized at fair value.

Subsequent recognition: Their subsequent recognition is at fair value, recording in the consolidated statement of comprehensive income, in the line “Other gains (losses)” any changes in fair value.

- Amortized cost:
Initial recognition: This category includes those instruments with respect to which the objective of the business model of the Corporation is to hold the financial instrument to collect contractual cash flows and such cash flows consist of solely payments of principal and interest. This category includes Trade and other current receivables, and the loans included in other non-current financial assets.

Subsequent recognition: These instruments are subsequently measured at amortized cost using the effective interest method. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment allowance.

Codelco did not irrevocably choose to designate any of its investments assets at fair value with effect on other comprehensive income.

Interest income is recognized in profit or loss and is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the “Foreign exchange difference” line item.

- At fair value through other comprehensive income:
Initial measurement: Financial assets that meet the criteria “solely principal and interest payments” (SPIP) are classified in this category and must be maintained within a business model both to collect the cash flows and to sell the financial assets. These instruments are initially recognized at fair value.

Subsequent recognition: Their subsequent valuation is at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in income. Other net gains and losses are recognized in other comprehensive income. On derecognition, the gains and losses accumulated in other comprehensive income are reclassified to income.

w. Financial liabilities - Financial liabilities are initially recognized at fair value net of transaction costs. Subsequent to their initial recognition, the valuation of the financial liabilities will depend on their classification, within which the following categories are distinguished:

- Financial liabilities at fair value through profit or loss: This category includes financial liabilities defined as held for trading.

The Corporation includes in this category the hedge contracts in a future position and the equity and debt instruments sold in the short-term, which are classified as held for trading.

Changes in fair value associated with own credit risk are recorded in other comprehensive income.

- Financial liabilities at amortized cost: This category includes all financial liabilities other than those measured at fair value through profit or loss.

The Corporation includes in this category bonds, obligations and other current payables.

These financial liabilities are measured using the effective interest rate method, recognizing interest expense based on the effective rate.



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. Impairment of financial assets - The Corporation measures the loss allowance at an amount equal to lifetime expected credit losses for its trade receivables. For this, it uses the simplified approach as a requirement under IFRS 9.

The provision matrix is based on an entity's historical credit loss experience over the expected life of the trade receivables and is adjusted for forward-looking estimates.

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 under 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 No. 13196 - Law No. 13196 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.

On January 27, 2017, Law No. 20989, article 3, establishes changes in the application of Law No. 13196 as of January 1, 2018, through which the Corporation will deposit annually, no later than

December 15 of each year, the funds established in article 1 in that law.

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 whose intention is to refinance, 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 to or steps have been initiated and it is estimated that it will be carried out within the twelve months following said date. These assets or groups subject to disposal 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. Non-current assets or groups of assets for disposal classified as held for sale and the components of the groups subject to disposal 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 "Non-current liabilities or groups of liabilities for disposition classified as held for sale."



3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of new standards, interpretations and amendments, effective from January 1, 2018, which are:

a) IFRS 9, Financial Instruments:

Due to the transition alternatives indicated in IFRS 9,

no balances have been adjusted comparative periods corresponding to the year 2017.

The initial application date of IFRS 9 is January 1, 2018, and the difference between the values in previous books and those recorded at the date of initial application was recorded in Gains (losses) accumulated as a gain of ThUS \$ 2,282 (see detail below).

Classification of financial assets and liabilities

The adoption of IFRS 9 involved, first, reassessing the classification of financial assets and liabilities, based on the new definition included in this standard. In this sense, and in accordance with the business

model in which Codelco manages its investments and the contractual characteristics of the cash flows of such, the classification of financial assets and liabilities under IFRS 9 and adopted by the Corporation (disclosed in notes 13 and 14 of section III of these Consolidated Financial Statements), resulted solely in a reclassification of the trade and accounts receivable subject to provisional pricing. Such receivables classification has been changed from amortized cost to fair value through profit and loss. Previously, the provisional pricing element was separated as an embedded derivative. Under IFRS 9, the receivable is classified at fair value through profit and loss considering the receivable as a hybrid contract. This reclassification under IFRS 9 did not

result in any adjustments to accumulated deficit at January 1, 2018.

Impairment

Regarding the guidance in IFRS 9 related to the application of the expected credit loss model under the approach described in note 2 of the Significant Accounting Policies, letter x), the application resulted in the recognition of a loss allowance over the accounts receivable balances at the date of initial application as indicated below:

Effects of IFRS 9 on Trade and other current receivables as of January 1, 2018

	ThUS\$
Net trade and other current receivables balance as of January 1, 2018, under accounting criteria prior to IFRS 9	2,815,352
Transition adjustment to IFRS 9 - allowance for doubtful accounts	(2,239)
Net trade and other current receivables balance as of January 1, 2018, adjusted by IFRS 9	2,813,113



Financial Liabilities

Another topic of the adoption of IFRS 9 that had an effect on Codelco is related to the financial liabilities refinanced during July 2017, which resulted in the continuation of the deferral and subsequent amortization of certain financial costs relating to the original financing due to the non-substantial modification of contractual flows under IAS 39. Under IFRS 9, a modified gain/loss is required to be calculated with respect to such modification which for purposes of the first application of the new standard, resulted in the recognition of an adjustment to the balances of bond obligations at the date of transition as indicated below:

Effects of IFRS 9 on Other non-current financial liabilities as of January 1, 2018	ThUS\$
Other non-current financial liabilities balance as of January 1, 2018, under accounting criteria prior to IFRS 9	14,648,004
Transition adjustment to IFRS 9	(9,846)
Other non-current financial liabilities balance as of January 1, 2018, adjusted for IFRS 9	14,638,158

Hedge accounting

In terms of hedge accounting established by IFRS 9, the Corporation has opted to continue applying the hedge accounting requirements of the IAS 39 instead of the requirements of the new standard. Therefore, I do not know they generated effects both at the level of balance adjustments and at the level of disclosures.

Finally, the net effect on initial application of IFRS 9 on Codelco's accumulated deficit, considering the amounts previously indicated, was as follows:

Effects of IFRS 9 on accumulated deficit as of January 1, 2018	ThUS\$
Accumulated deficit balance as of January 1, 2018, under accounting criteria prior to IFRS 9	(36,672)
Transition adjustments to IFRS 9, net of deferred taxes	2,282
Accumulated deficit balance as of January 1, 2018, adjusted for IFRS 9.	(34,390)

b) IFRS 15, Revenue from Contracts with Customers

IFRS 15 establishes a new model for the recognition of income, in which highlights the concept of the transfer to the client of the "control" of assets sold in place of the "risk" transfer concept referred to in IAS 18. Additionally, it requires more detail in disclosures and makes more in-depth reference to contracts with sale of multiple elements. The application of IFRS 15 has not materially affected the measurements of Codelco's revenue, and the disclosures required by this standard are set forth in notes 21 and 26 of section III of these Consolidated Financial Statements.

c) Amendments to IFRS 4, Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts":

It instructs on aspects related to insurance contracts that will be affected upon entry into application of IFRS 9 - Financial Instruments. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting for future transactions or agreements.

d) Amendments to IAS 40, Transfers of investment property:

These amendments clarify the requirements for the treatment of investment property transfers. The application of these amendments had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting for future transactions or agreements.

e) IFRIC 22 Foreign currency transactions and advance consideration:

This interpretation addresses the exchange rate to be used in foreign currency transactions, when the consideration is paid or received before recognizing related revenue, expenses or related assets. The application of this interpretation had no impact on the consolidated financial statements of the Corporation, however, it could affect the accounting for future transactions or agreements.

4. New accounting pronouncements

The following new IFRS, amendments and interpretations had been issued by the IASB, but their application is not yet mandatory:



New IFRS	Date of mandatory application	Summary
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 discretionary participating features and supersedes IFRS 4 <i>Insurance contracts</i> .
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 a business and are recognized partially to the extent of the unrelated investor’s participation.



Amendments to IFRS	Date of mandatory application	Summary
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 repayable 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: Adds paragraphs on treatment for acquisitions in previously held shares in a joint operation. Amendments to IAS 12: Adds paragraphs on treatment of taxes related to dividends payable. Amendments to IAS 23: Modifies wording on application of weighted average rate.
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Annual periods beginning on or after January 1, 2019.	It requires the use of actuarial assumptions to determine the cost of service of the current period and the net interest for the remainder of the reporting period, after the amendment, curtailment or settlement of the plan when the entity remeasures its liability (asset) for defined benefits.
Definition of a Business (Amendments to IFRS 3)	Annual reporting period beginning on or after 1 January 2020	Clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual reporting periods beginning on or after 1 January 2020	Clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.
Modifications Framework Conceptual for the Report Revised Financial	Annual periods initiated on or after the 1st of January 2020	It incorporates some new concepts, provides updated definitions and recognition criteria for actives and pasives. This modification is accompanies a separate document, "Modifications to the References to Conceptual Framework in the Rules IFRS ", which establishes amendments to other IFRS in order to update the references to the new Marco Conceptual.

New Interpretations	Date of mandatory application	Summary
IFRIC 23: Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019	It establishes how to determine a tax position when there is uncertainty about the treatment for the income tax.

The Administration does not expect significant impacts with respect to standards, amendments and interpretations indicated above.

With respect to IFRS 16, Management has evaluated the impact of its implementation on Codelco's Consolidated Financial Statements and has

determined that the effects on the amounts of these financial statements will not be significant. The changes in the disclosures will be presented in

accordance, both in term and in form, as established by IFRS 16.



III. EXPLANATORY NOTES

1. Cash and cash equivalents

The detail of cash and cash equivalents as of December 31, 2018 and 2017, is as follows:

Item	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Cash on hand	25,033	3,300
Bank balances	59,030	124,275
Time deposits	1,131,049	1,306,476
Mutual Funds - Money Market	1,698	651
Repurchase agreements	12,315	14,133
Total cash and cash equivalents	1,229,125	1,448,835

Interest on time deposits is 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.

2. Trade 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 from the line item trade and other current receivables.

- For those customers that do not have due balances with the Corporation the accrual is presented in the line item trade and other current payables.

When the 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, 2018 and 2017, the adjustments were a negative ThUS\$96,396 and positive ThUS\$244,265, respectively.

As of December 31, 2018, ThUS\$5,025 reduced trade and other current receivables and ThUS\$101,421 was reclassified to trade payable within current liabilities for open invoices related to customers with no outstanding amounts to CodeLCO.

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	
	12-31-2018 ThUS\$	12-31-2017 ThUS\$	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Trade receivables (1)	1,542,420	2,178,788	820	1,887
Allowance for doubtful accounts (3)	(37,811)	(28,684)	-	-
Subtotal trade receivables, net	1,504,609	2,150,104	820	1,887
Other receivables (2)	712,446	674,425	83,911	89,555
Allowance for doubtful accounts (3)	(4,846)	(9,177)	-	-
Subtotal other receivables, net	707,600	665,248	83,911	89,555
Total	2,212,209	2,815,352	84,731	91,442



(1) Trade receivables correspond to the sales of copper and its by-products, those that in general are sold in cash or through banks.

(2) Other receivables mainly consist of the following items:

- Corporation's employee short-term loans and mortgage loans, both monthly deducted from the employee's salaries. Mortgage loans granted to the Corporation's employees for ThUS\$55,484 are secured with collateral.
- Reimbursements from insurance companies.
- Settlements from the Chilean Central Bank under Law 13196.
- Advance payments to suppliers and contractors.
- Accounts receivable for tolling services (Ventanas Smelter).
- VAT credit and other refundable taxes of ThUS\$201,274 and ThUS\$147,589 as of December 31, 2018 and December 31, 2017, respectively.

(3) The Corporation recognizes an allowance for doubtful accounts based on its expected credit loss model.

The reconciliation of changes in the allowance for doubtful accounts in the year ended December 31, 2018 and 2017, were as follows:

Items	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Opening balance	37,861	9,035
Initial adjustment NIIF 9	2,239	-
Initial balance adjusted	40,100	9,035
Increases	7,215	29,160
Write-offs/applications	(4,658)	(334)
Total movements	2,557	28,826
Closing balance	42,657	37,861

As of December 31, 2018 and 2017, the balance of past due but not impaired trade receivables, is as follows:

Maturity	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Less than 90 days	3,473	15,145
Between 90 days and 1 year	4,789	1,615
More than 1 year	10,266	10,389
Total trade receivables past-due but not impaired	18,528	27,149

3. Balance and transactions with related parties

a) Transactions with related persons

In accordance with the Law on New Corporate Governance and IAS 24, the members of Codelco's Board are, in terms of transactions with related persons, subject to the provisions of Title XVI of Law on Corporations, which sets 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 policy over customary transactions (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 Division's Managing Committees, Vice-presidents, Legal Counsel, General Auditor, Division 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	01-01-2018 12-31-2018 Amount ThUS\$	01-01-2017 12-31-2017 Amount ThUS\$
Administración de Sistemas y Servicios Herman Yerko Valenzuela Rojas E.I.R.L	76.349.138-2	Chile	Employee´s relative	Services	200	-
Anglo American Sur S.A.	77.762.940-9	Chile	Associated	Supplies	55	3
Arcadis Chile S.A.	89.371.200-3	Chile	Employee´s relative	Services	3,511	-
Arriendo de Maquinaria Marcelo Enrique Balocchi Vivaldi E.I.R.L	76.300.049-4	Chile	Employee´s relative	Services	-	95
Asociación Chilena de Seguridad	70.360.100-6	Chile	Member of directory	Services	852	-
B.Bosch S.A.	84.716.400-K	Chile	Employee´s relative	Supplies	-	60
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other related	Services	847	177
Codelco Tec SpA	96.991.180-9	Chile	Afiliate	Services	10,000	-
Consultor Jannet Troncoso Carvajal E.I.R.L.	76.174.237-K	Chile	Employee´s relative	Supplies	-	74
Distribuidora Cummins Chile S.A.	96.843.140-4	Chile	Employee´s relative	Supplies	-	302
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Afiliate	Services	20,040	462
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Afiliate	Services	358,130	-
Fundación de Salud El Teniente.	70.905.700-6	Chile	Afiliate	Services	-	13
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder	Services	297	247
Fundación Sewell	65.493.830-K	Chile	Founder	Services	-	421
Geotermica del Norte S.A.	96.971.330-6	Chile	Employee´s relative	Services	-	3,912
Glasstech S.A.	87.949.500-8	Chile	Employee´s relative	Supplies	3	-
Industrial Support Company Ltda	77.276.280-1	Chile	Employee´s relative	Services	-	218
Industrial y Comercial Artimatemb Ltda.	76.108.720-7	Chile	Employee´s relative	Services	28	40
Inoxa S.A.	99.513.620-1	Chile	Employee´s relative	Services	468	14
Institución de Salud Previsional Chuquicamata Ltda.	79.566.720-2	Chile	Afiliate	Services	22	15,571
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Afiliate	Services	47,028	-
Isapre Fusat Ltda,	76.334.370-7	Chile	Afiliate	Services	-	126,800
Kaefer Buildteck SpA	76.105.206-3	Chile	Employee´s relative	Services	-	97
Kairos Mining S.A.	76.781.030-K	Chile	Other related	Services	13,700	-



Entity	Taxpayer number	Country	Nature of the relationship	Description of the transaction	01-01-2018 12-31-2018 Amount ThUS\$	01-01-2017 12-31-2017 Amount ThUS\$
Komatsu Chile S.A.	96.843.130-7	Chile	Employee´s relative	Services and Supplies	138,962	208,437
Linde Gas Chile S.A.	90.100.000-K	Chile	Employee´s relative	Supplies	91	-
Nueva Ancor Tecmin S.A.	76.411.929-0	Chile	Employee´s relative	Supplies	-	83
San Lorenzo Isapre Limitada	76.521.250-2	Chile	Afiliate	Services	25,945	-
Servicios de Ingeniería IMA S.A.	76.523.610-K	Chile	Employee´s relative	Services	125	-
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associated	Supplies	-	134
Sociedad de Procesamiento de Moblibdeno Ltda.	76.148.338-2	Chile	Afiliate	Purchase of Products	-	1
Sodimac S.A.	96.792.430-K	Chile	Employee´s relative	Supplies	-	2,132
Sonda S.A.	83.628.100-4	Chile	Employee´s relative	Services	-	1,446
Sourcing SpA	76.355.804-5	Chile	Employee´s relative	Services	-	1,259
Teléfono Chile S.A.	90.635.000-9	Chile	Employee´s relative	Services	-	99
Transec Norte S.A.	99.521.950-6	Chile	Member of directory	Services	4,411	-
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 regulations, the 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 years ended December 31, 2018 and 2017, 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	1-1-2018 12-31-2018 Amount ThUS\$	1-1-2017 12-31-2017 Amount ThUS\$
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Directors's fees	122	118
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Directors's fees	34	95
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Directors's fees	-	38
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Directors's fees	97	71
Ghassan Dayoub Pseli	14.695.762-5	Chile	Director	Payroll	107	72
Hernán de Solminihac Tampier	6.263.304-2	Chile	Director	Directors's fees	63	-
Ignacio Briones Rojas	12.232.813-9	Chile	Director	Directors's fees	63	-
Isidoro Palma Penco	4.754.025-9	Chile	Director	Directors's fees	97	95
Juan Benavides Feliú	5.633.221-9	Chile	Chairman of the Board	Directors's fees	95	-
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Directors's fees	97	95
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Directors's fees	34	95
Oscar Landerretche Moreno	8.366.611-0	Chile	Chairman of the Board	Directors's fees	51	142
Paul Schiodtz Obilinovich	7.170.719-9	Chile	Director	Directors's fees	97	64
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Directors's fees	97	95
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	64	53

The Ministry of Finance through Supreme Decree No. 100, dated February 5, 2018, established the compensation for the Corporation's Directors. The compensation to Board of Director members, is as follows:

a. The Directors of Codelco will receive a fixed monthly compensation of Ch\$3,931,757 (three million nine hundred and thirty one thousand, seven hundred and fifty seven 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\$7,863,513 (seven million eight hundred and sixty three thousand, five hundred and thirteen Chilean pesos).

c. Each member of the Directors' Committee, whether the one referred to in Article 50 bis) of Law No. 18046 or another established by the Corporation by-laws, will receive a fixed additional monthly compensation of Ch\$1,310,584 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\$2,621,171 for meeting attendance.

d. The compensation established in DS No. 36 is effective for a period of two years, as from March 1, 2018, and will be updated on January 1, 2019, in accordance with the same provisions that govern the general salary adjustments of officials of the public sector.

On the other hand, the short-term benefits of key management of the Corporation paid during the periods ended December 31, 2018 and 2017, were ThUS\$12,382 and ThUS\$10,899, 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 the ended December 31, 2018 and 2017, severance indemnities were paid to key management of the Corporation for ThUS\$1,084 and ThUS\$471, respectively.

There were no payments to key management for other non-current benefits during the periods ended December 31, 2018 and 2017.

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, 2018 and 2017, is as follows:

Accounts receivable from related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-Current	
					12-31-2018 ThUS\$	12-31-2017 ThUS\$	12-31-2018 ThUS\$	12-31-2017 ThUS\$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US\$	88,497	63,596	-	-
76.063.022-5	Inca de Oro S.A.	Chile	Associate	US\$	380	199	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US\$	3,099	-	20,306	25,581
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US\$	383	549	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	US\$	6	-	224	249
Totals					92,365	64,344	20,530	25,830

Accounts payable to related companies:

Taxpayer number	Name	Country	Nature of the relationship	Indexation currency	Current		Non-Current	
					12-31-2018 ThUS\$	12-31-2017 ThUS\$	12-31-2018 ThUS\$	12-31-2017 ThUS\$
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	US\$	125,913	92,315	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	US\$	22,940	25,370	-	-
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	-	6,106	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	US\$	2,063	-	-	-
Totals					150,916	123,791	-	-



The following table sets forth the transactions carried out between the Corporation and its related companies and their corresponding effects in profit or loss for the years ended December 31, 2018 and 2017:

Taxpayer number	Entity	Nature of the transaction	Country	Index. Currency	01-01-2018 12-31-2018		01-01-2018 12-31-2018	
					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.	Sales of services	Chile	CLP	4	4	5	5
96.801.450-1	Agua de la Falda S.A.	Aport	Chile	CLP	338	-	-	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	US\$	182,903	-	187,346	-
77.762.940-9	Anglo American Sur S.A.	Dividends receivable	Chile	US\$	84,372	-	59,003	-
77.762.940-9	Anglo American Sur S.A.	Sales of goods	Chile	US\$	58,411	58,411	76,065	76,065
77.762.940-9	Anglo American Sur S.A.	Sales of services	Chile	CLP	8,162	8,162	6,598	6,598
77.762.940-9	Anglo American Sur S.A.	Purchase of products	Chile	US\$	711,384	(711,384)	714,340	(714,340)
77.762.940-9	Anglo American Sur S.A.	Aport	Chile	US\$	-	-	-	-
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	946	-	1,119	-
76.063.022-5	Inca de Oro S.A.	Sales of services	Chile	CLP	214	29	169	-
76.255.054-7	Planta Recuperadora de Metales SpA	Interest loans	Chile	US\$	1,029	1,029	1,029	1,029
76.255.054-7	Planta Recuperadora de Metales SpA	Services	Chile	US\$	23,443	(23,443)	26,065	(26,065)
76.255.054-7	Planta Recuperadora de Metales SpA	Sales of goods	Chile	US\$	940	940	-	-
96.701.340-4	Soc. Contractual Minera El Abra	Dividends received	Chile	US\$	4,900	-	39,200	-
96.701.340-4	Soc. Contractual Minera El Abra	Purchase of products	Chile	US\$	293,173	(293,173)	245,954	(245,954)
96.701.340-4	Soc. Contractual Minera El Abra	Sales of goods	Chile	US\$	24,796	24,796	9,516	9,516
96.701.340-4	Soc. Contractual Minera El Abra	Other sales	Chile	US\$	1,493	1,493	1,493	1,493
96.701.340-4	Soc. Contractual Minera El Abra	Perceived commissions	Chile	US\$	113	113	96	96
96.701.340-4	Soc. Contractual Minera El Abra	Other purchases	Chile	US\$	-	-	992	(992)
76.028.880-2	Sociedad Contractual Minera Puren	Dividends received	Chile	US\$	-	-	178	-



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.

4. Inventories

The detail of inventories as of December 31, 2018 and 2017, is as follows:

Items	Current		Non-Current	
	12-31-2018 ThUS\$	31-12-2017 ThUS\$	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Finished products	446,344	348,083	-	-
Subtotal finished products, net	446,344	348,083	-	-
Products in process	1,137,605	1,105,590	457,070	428,447
Subtotal products in process, net	1,137,605	1,105,590	457,070	428,447
Material in warehouse and other	555,504	470,108	-	-
Obsolescence allowance adjustment	(96,805)	(94,083)	-	-
Subtotal material in warehouse and other, net	458,699	376,025	-	-
Total Inventories	2,042,648	1,829,698	457,070	428,447

The amount of inventories of finished goods transferred to cost of sales for the years ended December 31, 2018 and 2017 were ThUS\$11,145,242 and ThUS\$10,341,613, respectively.

For the years ended December, 2018 and 2017, the Corporation 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	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Opening Balance	(94,083)	(90,930)
Period provision	(2,722)	(3,153)
Closing Balance	(96,805)	(94,083)

For the years ended December 31, 2018 and 2017, the Corporation recognized write-offs of damaged inventories for ThUS\$4,004 and ThUS\$4,126 respectively.

intercompany sales of inventories of finished products.

As of December 31, 2018 and 2017, there are no inventories pledged as security for liabilities.

The provision for the net realizable value of inventories was ThUS\$31,889 for the years ended December 31, 2018 (ThUS\$3,000 at December 31, 2017).

During the years ended December 31, 2018 and 2017, decreases in the provision for net realizable value were ThUS\$28,890 and ThUS\$3744, respectively.

As of December 31, 2018 and 2017, there are no unrealized gains or losses recognized on the



5. Income taxes and deferred taxes

a) Composition of income tax expense

Items	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Current income tax	(92,270)	(72,897)
Effect of Deferred Taxes	(249,217)	(1,126,918)
Adjustments to current tax from the prior period	(19,956)	-
Other	4,160	6,748
Total tax expense	(357,283)	(1,193,067)

b) Deferred tax assets and liabilities:

The following table details deferred tax assets and liabilities:

Deferred tax assets	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Provisions	1,429,060	1,264,736
Financial leasing	13,162	24,983
Customers advance	250,255	1,013,438
Other	4,603	23,690
Total deferred tax assets	1,697,080	2,326,847

Deferred tax liabilities	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Tax on mining activity	163,280	183,571
Property, plant and equipment variations	889,841	1,058,609
Post-employment benefit obligations	10,346	21,532
Accelerated depreciation for tax purposes	5,017,532	5,168,062
Fair value of mining properties acquired	108,518	108,518
Hedging derivatives – future contracts	12,282	5,635
Undistributed profits of subsidiaries	50,006	45,177
Other	-	6,695
Total deferred tax liabilities	6,251,805	6,597,799

The following tables sets forth the deferred taxes as presented in the statement of financial position:

Deferred taxes	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Non-current assets	31,443	43,285
Non-current liabilities	4,586,168	4,314,237
Net	4,554,725	4,270,952



The effects of deferred taxes on the components of other comprehensive income are as follows:

Deferred taxes on components of other comprehensive income	12-31-2018 ThUS\$	12-31-2017 ThUS\$
(Charge) credit cash flow hedge	(67,704)	1,868
Defined Benefit Plans	33,148	(16,937)
Total deferred taxes on components of other comprehensive income (loss)	(34,556)	(15,069)

The following table sets forth the reconciliation of the effective tax rate:

Reconciliation of tax rate	12-31-2018						
	Taxable Base			At the Tax rate			Total ThUS\$
	25% ThUS\$	40% ThUS\$	5% ThUS\$	25% ThUS\$	40% ThUS\$	5% ThUS\$	
Tax effect on the income (loss) before taxes	498,216	498,216	498,216	(124,554)	(199,286)	(24,911)	(348,751)
Tax effect on the income (loss) before taxes of subsidiaries	48,814	48,814	48,814	(12,204)	(19,526)	(2,441)	(34,171)
Tax effect consolidated profit (loss) before taxes	547,030	547,030	547,030	(136,758)	(218,812)	(27,352)	(382,922)
Permanent differences:							
First category income tax (25%)	(96,902)			24,226			24,226
Specific tax for state-owned entities Art. 2 D.L. 2398 (40%)		(114,392)			45,757		45,757
Specific tax on mining activities			868,189			(43,409)	(43,409)
Single Tax Art. 21 Inc. N ^o 1							(3,856)
Others							2,921
TOTAL TAX EXPENSE				(112,532)	(173,055)	(70,761)	(357,283)



Reconciliation of tax rate	31-12-2017						Total ThUS\$
	Taxable Base			At the Tax rate			
	25% ThUS\$	40% ThUS\$	5% ThUS\$	25% ThUS\$	40% ThUS\$	5% ThUS\$	
Tax effect on the income (loss) before taxes	1,786,885	1,786,885	1,786,885	(446,721)	(714,754)	(89,344)	(1,250,819)
Tax effect on the income (loss) before taxes of subsidiaries	29,784	29,784	29,784	(7,446)	(11,914)	(1,489)	(20,849)
Tax effect consolidated profit (loss) before taxes	1,816,669	1,816,669	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. 2398 (40%)		(113,268)			45,307		45,307
Specific tax on mining activities			400,028			(20,001)	(20,001)
Tax effect of non-usable tax loss							(3,807)
TOTAL TAX EXPENSE				(397,065)	(681,361)	(110,834)	(1,193,067)

Pursuant to Article 2 of the Decree Law 2398, Codelco is subject to an additional tax rate of 40% on income before taxes and dividends received in accordance with the law.

Tax Reform in Chile

On September 29, 2014, Law No. 20780 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. 20469.

The Corporation, as a Taxpayer of first category, is liable to the single Tax of 40%, contained in the first paragraph of Article 21 of the Income Tax Law No. 824, in numbers i), ii) and iii) , the disbursements incurred in said numerals.

6. Current and non-current tax assets and liabilities

The current tax balance is presented net of monthly provisional payments As Active or Passive for Current Taxes, as the case may be, determined these as indicated in section II. Main accounting policies, 2.I):



Current Tax Assets	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Taxes to be recovered	13,645	21,623
Total Current Tax Assets	13,645	21,623

Current Tax Liabilities	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Provision Specific tax on mining activities	-	46,710
PPM Provision	6,910	4,418
Provision Tax	3,867	7,562
Total Current Tax Liabilities	10,777	58,690

Items	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Non-Current Tax Assets	143,606	233,772
Total Non-Current Tax Assets	143,606	233,772

Non-current recoverable taxes correspond to advance tax payments made provisionally and which are probable of realization through utilization on future income tax returns. These non-current recoverable taxes are not expected to be utilized in the current period. The Corporation has tax loss carryforwards of ThUS\$355,143.

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 of the company Deutsche Giessdraht GmbH. The affiliate Codelco Kupferhandel GmbH, has a 40% interest in the capital of the company Deutsche Giessdraht GmbH.

On July 31, 2018, the sale of the shares related to the ownership interest held by CK in Deutsche Giessdraht GmbH was completed. The acquirer entity was Aurubis AG, which was, the major shareholder of DG before the sale transaction. The gain after taxes for this transaction was Th€ 15,214 (ThUS\$ 18,172) and includes in the item Other income.

As of December 31, 2018, there are no balances of non-current assets or disposal groups classified as held for sale.

8. Property, Plant and Equipment

a) The items of property, plant and equipment as of December 31, 2018 and 2017, are as follows:

Property, Plant and Equipment, gross	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Construction in progress	8,808,652	7,004,522
Land	173,926	175,039
Buildings	5,403,295	5,375,235
Plant and equipment	15,894,046	15,150,823
Fixtures and fittings	58,807	58,839
Motor vehicles	2,062,920	2,018,740
Land improvements	5,619,800	5,296,402
Mining operations	7,214,915	6,785,364
Mine development	4,117,362	4,183,572
Other assets	1,380,354	1,346,712
Total Property, Plant and Equipment, gross	50,734,077	47,395,248



Property, Plant and Equipment, accumulated depreciation	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Construction in progress	-	-
Land	8,964	7,953
Buildings	3,048,902	2,884,706
Plant and equipment	10,125,253	9,490,638
Fixtures and fittings	43,878	40,997
Motor vehicles	1,378,911	1,275,198
Land improvements	3,267,244	3,048,921
Mining operations	4,718,591	4,178,325
Mine development	804,318	688,342
Other assets	573,018	504,656
Total Property, Plant and Equipment, accumulated depreciation	23,969,079	22,119,736

Property, Plant and Equipment, net	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Construction in progress	8,808,652	7,004,522
Land	164,962	167,086
Buildings	2,354,393	2,490,529
Plant and equipment	5,768,793	5,660,185
Fixtures and fittings	14,929	17,842
Motor vehicles	684,009	743,542
Land improvements	2,352,556	2,247,481
Mining operations	2,486,324	2,607,039
Mine development	3,313,044	3,495,230
Other assets	807,336	842,056
Total Property, Plant and Equipment, net	26,754,998	25,275,512



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
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the period. Opening Balance 1/1/2018	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
Changes in property, plant and equipment											
Increases other than those from business, property, plant and equipment combinations	3,582,688	-	138	21,028	376	1,383	484	375,575	1,125	38,478	4,021,275
Depreciation, property, plant and equipment	-	(1,011)	(167,547)	(657,866)	(3,669)	(113,872)	(218,323)	(859,955)	(80,153)	(70,299)	(2,172,695)
Impairment losses recognized in profit or loss for the period	(2,179)	-	(82,585)	(98,677)	-	(140)	(4,786)	-	-	(10,531)	(198,898)
Increases (decreases) in transfers and other changes, properties, plant and equipment											
Increases (decreases) by transfers from constructions in process, properties, plant and equipment	(1,281,365)	-	102,865	812,901	647	51,758	191,986	21,168	99,681	359	-
Increases (decreases) by other changes, properties, plant and equipment	(351,945)	(1,113)	11,228	38,322	(68)	2,879	135,714	342,497	(202,839)	7,536	(17,789)
Increase (decrease) by transfers and other changes, properties, plant and equipment	(1,633,310)	(1,113)	114,093	851,223	579	54,637	327,700	363,665	(103,158)	7,895	(17,789)
Dispositions and withdrawals of service, property, plant and equipment											
Retirements, property, plant and equipment	(143,069)	-	(235)	(7,100)	(199)	(1,541)	-	-	-	(263)	(152,407)
Dispositions and withdrawals of service, property, plant and equipment	(143,069)	-	(235)	(7,100)	(199)	(1,541)	-	-	-	(263)	(152,407)
Increase (decrease) in properties, plant and equipment	1,804,130	(2,124)	(136,136)	108,608	(2,913)	(59,533)	105,075	(120,715)	(182,186)	(34,720)	1,479,486
Properties, plant and equipment at the end of the period. Closing balance 12/31/2018	8,808,652	164,962	2,354,393	5,768,793	14,929	684,009	2,352,556	2,486,324	3,313,044	807,336	26,754,998



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
Reconciliation of changes in properties, plant and equipment											
Properties, plant and equipment at the beginning of the year. 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 year	-	-	-	-	-	-	-	-	-	-	-
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 year. 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



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 and associated costs toward their completion.

d) The Corporation has signed insurance policies to cover the possible risks to which the various property, plant and equipment items are subject, as well as the possible claims that may arise for the period of its activities. Such policies sufficiently cover the risks to which they are subject in the Management's opinion.

e) Borrowing costs capitalized for the period ended December 31, 2018 and 2017 were ThUS\$311,399 and ThUS\$217,031, respectively. The annual capitalization average rate for the period ended December 31, 2018 and 2017 was 4.42% and 4.04%, respectively.

f) Expenses 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	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Recognized in profit /(loss)	50,765	46,068
Cash outflows disbursed	62,857	76,010

g) The detail of "Other assets" under "Property, plant and equipment" is as follows:

Other assets, net	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Leased assets	93,334	91,628
Mining properties from the purchase of Anglo American Sur S.A. shares	402,000	402,000
Maintenances and other major repairs	235,091	254,253
Other assets - Calama Plan	72,225	90,281
Other	4,686	3,894
Total other assets, net	807,336	842,056

h) During the first quarter of 2018, US\$103.6 million were reclassified from the line item Intangible assets other than goodwill, to Construction in Progress of Property, plant and equipment, corresponding to assets of the Continuous Mining project (see note 10 Intangible Assets other than goodwill) that could potentially be used in other operations and / or projects of the Corporation.

Subsequently, US\$66.4 million (US\$23 million after taxes) from the assets mentioned above were written off as of June 30, 2018.

i) 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.

j) 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.

k) According to the policy indicated in note 2 i), referred to property deterioration, plant and equipment and intangible assets, and as indicated in note 23 of impairment of As of December 31, 2018, the Corporation recorded a deterioration in the value of the Ventanas assets for an amount of ThUS \$ 198,898 before taxes. By 31 December 2017 the property, plant and equipment assets showed no evidence of impairment or reversals of impairments recognized in previous years, so that no Adjustments were made to the value of the assets at that date. (see note 23).



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:

Associates	Taxpayer Numbers	Funct. Cuurenc.	Equity Interest		Carrying Value		Net income (loss)	
			12-31-2018 %	12-31-2017 %	12-31-2018 ThUS\$	12-31-2017 ThUS\$	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Agua de la Falda S.A.	96.801.450-1	US\$	42.26%	42.26%	4,953	4,943	(329)	(422)
Anglo American Sur S.A.	77.762.940-9	US\$	29.5%	29.5%	2,835,412	2,945,084	99,709	163,775
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	-	-	1,159	1,375
Inca de Oro S.A.	73.063.022-5	US\$	33.19%	33.19%	12,913	12,942	(42)	(104)
Minera Purén SCM	76.028.880-2	US\$	35.0%	35.0%	9,902	9,897	8	(16)
Planta Recuperadora de Metales SpA	76.255.054-7	US\$	34.0%	34.0%	10,365	10,916	55	(74)
Sociedad Contractual Minera El Abra	96.701.340-4	US\$	49.0%	49.0%	610,339	605,769	10,181	15,343
Sociedad GNL Mejillones S.A.	76.775.710-7	US\$	37.0%	37.0%	84,409	76,050	8,373	5,551
TOTAL					3,568,293	3,665,601	119,114	185,428

a) Associates

Agua de la Falda S.A.

As of December 31, 2018, Codelco holds a 42.26% ownership interest in Agua de la Falda S.A., with the remaining 57.74% 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, 2018, 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, 2018, 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, 2018, 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, a capital increase of ThUS\$102,010 was agreed upon, 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, 2018, 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, 2018, 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 7, of the consolidated current assets, and corresponds in its entirety to the participation held by the Corporation at that date through its affiliate Codelco Kupferhandel GmbH, having a 40% interest in the capital of the company Deutsche Giessdraht GmbH.

On July 31, 2018 the share sale agreement was finalized representative of the shareholding held by CK in Deutsche Giessdraht GmbH. The acquiring company of the shares was the Aurubis Company AG, which was, until before the sale transaction, the majority shareholder of DG.

The result after taxes of this transaction was Th€ 15,214 (ThUS \$ 18,172).

Anglo American Sur S.A.

As December 31, 2018, 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 Becrux 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 archive No. 12285 / 2017, by public deed, it was agreed between

the shareholders to merge the Acrux SpA Mining Investment Company ("Absorbed Company") into the Investment Company Minera Becrux SpA ("Absorbing Company"), 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 the Absorbing Company is responsible for the payment of all taxes owed or which 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 tables provide details of asset and liabilities of the associates as of December 31, 2018 and 2017, and their profit (loss) for the years ended December 31, 2018 and 2017:

Assets and Liabilities	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Current Assets	1,805,003	1,595,687
Non-current Assets	5,637,321	5,925,176
Current Liabilities	1,008,086	766,986
Non-current Liabilities	1,699,529	1,724,512



Net Income	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Revenue	3,256,402	2,766,212
Cost of sales	(2,665,805)	(2,359,555)
Profit for the period	590,597	406,657

Movements of Investment in Associates	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Opening balances	3,665,601	3,753,974
Aport	338	
Dividends	(213,172)	(273,560)
Result of the period	119,114	118,151
Foreign exchange differences	-	(596)
Reverse/ Impairment Anglo American Sur S.A.	-	67,277
Other comprehensive income	(710)	(4,236)
Other	(2,878)	4,591
Final balance	3,568,293	3,665,601

Anglo American Sur S.A.

Assets and Liabilities	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Current Assets	1,164,724	1,055,740
Non-current Assets	4,104,271	4,265,685
Current Liabilities	890,874	635,033
Non-current Liabilities	1,226,503	1,209,904

See note 20. Letter b) participation non-controlling note

Net Income	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Revenue	2,543,730	2,152,324
Cost of sales	(2,158,834)	(1,790,407)
Profit for the period	384,896	361,917

The following tables provide details of asset and liabilities of the principal associates as of December 31, 2018 and 2017, and their profit (loss) for the periods ended December 31, 2018 and 2017:



Sociedad Contractual Minera El Abra

Assets and Liabilities	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Current Assets	576,167	477,857
Non-current Assets	1,013,165	1,110,167
Current Liabilities	73,458	80,077
Non-current Liabilities	270,283	271,684

Net Income	01-01-2018 12-31-2018 ThUS\$	01-01-2017 12-31-2017 ThUS\$
Revenue	596,060	501,073
Cost of sales	(575,283)	(469,761)
Profit (loss) for the period	20,777	31,312

b) Additional information on unrealized profits (losses)

Codelco enters into transactions for the purchase and sale of copper with Sociedad Contractual Minera El Abra. As of December 31, 2018 and 2017, 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, 2018 and 2017, there were no unrealized profits (losses) recognized in the carrying amount of inventories of finished products.

For the year ended December 31, 2018, the Corporation has recognized unrealized profits of ThUS\$3,920 (ThUS\$3,920 as of December 31, 2017) 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 asset 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 c) 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 raised 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.”

As of December 31, 2018, there are no indicators of impairment, therefore, there have been no adjustments recognized to the carrying amounts of the assets.

e) Share of profit or loss for the year

The share in profit or loss of the associate Anglo American Sur S.A. recognized for the year ended December 31, 2018 was income of ThUS\$113,544 (income of ThUS\$106,766 for the year ended December 31, 2017). 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 an expense of ThUS\$13,835 for the year ended December 31, 2018 (an expense of ThUS\$10,268 for the year

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, 2018 and 2017, the intangible assets other than goodwill are described as follows:

a) This item is composed of the following:

Item	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Intangible assets with finite useful lives, net	40,421	35,449
Intangible assets with indefinite useful lives	7,958	183,668
Total	48,379	219,117



b) Carrying amount and accumulated amortization:

Item	Gross	12-31-2018 Accumulated Amortization	Net
	ThUS\$	ThUS\$	ThUS\$
Trademarks, patents and licenses	28	-	28
Water rights	7,958	-	7,958
Software	2,803	(1,351)	1,452
Other intangible assets	38,950	(9)	38,941
Total	49,739	(1,360)	48,379

Item	Gross	12-31-2017 Accumulated Amortization	Net
	ThUS\$	ThUS\$	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 intangible assets	33,727	-	33,727
Total	222,650	(3,533)	219,117



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 (1/1/2018)	28	7,959	1,693	175,710	33,727	219,117
Changes in intangible assets other than goodwill						
Increases other than those arising from business combinations, intangible assets other than goodwill	-	-	586	704	9,261	10,551
Amortization, intangible assets other than goodwill	-	-	(503)	-	(352)	(855)
Increases (decreases) in transfers and other changes, intangible assets other than goodwill	-	-	-	(103,638)	-	(103,638)
Increases (decreases) due to other changes, intangible assets other than goodwill	-	(1)	(149)	-	(7)	(157)
Increase (decrease) in transfers and other changes, intangible assets other than goodwill	-	(1)	(149)	(103,638)	(7)	(103,795)
Provisions and withdrawals of service, intangible assets other than goodwill						
Service retirements / retirements, intangible assets other than goodwill	-	-	(175)	(72,776)	(3,688)	(76,639)
Provisions and withdrawals of service, intangible assets other than goodwill	-	-	(175)	(72,776)	(3,688)	(76,639)
Increase (decrease) in intangible assets other than goodwill	-	(1)	(241)	(175,710)	5,214	(170,738)
Intangible assets other than goodwill. Final Balance 12/31/2018	28	7,958	1,452	-	38,941	48,379



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						
Increase (decrease) 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						
Retirements from service, 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



d) Additional Information

As of December 31, 2018, the Corporation does not hold balances for intangible assets corresponding to technological development and innovation. The Corporation has significant intangible assets for ThUS\$175,710, as of December 31, 2017, related to the “Continuous Mining” Project.

Continuous Mining is a project of the Corporation aimed toward development of 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 the basic and detailed engineering and the construction phase for industrial validation at the West sector of third panel of Andina Division were performed, which was expected to be carried out through 2018. It was expected that its subsequent implementation would be at Chuquicamata Underground and of the new mining projects of Codelco. During the 2018 period, project studies were carried out and Management has decided not to continue with it.

In view of discontinuance of the project during the first quarter of 2018, a write-off of US\$71.7 million before tax (US\$25 million after taxes) associated with basic engineering, construction and equipment was recognized in profit or loss. In addition,

US\$103.6 million were reclassified to Property, plant and equipment in relation to those assets that might potentially be used in other operations and / or projects of the Corporation. As a result of a subsequent review, an additional write-off for US\$66.4 million (see note 8 Property, plant and equipment) of assets was recognized. Consequently, the total write-offs as of December 31, 2018, related to this project is US\$138.1 million (US\$48 million after taxes).

As of December 31, 2018 and 2017, there are no fully amortized intangible assets that are still in use.

For the years ended December 31, 2018 and 2017, research and technological development and innovation expenses were ThUS\$6,816 and ThUS\$6,884, respectively. On the other hand, research recognized in expense was ThUS\$10,042 and ThUS\$13,552 for the years ended December 31, 2018 and 2017, 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	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Current assets	621,753	596,285
Non Current Assets	3,605,801	3,743,260
Current Liabilities	305,030	307,223
Non Current Liabilities	1,122,471	1,321,709
<hr/>		
Profit (loss)	1-1-2018 12-31-2018 ThUS\$	1-1-2017 9-30-2017 ThUS\$
Ordinary Income	2,119,617	2,134,080
Ordinary Expenses	(2,071,713)	(2,017,464)
Profit (loss) of period	47,904	116,616

12. Other non-current non-financial assets

Other non-current non-financial assets as of December 31, 2018 and 2017, are as follows:

Other non-current non-financial assets	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Advance payment (Law No.13196) (1)	4,433	6,266
Other	2,384	5,309
Total	6,817	11,575

(1) Corresponds to the record of the commitment related to Law No. 13196 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	12-31-2018					Total financial assets	Classification in the statement of financial position	12-31-2017					Total financial assets
	At fair value through profit and loss	Amortized Cost	Derivates for hedging		Total financial assets			At fair value through profit and loss	Amortized Cost	Derivates for hedging		Total financial assets	
			Hedging derivate	Cross currency swap						Hedging derivate	Cross currency swap		
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
Cash and cash equivalents	1,698	1,227,427	-	-	1,229,125	Cash and cash equivalents	651	1,448,184	-	-	1,448,835		
Trade and other current receivables	789,710	1,422,499	-	-	2,212,209	Trade and other current receivables	244,265	2,571,087	-	-	2,815,352		
Non - current receivables	-	84,731	-	-	84,731	Non - current receivables	-	91,442	-	-	91,442		
Current receivables from related parties	-	92,365	-	-	92,365	Current receivables from related parties	-	64,344	-	-	64,344		
Non - current receivables from related parties	-	20,530	-	-	20,530	Non - current receivables from related parties	-	25,830	-	-	25,830		
Other current financial assets	-	187,870	43,539	-	231,409	Other current financial assets	-	1,327	-	-	1,327		
Other non - current financial assets	-	23,089	14,962	107,700	145,751	Other non - current financial assets	-	11,127	855	137,544	149,526		
TOTAL	791,408	3,058,511	58,501	107,700	4,016,120	TOTAL	244,916	4,213,341	855	137,544	4,596,656		

- **Fair value through profit or loss:** As of December 31, 2018, this category mainly includes receivables from provisional invoicing sales. Section II.2.r.

- **Amortized cost:** It corresponds to financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding. These assets 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.



- **Derivates for Hedging:** Corresponds to the balance for changes in the fair value of derivative contracts to cover existing transactions (cash flow hedges) and that affect the profit or loss when transactions are settled or when, to the extent required by accounting standards, a compensation effect is charged (credited) to the income statement. The detail of derivative hedging transactions is included in the Note 30.

As of December 31, 2018 and 2017, there were no reclassifications between the different categories of financial instruments, under the accounting standards at the respective dates.

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, 2018 and 2017:

Items	12-31-2018					
	Amortized Cost	Current Hedging	Total	Amortized Cost	Non-Current Hedging	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	MUS\$
Loans from financial institutions	404,871	-	404,871	2,107,078	-	2,107,078
Bonds issued	435,429	-	435,429	12,310,307	-	12,310,307
Financial Lease	21,510	-	21,510	86,329	-	86,329
Hedging derivatives	-	10,096	10,096	-	106,824	106,824
Other financial liabilities	371	-	371	63,972	-	63,972
Total	862,181	10,096	872,277	14,567,686	106,824	14,674,510

Items	12-31-2017					
	Loans and other payables	Current Hedging	Total	Loans and other payables	Non-Current Hedging	Total
	ThUS\$	ThUS\$	MUS\$	ThUS\$	ThUS\$	MUS\$
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

- 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 year maturity from the date of disbursement, and an annual rate Libor + 2.5%. This loan has no underlying guarantees 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" (no underlying guarantee) 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. Thus, Mitsui (through its 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.

The credit agreements obtained in 2016 and 2017, mentioned above, were paid on May 23, 2018.

As of December 31, 2018, the outstanding balance of the credit agreements is ThUS\$631,357.

- 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, principal 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, principal 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, principal 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, principal was amortized for an amount of ThUS\$412,514, with maturity on July 17, 2022, and (ii) ThUS\$750,000 at an annual interest rate of 4.25% with 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, principal 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, principal 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 million 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.

On May 18, 2018, Codelco issued a bond for US\$600 million with 30 year maturity in the market of Formosa, Taiwan. The bond issued is denominated in US dollars, had a yield of 4.85% and a prepayment option at the issue value that can be exercised from the fifth year onwards at its par value.

As of December 31, 2018 and 2017, the Corporation is not required to comply with any financial covenants related to borrowings from financial institutions and bond obligations.

- Financial debt commissions and expenses:

Transaction 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, 2018, the details of loans from financial institutions and bond obligations are as follows:

12-31-2018													
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\$
97.018.000-1	Chile	Bilateral Credit	Scotiabank Chile	12/20/2019	Floating	US\$	300,000,000	Maturity	Semi-annual	3,60%	3,74%	300,059	-
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	09/30/2021	Floating	US\$	250,000,000	Maturity	Semi-annual	3,27%	3,37%	3,768	249,579
Foreign	USA	Bilateral Credit	Export Dev Canada	11/03/2021	Floating	US\$	300,000,000	Maturity	Semi-annual	3,44%	3,62%	1,604	298,875
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	04/13/2022	Floating	US\$	300,000,000	Maturity	Quarterly	3,09%	3,30%	1,980	298,401
Foreign	USA	Bilateral Credit	Export Dev Canada	07/07/2022	Floating	US\$	300,000,000	Maturity	Semi-annual	3,38%	3,48%	1,915	299,432
Foreign	USA	Bilateral Credit	Export Dev Canada	10/25/2019	Floating	US\$	300,000,000	Maturity	Semi-annual	3,96%	4,09%	2,212	298,250
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	05/24/2029	Floating	US\$	96,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3,44%	3,84%	12,016	-
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	05/24/2022	Floating	US\$	224,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	3,34%	3,54%	32,363	79,674
Foreign	Holland	Credit	Oriente Copper Netherlands B.V.	11/26/2032	Fixed	US\$	874,959,000	Semi-annual	Semi-annual	3,25%	5,42%	48,490	582,867
Foreign	Germany	credit line	HSBC Trinkaus & other institutions		Floating	Euro				1,25%	1,25%	408	-
												56	-
TOTAL												404,871	2,107,078

Nominal and effective interest rates presented above correspond to annual rates.



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%	276,061	-
144-A REG.S	Luxembourg	04/11/2020	Fixed	US\$	1,000,000,000	At Maturity	Semi-annual	3.75%	3.97%	3,456	582,989
144-A REG.S	Luxembourg	04/11/2021	Fixed	US\$	1,150,000,000	At Maturity	Semi-annual	3.88%	4.06%	2,958	482,430
144-A REG.S	Luxembourg	07/17/2022	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	3.00%	3.17%	11,538	832,748
144-A REG.S	Luxembourg	08/13/2023	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.50%	4.75%	10,058	581,548
144-A REG.S	Luxembourg	09/07/2024	Fixed	EUR	600,000,000	At Maturity	Annual	2.25%	2.48%	7,404	678,446
BCODE-B	Chile	01/04/2025	Fixed	U.F.	6,900,000	At Maturity	Semi-annual	4.00%	3.24%	2,737	285,436
144-A REG.S	Luxembourg	09/16/2025	Fixed	US\$	2,000,000,000	At Maturity	Semi-annual	4.50%	4.77%	21,364	1,596,926
BCODE-C	Chile	08/24/2026	Fixed	U.F.	10,000,000	At Maturity	Semi-annual	2.50%	2.48%	3,455	416,715
144-A REG.S	Luxembourg	01/08/2027	Fixed	US\$	1,500,000,000	At Maturity	Semi-annual	3.63%	4.20%	22,607	1,437,938
144-A REG.S	Luxembourg	09/21/2035	Fixed	US\$	500,000,000	At Maturity	Semi-annual	5.63%	5.78%	7,925	491,814
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	At Maturity	Semi-annual	6.15%	6.22%	5,998	496,430
144-A REG.S	Luxembourg	07/17/2042	Fixed	US\$	750,000,000	At Maturity	Semi-annual	4.25%	4.41%	14,638	733,027
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	At Maturity	Semi-annual	5.63%	5.76%	10,864	933,256
144-A REG.S	Luxembourg	04/11/2044	Fixed	US\$	980,000,000	At Maturity	Semi-annual	4.88%	5.01%	7,522	961,050
144-A REG.S	Luxembourg	01/08/2047	Fixed	US\$	1,250,000,000	At Maturity	Semi-annual	4.50%	4.73%	23,387	1,205,156
144-REG.S	Luxembourg	05/18/2048	Fixed	US\$	600,000,000	At Maturity	Semi-annual	4.85%	4.91%	3,457	594,398
TOTAL										435,429	12,310,307

Nominal and effective interest rates presented above correspond to annual rates.



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	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	09/30/2021	Floating	US\$	250,000,000	Maturity	Quarterly	2.10%	2.16%	1,081	249,483
Foreign	USA	Bilateral Credit	Export Dev Canada	11/03/2021	Floating	US\$	300,000,000	Maturity	Quarterly	2.00%	2.17%	969	298,480
Foreign	Cayman Island	Bilateral Credit	Scotiabank & Trust (Cayman) Ltd	04/13/2022	Floating	US\$	300,000,000	Maturity	Quarterly	2.01%	2.20%	1,323	297,935
Foreign	USA	Bilateral Credit	Export Dev Canada	07/17/2022	Floating	US\$	300,000,000	Maturity	Quarterly	2.01%	2.09%	1,142	299,253
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	06/05/2019	Floating	US\$	95,000,000	Maturity	Quarterly	2.14%	2.35%	130	94,740
Foreign	USA	Bilateral Credit	Export Dev Canada	06/16/2019	Floating	US\$	300,000,000	Maturity	Quarterly	1.97%	2.03%	1,346	299,480
Foreign	Japan	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	05/24/2019	Floating	US\$	96,000,000	Half-yearly principal payments from 2015 to the present.	Semi-annual	2.20%	2.60%	24,081	11,883
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	05/24/2022	Floating	US\$	224,000,000	Half-yearly principal payments 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	05/26/2022	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

Nominal and effective interest rates presented above correspond to annual rates.



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%	7.78%	9,162	266,111
144-A REG.S	Luxembourg	04/11/2020	Fixed	US\$	1,000,000,000	Maturity	Semi-annual	3.75%	3.97%	3,456	581,833
144-A REG.S	Luxembourg	04/11/2021	Fixed	US\$	1,150,000,000	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	Maturity	Semi-annual	3.00%	3.17%	11,385	831,500
144-A REG.S	Luxembourg	08/13/2023	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	10,058	580,420
144-A REG.S	Luxembourg	07/09/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	7,782	711,734
BCODE-B	Chile	04/01/2025	Fixed	U.F.	6,900,000	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	Maturity	Semi-annual	4.50%	4.77%	21,364	1,593,900
BCODE-C	Chile	08/24/2026	Fixed	U.F.	10,000,000	Maturity	Semi-annual	2.50%	2.48%	3,008	460,495
144-A REG.S	Luxembourg	08/01/2027	Fixed	US\$	1,500,000,000	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	Maturity	Semi-annual	5.63%	5.78%	7,925	491,529
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,998	496,323
144-A REG.S	Luxembourg	07/17/2042	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.25%	4.41%	14,638	732,623
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,950	932,957
144-A REG.S	Luxembourg	04/11/2044	Fixed	US\$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,523	960,696
144-A REG.S	Luxembourg	08/01/2047	Fixed	US\$	1,250,000,000	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.



The undiscounted amounts that the Corporation will have to disburse to settle the obligations with financial institutions, are as follows:

Creditor Name	12-31-2018				Current			Non-Current			
	Currency	Effective Interest Rate	Nominal Interest 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
Scotiabank Chile	US\$	3.74%	3.60%	Semi-annual		310,893	310,893	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US\$	3.37%	3.27%	Semi-annual	4,176	4,108	8,284	270,701	-	-	270,701
Export Dev Canada	US\$	3.62%	3.44%	Semi-annual	-	10,395	10,395	320,934	-	-	320,934
Scotiabank & Trust (Cayman) Ltd	US\$	3.30%	3.09%	Quarterly	2,340	7,099	9,439	18,801	304,578	-	323,379
Export Dev Canada	US\$	3.48%	3.38%	Semi-annual	-	10,279	10,279	20,586	310,251	-	330,837
Export Dev Canada	US\$	4.09%	3.96%	Semi-annual	-	12,053	12,053	24,139	24,106	360,330	408,575
Bank of Tokyo-Mitsubishi Ltd.	US\$	3.84%	3.44%	Semi-annual	-	12,205	12,205	-	-	-	-
Japan Bank International Cooperation	US\$	3.54%	3.34%	Semi-annual	-	35,496	35,496	67,793	16,268	-	84,061
BONO 144-A REG.S 2019	US\$	7.78%	7.50%	Semi-annual	276,852	-	276,852	-	-	-	-
BONO 144-A REG.S 2020	US\$	3.97%	3.75%	Semi-annual	-	21,946	21,946	607,183	-	-	607,183
BONO 144-A REG.S 2021	US\$	4.06%	3.88%	Semi-annual	-	18,785	18,785	522,344	-	-	522,344
BONO 144-A REG.S 2022	US\$	3.17%	3.00%	Semi-annual	12,562	12,562	25,124	50,249	862,611	-	912,860
BONO 144-A REG.S 2023	US\$	4.75%	4.50%	Semi-annual	13,219	13,219	26,438	52,875	640,373	-	693,248
BONO 144-A REG.S 2025	US\$	4.77%	4.50%	Semi-annual	36,480	36,480	72,960	145,922	145,922	1,767,277	2,059,121
BONO 144-A REG.S 2027	US\$	4.20%	3.63%	Semi-annual	27,188	27,188	54,376	108,750	108,750	1,717,500	1,935,000
BONO 144-A REG.S 2035	US\$	5.78%	5.63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	837,500	950,000
BONO 144-A REG.S 2036	US\$	6.22%	6.15%	Semi-annual	-	30,750	30,750	61,500	61,500	899,750	1,022,750
BONO 144-A REG.S 2042	US\$	4.41%	4.25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,355,625	1,483,125
BONO 144-A REG.S 2043	US\$	5.76%	5.63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,018,750	2,232,500
BONO 144-A REG.S 2044	US\$	5.01%	4.88%	Semi-annual	-	47,775	47,775	95,550	95,550	1,983,275	2,174,375
BONO 144-A REG.S 2047	US\$	4.73%	4.50%	Semi-annual	28,125	28,125	56,250	112,500	112,500	2,600,000	2,825,000
BONO 144 REG.S 2048	US\$	4.91%	4.85%	Semi-annual	-	29,100	29,100	58,200	58,200	1,312,950	1,429,350
Oriente Copper Netherlands B.V.	US\$	5.42%	3.25%	Semi-annual		72,705	72,705	141,137	135,320	537,640	814,097
				Total ThUS\$	430,943	824,602	1,255,545	2,906,039	3,102,804	15,390,597	21,399,440



BONO BCODE-B 2025	U.F.	3.24%	4.00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	7,314,000	8,418,000
BONO BCODE-C 2026	U.F.	2.48%	2.50%	Semi-annual	124,228	124,228	248,457	496,913	496,913	10,745,370	11,739,197
				Total U.F.	262,228	262,228	524,457	1,048,913	1,048,913	18,059,370	20,157,197
				Subtotal ThUS\$	10,404	10,404	20,808	41,617	41,617	716,526	799,760
BONO 144-A REG. S 2024	EUR	2.48%	2.25%	Annual		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Total EUR		13,500,000	13,500,000	27,000,000	27,000,000	613,500,000	667,500,000
				Subtotal ThUS\$		15,443	15,443	30,885	30,885	701,783	763,553
				Total ThUS\$	441,347	850,449	1,291,796	2,978,541	3,175,306	16,808,906	22,962,753

Nominal and effective interest rates presented above correspond to annual rates.



Debtor's Name	12-31-2017				Current			Non-Current			
	Currency	Effective Interest Rate	Nominal Interest 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\$	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. S 2019	US\$	7.78%	7.50%	Semi-annual	10,007	10,007	20,014	276,852	-	-	276,852
BONO 144-A REG. S 2020	US\$	3.97%	3.75%	Semi-annual	-	21,946	21,946	629,130	-	-	629,130
BONO 144-A REG. S 2021	US\$	4.06%	3.88%	Semi-annual	-	18,785	18,785	37,570	503,559	-	541,129
BONO 144-A REG. S 2022	US\$	3.17%	3.00%	Semi-annual	12,562	12,562	25,124	50,249	887,735	-	937,984
BONO 144-A REG. S 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. S 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. S 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. S 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. S 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. S 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. S 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. S 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. S 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



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. S 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 present value of future lease payments for financial lease obligations are detailed in the following table:

Financial Leases	12-31-2018			12-31-2017		
	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$	Gross MUS\$	Interest ThUS\$	Present Value ThUS\$
Less than 90 days	6,902	(1,735)	5,167	6,745	(2,857)	3,888
Between 90 days and 1 year	21,529	(5,186)	16,343	20,877	(8,401)	12,476
Between 1 and 2 years	23,385	(5,943)	17,442	23,807	(8,222)	15,585
Between 2 and 3 years	20,079	(4,807)	15,272	17,114	(5,729)	11,385
Between 3 and 4 years	13,628	(3,699)	9,929	11,733	(3,993)	7,740
Between 4 and 5 years	19,946	(2,812)	17,134	10,426	(3,196)	7,230
More than 5 years	35,126	(8,574)	26,552	57,181	(12,774)	44,407
Total	140,595	(32,756)	107,839	147,883	(45,172)	102,711



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	12-31-2018 ThUS\$	12-31-2017 ThUS\$	Rental fees recognized in the statement of comprehensive income	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Less than one year	82,843	121,172	Rental expenses	191,311	228,104
Between one and five years	164,132	263,495			
More than five years	19,376	47,239			
TOTAL	266,351	431,906			

The table below details changes in CODELCO's liabilities classified as financing activities in the statement of cash flow, including both cash and non-cash changes for the ended December 31, 2018:

Liabilities for financing activities	Initial Balance at 01-01-2018	Flows of cash			Changes that do not represent cash flow					Final Balance at 12-31-2018
		From	Used	Total	Financial Cost (1)	Difference of Change	Value Adjustment Reasonable	Deferred debt expenses in amortized cost	Other	
Loans with financial institutions	2,460,384	300,000	(333,027)	(33,027)	84,592	-	-	-	-	2,511,949
Bond Obligations	12,249,406	600,000	(541,341)	58,659	543,874	(101,299)	-	(4,904)	-	12,745,736
Obligations for coverage	83,896	-	(18,930)	(18,930)	20,070	35,884	(4,788)	-	-	116,132
Paid Dividends	-	-	(602,461)	(602,461)	-	-	-	-	-	(602,461)
Financial assets for hedge derivatives	(137,544)	-	-	-	-	66,177	(36,333)	-	-	(107,700)
Finance leases	102,711	-	(27,130)	(27,130)	2,774	2,645	-	-	26,839	107,839
Capital contribution	-	600,000	-	600,000	-	-	-	-	-	-
Other	69,813	-	(99,200)	(99,200)	82,886	-	-	-	10,844	64,343
Total liabilities from financing activities	14,828,666	1,500,000	(1,622,089)	(122,089)	734,196	3,407	(41,121)	(4,904)	37,683	14,835,838



Liabilities for financing activities	Initial Balance at 01-01-2017	Flows of cash			Changes that do not represent cash flow					Final Balance at 12-31-2017
					Financial Cost (1)	Difference of Change	Value Adjustment Reasonable	Deferred debt expenses in amortized cost	Other	
		From	Used	Total						
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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	(3,094,341)	(344,341)	521,750	163,314	-	-	149,863	12,249,406
Obligations for coverage	171,061	15,737	-	15,737	15,553	(89,036)	(6,162)	(23,257)	-	83,896
Paid Dividends	-	-	(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)
Finance leases	124,491	-	(25,565)	(25,565)	-	-	-	-	3,785	102,711
Capital contribution	-	995,000	-	995,000	-	-	-	-	-	-
Other	74,253	-	(45,980)	(45,980)	-	-	-	-	41,540	69,813
Total liabilities from financing activities	15,219,585	4,066,028	(4,482,464)	(416,436)	616,410	(22,754)	(41,659)	-	195,188	14,828,666

(1) The finance costs consider the capitalization of interest, which for the year ended December 31, 2018 and 2017, amounts to ThUS\$311,399 and ThUS\$217,031, respectively.

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, 2018 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, 2018	Accounting treatment for valuation	Carrying amount ThUS\$	Fair value ThUS\$
Financial liabilities:			
Bond Obligations	Amortized cost	12,745,736	13,131,637

16. Fair value hierarchy

The estimated fair value for the Corporation's portfolio of financial instruments is based on valuation techniques 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).

- Level 3: Inputs are significant unobservable inputs for the asset or liability.

The following table presents financial assets and liabilities measured at fair value as of December 31, 2018:



Financial instruments measured at fair value	12-31-2018			
	Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$	Level 4 ThUS\$
Financial Assets				
Provisional price sales contracts	-	789,710	-	789,710
Cross Currency Swap	-	107,700	-	107,700
Mutual fund units	1,698	-	-	1,698
Metal futures contracts	58,501	-	-	58,501
Financial Liabilities:				
Metal futures contracts	726	62	-	788
Cross Currency Swap	-	116,132	-	116,132

There were no transfers between the different levels during the period ended December 31, 2018.

17. Trade and other payables

The detail of trade and other current payables as of December 31, 2018 and 2017, is as follows:

Items	Currents	
	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Trade payables	1,317,623	1,376,270
Dividends payables	-	295,842
Payables to employees	21,561	17,177
Withholdings	72,681	88,386
Withholding taxes	60,621	36,020
Other payables	74,098	102,073
Total	1,546,584	1,915,768



18. Other provisions

The detail of other current and non-current provisions as of December 31, 2018 and 2017, is as follows:

Other Provisions	Current		Non-current	
	12-31-2018 ThUS\$	12-31-2017 ThUS\$	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Sales-related provisions (1)	2,692	4,177	-	-
Operating (2)	233,277	152,075	-	-
Law No. 13196	93,309	134,013	-	-
Other provisions	51,771	31,166	20,153	18,790
Onerous Contract (3)	3,200	3,200	4,534	7,734
Decommissioning and restoration (4)	-	-	1,506,162	1,636,695
Legal proceedings	-	-	69,334	48,583
Total	384,249	324,631	1,600,183	1,711,802

(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 2.03% for the obligations in Chilean currency and 2.78% 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 9 and 54 years.

The Corporation determines and recognized this liability in accordance with accounting policy describe in Note 2, letter p) on Significant Accounting Policies.

Changes in Other provisions, were as follows:

Changes	1-1-2018 12-31-2018			
	Other Provisions, non-current	Decommissioning and restoration	Contingencies	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	26,524	1,636,695	48,583	1,711,802
Adjust closing provision	-	(117,174)	-	(117,174)
Financial expenses	-	34,754	-	34,754
Payment of liabilities	-	(827)	(5,100)	(5,927)
Foreign currency translation	(3,617)	(52,704)	(3,574)	(59,895)
Provision increase	(3,200)	-	-	(3,200)
Other increases	4,980	5,418	29,425	39,823
Closing Balance	24,687	1,506,162	69,334	1,600,183



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 Corporation has 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 year ended December 31, 2018, 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:

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 employee 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 period over which the obligation is being amortized corresponds to the estimate of the period over which the cash flows will occur.

Assumptions	12-31-2018		12-31-2017	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	4.49%	4.93%	4.86%	5.27%
Voluntary Annual Turnover Rate for Retirement (Men)	3.90%	3.90%	3.90%	3.90%
Voluntary Annual Turnover Rate for Retirement (Women)	3.30%	3.30%	3.30%	3.30%
Salary Increase (real annual average)	4.03%	-	4.03%	-
Future Rate of Long-Term Inflation	3.00%	3.00%	3.00%	3.00%
Inflation Health Care	-	5.05%	-	5.05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	CB14-RV14	CB14-RV14
Average duration of future cash flows (years)	7.50	16.90	7.50	17.22
Expected Retirement Age (Men)	60	60	60	60
Expected Retirement Age (Women)	59	59	59	59



b) The detail of current and non-current provisions for post-employment benefits as of December 31, 2018 and 2017, is as follows:

ACCRUAL FOR EMPLOYEE BEFEBITS	CURRENT		NON-CURRENT	
	12-31-2018	12-31-2017	12-31-2018	12-31-2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Employees' collective bargaining agreements	204,040	218,167	-	-
Employee termination benefit	27,247	31,468	802,260	850,622
Bonus	60,616	62,921	-	-
Vacation	183,628	176,489	-	-
Medical care programs (1)	460	443	496,323	523,206
Retirement plans (2)	17,620	7,987	8,355	9,494
Other	16,423	19,206	8,582	9,337
TOTAL	510,034	516,681	1,315,520	1,392,659

(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	1-1-2018		1-1-2017	
	12-31-2018		12-31-2017	
	RETIREMENT PLAN THUS\$	HEALTH PLAN THUS\$	RETIREMENT PLAN THUS\$	HEALTH PLAN THUS\$
Opening balance	882,090	523,649	777,706	538,237
Service cost	72,821	9,962	65,284	936
Financial cost	15,966	11,520	9,332	8,666
Paid contributions	(57,166)	(39,779)	(57,897)	(37,678)
Actuarial (gains)/losses	16,576	30,200	7,178	(31,426)
Transfer from other benefits	3,335	-	3,346	-
Subtotal	933,622	535,552	804,949	478,735
(Gains) Losses on foreign exchange rate	(104,115)	(38,769)	77,141	44,914
Final Total	829,507	496,783	882,090	523,649



The technical revaluation of the liability for compensation benefits for years of service has been made, for period ended December 31, 2018, it was charged to equity, which consists of an actuarial loss of ThUS\$16,576, corresponding to an experience loss. With charge to equity, which is broken down into a loss of ThUS \$ 15,584, for the revaluation of financial assumptions; and an experience loss of ThUS \$ 992.

For the obligation generated by health benefit plans, an actuarial loss of ThUS\$30,200 has been determined, consisting of an adjustment for experience loss. Composed of one loss to changes in the financial assumptions of ThUS \$ 25,930; and a setting for loss experience of ThUS \$ 4,270.

The balance of the defined benefit liability as of December 31, 2018, comprises a short term portion of ThUS\$27,247 and ThUS\$460 for the termination indemnities plan and the medical care plan, respectively. The expected amount of the defined benefit liability projected at December 31, 2019, consists of ThUS\$881,076 for the termination indemnities plan and ThUS\$457,843 for the medical care plan. The expected monthly average future disbursements related to defined benefit plans are of ThUS\$2,271 for termination indemnities and of ThUS\$38 for medical care.

The following table sets forth the sensitivity analysis of the value of the each line item for a change, respectively, from the medium (used in the estimate recorded) to the low and from the medium to the high; the second to the last column represents the change between the low and medium and the last column represents the change between the medium and the high:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.490%	4.490%	5.490%	5.46%	-4.78%
Financial effect on the real increase in income	3.530%	4.030%	4.530%	-2.21%	2.34%
Demographic effect of job rotations	3.340%	3.840%	4.340%	0.78%	-0.69%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	-0.07%	0.07%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3.926%	4.926%	5.926%	15.44%	-12.06%
Financial effect on health inflation	4.550%	5.050%	5.550%	-5.96%	6.65%
Demographic effect, planned retirement age	58 / 57	60 / 59	62 / 61	3.98%	-3.90%
Demographic effect on mortality tables	-25.00%	CB14-RV14, Chile	25.00%	10.22%	-7.20%

c) Termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increase labor productivity, and 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 as the Corporation can no longer withdraw the offer of those benefits.

As of December 31, 2018 and 2017, the termination benefits current balance was ThUS\$17,620 and ThUS\$7,987, respectively, while the non-current

balance was ThUS\$8,355 and ThUS\$9,494, 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, 2018 and 2017.



d) Employee benefits expenses

The employee benefit expenses recognized for the years ended December 31, 2018 and 2017, are as follows:

EXPENSE BY NATURE OF EMPLOYEE BENEFITS	1-1-2018	1-1-2017
	12-31-2018	12-31-2017
	THUS\$	THUS\$
Benefits - Short term	1,731,593	1,633,536
Benefits - Post employment	9,962	936
Benefits - Termination	54,594	20,553
Benefits by years of service	72,821	65,284
Total	1,868,970	1,720,309

20. Equity

The Corporation's total equity as of December 31, 2018 is ThUS\$11,343,869 (ThUS\$10,925,338 as of December 31, 2017).

In accordance with article 6 of Decree Law 1350 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. 20790. 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. 20790, 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. 20989 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 an extraordinary capital contribution was authorized under Article 2 of Law No. 20989, 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. 20790, it was decided to make an extraordinary contribution of capital for an amount of US\$520 million, which were recorded on December 22, 2017.



On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 in which it has an extraordinary capital contribution for Codelco pursuant to Law No. 20,790 of US \$ 1,000 million, which will be made in a first part for US \$ 600 million and in a second part for US \$ 400 million, and that will be transferred in installments that will not exceed December 31, 2018 and February 28, 2019 respectively. On December 26,

2018 the Corporation received the first part of the contribution from capital for US \$ 600 million.

As of December 31, 2018, the dividends paid were ThUS\$602,461 is as follows:

	ThUS\$
Dividends payable as of December 31, 2017	295,842
Advance dividends as of December 31, 2018	155,719
Advance dividends overpaid as of December 31, 2018	150,900
TOTAL DIVIDENS PAID AS OF DECEMBER 31, 2018	602,461

As of December 31, 2017, the dividends paid amounted to ThUS \$ 273,332, and provisioned dividends payable ThUS \$ 295,842.

In the financial statement "Statement of Changes in Net Equity" changes are disclosed who has experienced the assets of the Corporation.

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\$9,273 and ThUS\$1,694 for the years ended December 31, 2018 and 2017, respectively.

a) Other reserves

The detail of other reserves as of December 31, 2018 and 2017, is as follows:

OTHER RESERVES	12-31-2018 THUS\$	12-31-2017 THUS\$
Foreign exchange differences on translation reserves	(6,863)	(6,015)
Cash flow hedge reserves	47,792	11,336
Capitalization fund and reserves	4,962,393	4,962,393
Reserve of gains (losses) of defined benefit plans	(274,480)	(259,002)
Other reserves	625,317	626,380
TOTAL OTHER RESERVES	5,354,159	5,335,092



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:

SOCIETIES	Non-controlling participation	Non-controlling participation	Net Equity	Net Equity	Gain (loss)	Gain (loss)
	12-31-2018	12-31-2017	12-31-2018	12-31-2017	01-01-2018 12-31-2018	01-01-2017 12-31-2017
	%	%	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Inversiones GacruX SpA	32.20%	32.20%	969,203	1,007,493	34,031	54,423
Others	-	-	1	2	(3)	4
Total			969,204	1,007,495	34,028	54,427

For the period ended December 31, 2018, 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	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Current Assets	361,568	306,496
Non-current assets	2,839,764	2,959,114
Current liabilities	176,742	158,455
Non-current liabilities	593,078	676,208

RESULTS	01-01-2018 12-31-2018	01-01-2017 12-31-2017
	ThUS\$	ThUS\$
Revenues	836,195	586,640
Expenses	(762,557)	(496,650)
Profit of the period	73,638	89,990

CASH FLOW	01-01-2018 12-31-2018	01-01-2017 12-31-2017
	ThUS\$	ThUS\$
Net cash flow from operating activities	142,997	204,342
Net cash flow from (using) investing activities	-	(38,049)
Net cash flow from (using) financing activities	(204,961)	(25,512)



21. Revenue

Revenues as of December 31, 2018 and 2017, are as follows:

Item	1-1-2018	1-1-2017
	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Revenue from sales of own copper	11,195,340	11,636,279
Revenue from sales of third-party copper	1,900,899	2,005,974
Revenue from sales of molybdenum	651,305	502,382
Revenue from sales of other products	537,562	498,207
Gain (loss) in futures market	23,652	(1,287)
Total	14,308,758	14,641,555

The Corporation's revenue is recognized at a point in time.

The breakdown of revenue is presented in explanatory note No.26 Operating Segments.

22. Expenses by nature

Expenses by nature as of December 31, 2018 and 2017, are as follows:

Item	1-1-2018	1-1-2017
	31-12-2018	31-12-2017
	MUS\$	MUS\$
Short-term benefits to employees	1,731,593	1,633,536
Depreciation	1,186,480	1,152,803
Amortization	994,660	948,298
Total	3,912,733	3,734,637

23. Impairment of Assets

As of December 31, 2018, the Corporation made a calculation of the recoverable amount of its cash generating unit Windows Division, for the purpose of checking the existence of a deterioration in the value of the assets associated with said division, the carrying amount of which amounted to US\$323 million.

The aforementioned calculation of the recoverable amount determined a value of US\$124 million, which compare it with the amount in books, implied an acknowledgment of an impairment loss of assets for ThUS\$ 198,898 (before tax), which was recorded in the Other item expenses by function, of the comprehensive income statements for the year 2018 (note 24b).

The recoverable amount determined for the calculation of the impairment loss corresponds to use value using a 7.2% annual discount rate before taxes. The Main variables used to determine the recoverable amount of this asset correspond to the

price of acid, cost of treatment and refining, exchange rates and discount off.

The aforementioned loss due to deterioration is mainly generated by the fall in the costs of treatment and refining.

As of December 31, 2017, the Corporation recognized a reversal of a portion of the impairment loss previously recognized on the Anglo American Sur investment (Explanatory Note 9).

As of December 31, 2018 and 2017 there are no signs of additional deterioration or reversals of impairment recognized in previous years.

24. Other income and expenses by function

Other income and expenses by function for periods ended December 31, 2018 and 2017, are as follows:

a) Other income by function

Item	1-1-2018	1-1-2017
	12-31-2018	12-31-2017
	ThUS\$	ThUS\$
Penalties to suppliers	18,920	10,926
Delegated Administration	5,346	4,458
Miscellaneous sales (net)	25,973	33,243
Insurances recoveries by incidents	-	16,757
Profit on sale of shares of Deutsche Giessdraht GmbH (See note 7)	18,279	-
Other income	56,308	88,948
Total	124,826	154,332



a) Other expenses by function

ITEM	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Law No. 13196	(1,108,209)	(1,098,556)
Research expenses	(103,649)	(110,942)
Bonus for the end of collective bargaining	(204,623)	(28,577)
Expenses plan	(54,594)	(20,553)
Write-off of investment projects (See Note 10)	(212,587)	(74,655)
Write-off of property, plant & equipment	(7,357)	(11,824)
Medical care plan	(9,962)	(936)
Additional bonuses to contractors	-	(161)
Impairment of assets (note 22)	(198,898)	-
Write-off inventories	(4,004)	(14,187)
Write-off by onerous contract	-	(10,279)
Bad debts clients	(671)	(21,851)
Extraordinary gratification	-	(3,149)
Contingency expenses	(36,359)	(23,046)
Other	(174,401)	(138,757)
Total	(2,115,314)	(1,557,473)

25. Finance costs

The detail of finance costs for the years ended December 31, 2018 and 2017, is as follows:

ITEM	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Bond interest	(265,001)	(333,717)
Bank loan interest	(69,869)	(74,583)
Exchange differences on severance indemnity provision	(16,497)	(12,301)
Exchange differences on other non-current provisions	(46,959)	(34,751)
Other	(65,122)	(189,258)
Total	(463,448)	(644,610)

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.

The information on each Division and their corresponding mining deposits is as follows:

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 way 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 of 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 is 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. 13196

- 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 benefit (expenses)

- Corporate income tax under D.L. 2398 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. 2398 of each Division.

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.

Additionally, the reallocation of the profit and loss assumed by Ventanas Division, associated with the corporate mineral processing contract between

Codelco and Enami, in which a distribution is applied based on the revenue of each division is included as a transaction between segments.

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.

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



Segments	From 1-1-2018 a 12-31-2018									Subsidiaries, associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales	Total Segment ThUS\$		
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
Revenue from sales of own copper	3,100,186	2,058,291	365,850	1,102,898	2,778,189	13,497	641,681	1,125,496	11,186,088	9,252	11,195,340
Revenue from sales of third-party copper	177	-	-	-	-	14,597	-	23,123	37,897	1,863,002	1,900,889
Revenue from sales of molybdenum	359,996	15,751	20,356	88,841	164,388	-	-	-	649,332	1,973	651,305
Revenue from sales of other products	142,143	-	42,781	3,483	91,443	196,436	-	59,416	535,702	1,860	537,562
Revenue from futures market	8,474	10,322	687	(106)	1,210	64	2,316	685	23,652	-	23,652
Revenue between segments	122,767	-	73,379	1,487	94	105,787	-	-	303,514	(303,514)	-
Revenue	3,733,743	2,084,364	503,053	1,196,603	3,035,324	330,381	643,997	1,208,720	12,736,185	1,572,573	14,308,758
Cost of sales of own copper	(2,880,603)	(1,343,886)	(397,189)	(931,698)	(1,637,057)	(3,889)	(540,134)	(896,470)	(8,630,926)	(15,076)	(8,646,002)
Cost of sales of copper third-party copper	(192)	-	-	-	-	(16,345)	-	(23,123)	(39,660)	(1,841,680)	(1,881,340)
Cost of sales of molybdenum	(79,793)	(8,902)	(9,530)	(25,980)	(51,627)	-	-	-	(175,832)	(18,048)	(193,880)
Cost of sales of other products	(140,063)	-	(27,477)	(738)	(74,274)	(214,792)	-	(14,166)	(471,510)	(1,609)	(473,119)
Cost of sales between segments	(198,829)	52,328	(79,004)	4,217	17,831	(117,771)	(1,228)	18,942	(303,514)	303,514	-
Cost of sales	(3,299,480)	(1,300,460)	(513,200)	(954,199)	(1,745,127)	(352,797)	(541,362)	(914,817)	(9,621,442)	(1,572,899)	(11,194,341)
Gross profit	434,263	783,904	(10,147)	242,404	1,290,197	(22,416)	102,635	293,903	3,114,743	(326)	3,114,417
Other income, by function	10,994	5,769	4,497	14,348	18,018	1,819	3,108	4,577	63,130	61,696	124,826
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	158	158
Distribution costs	(3,010)	(570)	(1,049)	(944)	(1,140)	(597)	(139)	(1,043)	(8,492)	(9,770)	(18,262)
Administrative expenses	(60,412)	(32,429)	(17,676)	(22,649)	(66,815)	(9,796)	(22,361)	(32,077)	(264,215)	(201,113)	(465,328)
Other expenses, by function	(97,154)	(35,056)	(125,943)	(92,589)	(171,207)	(210,008)	(12,023)	(37,058)	(781,038)	(226,067)	(1,007,105)
Law No. 13.196	(314,516)	(201,452)	(34,027)	(118,451)	(265,868)	(15,137)	(63,789)	(94,969)	(1,108,209)	-	(1,108,209)
Other gains (losses)	-	-	-	-	-	-	-	-	-	21,395	21,395
Finance income	189	244	126	115	2,174	84	18	160	3,110	48,219	51,329
Finance costs	(62,271)	(46,437)	(14,073)	(61,517)	(155,965)	(8,625)	(17,075)	(46,664)	(412,627)	(50,821)	(463,448)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	174	-	(475)	(466)	(2,253)	-	-	-	(3,020)	122,134	119,114
Exchange differences	88,760	14,668	15,552	33,218	45,160	10,859	5,344	11,678	225,239	(47,096)	178,143
Profit (loss) before taxes	2,983	488,641	(183,215)	(63,351)	692,301	(253,817)	(4,282)	98,507	828,621	(281,591)	547,030
Income tax expenses	2,070	(329,166)	128,918	1,928	(476,388)	181,869	2,890	(68,015)	(555,894)	198,611	(357,283)
Profit (loss)	913	159,475	(54,297)	(4,603)	215,913	(71,948)	(1,392)	30,492	272,727	(82,980)	189,747



Segmentos	From 1-1-2017 a 12-31-2017								Total Segments ThUS\$	Subsidiaries, associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
	Chuquicamata	R. Tomic	Salvador	Andina	El Teniente	Ventanas	G. Mistral	M. Hales			
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	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
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
Impairment loss determined in accordance with IFRS 9	-	-	-	-	-	-	-	-	-	-	-
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)	-	(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	80,371	589,995	33,607	623,602



The assets and liabilities related to each operating segment, including the Corporation's head office as of December 31, 2018 and 2017, are detailed in the following tables:

Category	12-31-2018									
	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	1,278,051	715,681	278,481	247,676	696,341	89,148	239,493	291,782	1,991,553	5,828,206
Non-current assets	8,863,667	1,941,213	727,675	4,519,739	6,547,657	155,316	1,136,948	3,278,883	5,091,501	31,262,599
Current liabilities	729,319	192,735	115,908	218,550	441,255	61,363	111,615	117,624	1,551,043	3,539,412
Non-current liabilities	855,735	205,997	196,608	472,713	910,005	53,084	116,005	81,958	19,315,419	22,207,524

Category	12-31-2017									
	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



The revenue segregated per geographical areas are the following:

Revenue per geographical areas	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Total revenue from domestic customers	1,313,064	1,141,762
Total revenue from foreign customers	12,995,694	13,499,793
Total	14,308,758	14,641,555

Revenue per geographical areas	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
China	3,867,505	3,231,719
Rest of Asia	1,982,163	1,990,528
Europe	3,482,755	1,353,503
America	3,764,467	3,453,366
Other	1,211,868	4,612,439
Total	14,308,758	14,641,555

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

Principale Customers	Country	1-1-2018 12-31-2018 ThUS\$
Glencore International Ag.	Switzerland	1,039,310
Southwire Company	United States	720,172
Nexans France	France	531,740
Glencore Chile S.P.A.	Chile	516,938
Trafigura Pte. Ltd.	Singapore	502,875
Wanxiang Sg Pte. Ltd.	Singapore	430,957
Jiangxi Copper Company Ltd.	China	359,495
Lobb Heng Pte. Ltd	China	303,718
Concord Resources Limited	Japan	303,083
Triway International Limited	Hong Kong	274,615
Total		4,982,903

27. Foreign exchange differences

The detail of foreign exchange differences for the years ended December 31, 2018 and 2017, is as follows:

Gain (loss) from foreign exchange differences recognized in income	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Gain from foreign exchange differences	277,780	74,782
Loss from foreign exchange e differences	(99,637)	(280,840)
Total exchange difference, net	178,143	(206,058)



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	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
VAT Refund	1,513,219	1,373,195
Other	220,336	283,909
Total	1,733,555	1,657,104

Other payments from operating activities	1-1-2018 12-31-2018 ThUS\$	1-1-2017 12-31-2017 ThUS\$
Contribution to the Chilean Treasury (Law No. 13196)	(1,136,559)	(1,062,496)
Finance hedge and sales	(29,843)	(5,090)
VAT and other similar taxes paid	(1,388,782)	(1,155,782)
Total	(2,555,184)	(2,223,368)

As of December 31, 2018 and 2017, as indicated in the equity note, it has been received capital contributions for a total of ThUS \$ 600,000 and ThUS \$ 995,000, respectively, which are presented online other cash inflows (outflows) corresponding to the net cash flows from (used in) activities of financing.

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, 2018 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\$33 million in gains or losses, respectively. This result is obtained by identifying the main items (including assets and financial liabilities) denominated in 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, 2018, the balance of time deposits denominated in Chilean pesos was ThUS\$270,021 (ThUS\$252,161 as of December 31, 2017).

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, 2018, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US\$19 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, 2018 corresponds to amounts of ThUS\$13,377,093 and ThUS\$1,880,592, 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. 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. (See Note 2.r) "Income from Activities Ordinary Procedures from Contracts with Customers "of section II" Main policies countable").

For the period ended December 31, 2018, if the future price of copper fluctuates by + / - 5% (with the other variables constant), the result would vary + / - US\$167 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect as of December 31, 2018 (MTMF 564). 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 cash flow and adjust, 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.

As of December 31, 2018, 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\$1,7 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 of U.S. \$0.01

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 12-31-2018	Less than one year ThUS\$	Between one and five years ThUS\$	More than five years ThUS\$
Loans from financial institutions	404,871	1,225,961	881,117
Bonds	435,429	2,479,715	9,830,592
Finance leases	21,510	59,777	26,552
Derivatives	10,096	-	106,824
Other financial liabilities	371	63,972	-
Total	872,277	3,829,425	10,845,085

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 under the 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, 2018 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.

In the customer items, the provisions, which are not significant, are included. based on the review of the outstanding balances and characteristics of the clients, destined to cover eventual 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, 2018 and 2017, 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. collection of third party debt.

During the years ended December 31, 2018 and 2017, 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) Hedges

The Corporation has taken measures to protect itself from exchange rate and interest rate variations, whose positive exposure, net of taxes, amounts to ThUS\$27,346.

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

December 31, 2018

Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount	Financial obligation: hedging instrument	Exposure	Asset	Liability
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	273,765	208,519	84,365	334,180	(249,815)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US\$	343,170	409,650	(53,592)	338,339	(441,931)
Bond EUR Mat. 2024	Deutsche Bank (England)	Swap	7/9/2024	US\$	343,170	409,680	(53,170)	388,339	(441,509)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US\$	396,761	406,212	23,335	458,627	(435,292)
Total					1,356,866	1,434,061	938	1,596,485	(1,568,547)

December 31, 2017

Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount	Financial obligation: hedging instrument	Exposure	Asset	Liability
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bond UF Mat. 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	300,784	208,519	101,158	361,056	(259,898)
Bond EUR Mat. 2024	Santander (Chile)	Swap	7/9/2024	US\$	360,708	409,650	(38,485)	415,241	(453,726)
Bond EUR Mat. 2024	Deutsche Bank (England)	Swap	7/9/2024	US\$	360,708	409,680	(37,989)	415,241	(453,230)
Bond UF Mat. 2026	Santander (Chile)	Swap	8/24/2026	US\$	435,919	406,212	36,387	483,784	(447,397)
Total					1,458,119	1,434,061	61,071	1,675,322	(1,614,251)



As of December 31, 2018, the Corporation does not maintain guarantee balances of cash deposits.

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

The notional amounts are detailed below:

December 31, 2018	Currency	Notional amount of contract with final expiration date						Non-current total ThUS\$
		Less than 90 days ThUS\$	More than 90 days ThUS\$	Current Total ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	More than 5 years ThUS\$	
Currency derivative	US\$	13,156	44,290	57,446	114,892	114,892	1,525,989	1,755,773

b. Cash flows hedging contracts and commercial policy adjustment

The Corporation enters into metals hedging activities. Such results increase or decrease the total sales revenue based on the market prices of the metals. As of December 31, 2018, these operations generated a gain of ThUS\$29,414.

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, 2018, the Corporation performed derivative market transactions of copper that represent 420,850 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of December 31, 2018, present a positive exposure of ThUS\$53,518 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 as of period ended December 31, 2018 resulted in a net positive effect on net income of ThUS\$29,351, which is comprised of the amounts received for sales contracts for ThUS\$23,588 and the values paid for purchases contracts for ThUS\$5,763.

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

As of December 31, 2018, the Corporation maintains derivative contracts for the sale of gold for ThOZT 22.09 and silver for ThOZT 327.48.

The contracts outstanding as of December 31, 2018 show a negative exposure of ThUS\$671. 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. These hedging operations expire until April 2019.

The operations completed between January 1 and December 31, 2018, generated a positive effect on results of ThUS \$ 63, corresponding to values per physical sales contracts for a positive amount of ThUS \$ 64 and securities for contracts physical purchases for a negative amount of ThUS \$ 1.



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

The Corporation does not possess cash flow hedges backed by future production as of December 31, 2018.

b.4. Quantitative effects for metal hedging activities

The following tables set forth the maturities of metal hedging activities, as referred to in point b above:

December 31, 2018		Maturity date					
ThUS\$	2019	2020	2021	2022	2023	Upcoming	Total
Flex Com Cobre (Asset)	43,539	13,969	993	-	-	-	58,501
Flex Com Cobre (Liability)	(56)	(62)	-	-	-	-	(118)
Flex Com Gold/Silver	(671)	-	-	-	-	-	(671)
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	42,812	13,907	993	-	-	-	57,712

December 31, 2017		Maturity date					
ThUS\$	2018	2019	202	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)	-	-	-	(5,326)

December 31, 2018		Maturity date					
ThTM/Ounces	2019	2020	2021	2022	2023	Upcoming	Total
Copper Futures [MT]	300.10	110.45	10.30	-	-	-	420.85
Gold/Silver Futures [ThOZ]	349.57	-	-	-	-	-	349.57
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2017		Maturity date					
ThTM/Ounces	2018	2019	2020	2021	2022	Upcoming	Total
Derivados de cobre [TM]	282.60	71.35	5.10	-	-	-	359.05
Derivados de oro/plata [MOZ]	93.20	-	-	-	-	-	93.20
Fijac. de precios cobre [TM]	-	-	-	-	-	-	-
Opciones de cobre [TM]	-	-	-	-	-	-	-



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 where 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 proceedings: There is a tax proceeding for liquidation No. 141 of tax year 2015 and Exempt Resolution No. 89 of 2016 issued by the Internal Revenue Service (SII), for which the Corporation presented the corresponding appeals, which were received and resolved in favor of the Tax and Customs Courts, a resolution that was appealed by the SII.
- 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: 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.

- As of December 31, 2018, the total of lawsuits filed against the National Corporation of the Copper amounts to ThUS\$103,378, according to the estimate made by the advisors of the Corporation. An analysis, case by case, has revealed that there is a total of 358 causes with an estimated amount of ThUS\$103,378, of which, 248 causes that represent 69.27% of the universe, and that amounts to ThUS\$69,334, could have a negative result for the Corporation. There are also 44 causes, which represent a 12.29% for an amount of ThUS\$33,444, over which there is no security that its failure be contrary to the Corporation. For the remaining 66 cases, for an amount of ThUS\$ 600 legal advisors of the Corporation estimate that the probability of loss is remote.

- 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

- 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 restructuring for the Supply Contract, which implies the removal of its 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 ThUS\$6,599 as of April 7, 2016).
- ii. 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 archive No. 12326 / 2017, it was established that, GacruX, the Creditor and the Guarantee Agent, the latter representing the Guaranteed Parties, modified, by virtue of the Merger (see Note 2d), 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, making it subject to, by virtue of the Merger, to two thousand thirteen million two hundred and forty-five thousand four hundred and seventy-three shares pledge issued by BecruX, owned by GacruX, hereinafter the "Pledged BecruX Shares."

iii. Law 19.993 dated December 17, 2004, authorized the purchase of the Refinery and Smelter Las Ventanas assets from ENAMI, establishing 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 or another form agreed upon by the parties.

iv. 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, 2018 and 2017.

v. 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 supplying these Divisions is comprised by two contracts:

- Contract No.1 for 176 MW, current until December 2029

- Contract No.2 for 334 MW, current until December 2044. 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.

Both of these contracts comply with 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 2029 and 2044.

vi. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), which matured in August 2017.

For the electric power supply of the Chuquicamata's work center, there are three contracts:

- Engie for a 15-year term from January 2010, that is maturing in December 2024, for 200 MW capacity, and another contract for a 200 MW capacity which was signed in January 2018 and will be effective as of January 2025 with maturity in December 2035.
- CTA effective from 2012 for 80 MW capacity, maturity in 2032.



vii. On August 26, 2011, Codelco signed two energy supply contracts with AESGener. The first one for the Minister Hales division for a 99 MW capacity and the second contract for the Radomiro Tomic work center, for a maximum capacity of 145 MW. Both contracts will mature in 2028.

viii. On November 11, 2011, Law No. 20551 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 recorded 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 p) of Main Accounting Policies.

As of December 31, 2018, the Corporation has agreed guarantees for an annual amount of U.F. 27,058,918 to comply with the aforementioned Law No. 20.551. The following table details the main given guarantees:

Transmitter	Mine site	Amount	Currency	Date	Maturity date	Emission rate %	ThUS\$
Banco Estado	Radomiro Tomic	2,691,723	UF	30/11/2018	11/11/2019	0.08	106,797
Banco Estado	Ministro Hales	911,821	UF	29/11/2018	14/11/2019	0.08	36,178
Banco Chile	Ministro Hales	541,257	UF	06/12/2018	14/11/2019	0.10	21,475
Banco Chile	Chuquicamata	2,300,000	UF	05/12/2018	27/11/2019	0.10	91,255
Banco Bci	Chuquicamata	4,600,000	UF	30/11/2018	27/11/2019	0.15	182,510
Banco Itau	Chuquicamata	915,319	UF	27/12/2018	27/11/2019	0.16	36,316
Banco Chile	El Teniente	2,632,299	UF	05/12/2018	02/12/2019	0.10	104,439
Banco Santander	El Teniente	5,000,000	UF	20/12/2018	02/12/2019	0.15	198,381
Banco Estado	Gabriela Mistral	1,513,907	UF	29/11/2018	15/12/2019	0.08	60,066
Banco Itau	Gabriela Mistral	278,180	UF	06/06/2018	13/06/2019	0.15	11,037
Banco Itau	Salvador	2,674,603	UF	08/08/2018	18/02/2019	0.10	106,118
Banco Estado	Andina	2,666,740	UF	29/10/2018	03/05/2019	0.07	105,806
Banco Chile	Ventanas	333,069	UF	13/12/2018	19/09/2019	0.07	13,215
Total		27,058,918					1,073,593

ix. 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:



Creditor of the Guarantee	Direct Guarantees provided to Financial Institutions				
	Type of Guarantee	Currency	12-31-2018		12-31-2017
			Maturity	ThUS\$	ThUS\$
Urban Regional Manager, Metropolitan	Building project	UF	3/31/18	-	10
Urban Regional Manager, Metropolitan	Building project	UF	8/31/18	-	10
Ministry of Public Works	Building project	US\$	6/27/18	-	209
General Directorate of Maritime Territory and Merchant Marine	Building project	CLP	3/1/19	1,783	-
Ministry of Public Works	Building project	UF	10/31/18	-	25,339
Ministry of Public Works	Building project	UF	10/31/18	-	28,399
Ministry of Public Works	Building project	UF	10/1/19	566	566
Oriente Copper Netherlands B.V.	Pledge on shares	US\$	11/1/32	877,813	877,813
Sernageomin	Environmental	UF	11/3/18	-	139,589
Sernageomin	Environmental	UF	3/18/18	-	13,156
Sernageomin	Environmental	UF	5/10/18	-	106,936
Sernageomin	Environmental	UF	5/10/18	-	57,302
Sernageomin	Environmental	UF	6/1/18	-	104,598
Sernageomin	Environmental	UF	6/1/18	-	199,215
Sernageomin	Environmental	UF	6/14/18	-	60,716
Sernageomin	Environmental	UF	5/26/18	-	118,924
Sernageomin	Environmental	UF	5/26/18	-	156,804
Sernageomin	Environmental	UF	5/26/18	-	24,526
Sernageomin	Environmental	UF	8/31/8	-	119,414
Sernageomin	Environmental	UF	8/31/8	-	852
Sernageomin	Environmental	UF	3/18/19	17,920	-
Sernageomin	Environmental	UF	5/9/19	137,355	-
Sernageomin	Environmental	UF	6/13/19	73,210	-
Sernageomin	Environmental	UF	6/13/19	11,980	-
Sernageomin	Environmental	UF	6/1/19	110,322	-
Sernageomin	Environmental	UF	6/1/19	273,875	-
Sernageomin	Environmental	UF	5/25/19	192,789	-
Sernageomin	Environmental	UF	5/25/19	103,290	-
Sernageomin	Environmental	UF	5/12/19	39,150	-
Sernageomin	Environmental	UF	5/12/19	38,215	-
Sernageomin	Environmental	UF	5/25/19	96,395	-
Total				1,974,663	2,034,381



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	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Andina	3,891	8,228
Chuquicamata	2,445	7,614
Casa Matriz	803,719	737,160
Salvador	1,311	7,295
Ministro Hales	-	6
El Teniente	4,137	19,064
Ventanas	105	778
Total	815,608	780,145



33. Balances in foreign currency

a) Assets by Type of Currency

Category	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Liquid assets	1,460,534	1,450,162
US Dollars	1,383,897	1,378,521
Euros	25,482	3,472
Other currencies	4,547	4,245
Non-indexed Ch\$	46,129	63,002
U.F.	479	922
Cash and cash equivalents	1,229,125	1,448,835
US Dollars	1,152,715	1,378,247
Euros	25,482	3,472
Other currencies	4,547	4,245
Non-indexed Ch\$	46,109	62,779
U.F.	272	92
Other current financial assets	231,409	1,327
US Dollars	231,182	274
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	20	223
U.F.	207	830
Short and long term receivables	2,409,835	2,996,968
US Dollars	1,789,757	2,473,589
Euros	62,857	59,297
Other currencies	320	1,625
Non-indexed Ch\$	482,180	406,589
U.F.	74,721	55,868
Trade and other receivables	2,212,209	2,815,352
US Dollars	1,676,862	2,383,415
Euros	62,580	57,992
Other currencies	320	1,625
Non-indexed Ch\$	398,966	317,819
U.F.	73,481	54,501

Category	12-31-2018 ThUS\$	12-31-2017 ThUS\$
Rights receivables, non-current	84,731	91,442
US Dollars	-	-
Euros	277	1,305
Other currencies	-	-
Non-indexed Ch\$	83,214	88,770
U.F.	1,240	1,367
Due from related companies, current	92,365	64,344
US Dollars	92,365	64,344
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
Due from related companies, non-current	20,530	25,830
US Dollars	20,530	25,830
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
Rest of assets	33,220,436	31,909,011
US Dollars	32,171,442	31,025,279
Euros	705	26,952
Other currencies	279	367
Non-indexed Ch\$	377,119	119,690
U.F.	670,891	736,723
Total assets	37,090,805	36,356,141
US Dollars	35,345,096	34,877,389
Euros	89,044	89,721
Other currencies	5,146	6,237
Non-indexed Ch\$	905,428	589,281
U.F.	746,091	793,513



b) Liability by type of currency:

Current liability by currency	12-31-2018		12-31-2017	
	Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Up to 90 days ThUS\$	90 days to 1 year ThUS\$
Current liabilities	3,049,854	489,558	3,126,371	189,085
US Dollars	1,824,181	452,648	1,821,173	150,417
Euros	107,341	408	119,851	-
Other currencies	9,826	-	9,668	-
Non-indexed Ch\$	1,088,536	31,419	1,155,722	32,964
U.F.	19,970	5,083	19,957	5,704
Other current financial liabilities	412,451	459,826	166,557	157,831
US Dollars	396,148	452,635	124,107	150,402
Euros	7,404	408	32,182	-
Other currencies	34	-	-	-
Non-indexed Ch\$	879	1,700	1,269	1,725
U.F.	7,986	5,083	8,999	5,704
Bank loans	5,739	399,132	26,819	103,908
US Dollars	5,683	398,724	2,223	103,908
Euros	-	408	24,400	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	-	-
U.F.	56	-	196	-
Obligations	401,174	34,255	134,864	30,920
US Dollars	387,578	34,255	120,277	30,920
Euros	7,404	-	7,782	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	-	-
U.F.	6,192	-	6,805	-
Finance lease	5,167	16,343	3,888	12,476
US Dollars	2,887	9,560	1,347	5,047
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	542	1,700	543	1,725
U.F.	1,738	5,083	1,998	5,704
Others	371	10,096	986	10,527
US Dollars	-	10,096	260	10,527
Euros	-	-	-	-
Other currencies	34	-	-	-
Non-indexed Ch\$	337	-	726	-
U.F.	-	-	-	-
Other current liabilities	2,637,403	29,732	2,959,814	31,254
US Dollars	1,428,033	13	1,697,066	15
Euros	99,937	-	87,669	-
Other currencies	9,792	-	9,668	-
Non-indexed Ch\$	1,087,657	29,719	1,154,453	31,239
U.F.	11,984	-	10,958	-



Non-current liability by currency	12-31-2018				12-31-2017			
	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	6,804,312	2,260,258	5,142,419	8,000,535	6,200,324	2,773,522	5,534,293	7,607,208
US Dollars	6,396,888	2,114,245	4,160,204	6,918,087	5,755,523	2,619,881	4,461,270	6,501,948
Euros	14	-	(7,832)	-	89	-	(9,682)	-
Other currencies	1	-	-	-	1	-	-	-
Non-indexed Ch\$	390,088	141,392	277,356	505,603	423,022	148,258	291,395	527,887
U.F.	17,321	4,621	712,691	576,845	21,689	5,383	791,310	577,373
Other non-current financial liabilities	1,710,559	2,118,866	4,847,087	5,997,998	1,349,908	2,625,264	5,226,237	5,446,595
US Dollars	1,702,164	2,114,245	4,142,228	5,997,998	1,334,855	2,619,881	4,444,609	5,446,595
Euros	-	-	7,832	-	-	-	(9,682)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	219	-	-	-	2,996	-	-	-
U.F.	8,176	4,621	712,691	-	12,057	5,383	791,310	-
Bank loans	548,454	677,507	298,250	582,867	406,167	1,297,133	-	626,357
US Dollars	548,454	677,507	298,250	582,867	406,103	1,297,133	-	626,357
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	-	-	64	-	-	-
Obligations	1,065,419	1,414,296	4,415,461	5,415,131	847,944	1,313,161	5,102,279	4,820,238
US Dollars	1,065,419	1,414,296	3,034,864	5,415,131	847,944	1,313,161	3,613,723	4,820,238
Euros	-	-	678,446	-	-	-	711,734	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	702,151	-	-	-	776,822	-
Finance Lease	32,714	27,063	26,552	-	26,970	14,970	44,407	-
US Dollars	24,322	22,442	16,012	-	11,981	9,587	29,919	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	216	-	-	-	2,996	-	-	-
U.F.	8,176	4,621	10,540	-	11,993	5,383	14,488	-
Others	63,972	-	106,824	-	68,827	-	79,551	-
US Dollars	63,969	-	793,102	-	68,827	-	800,967	-
Euros	-	-	(686,278)	-	-	-	(721,416)	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	3	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
Other liabilities non-current	5,093,753	141,392	295,332	2,002,537	4,850,416	148,258	308,056	2,160,613
US Dollars	4,694,724	-	17,976	920,089	4,420,668	-	16,661	1,055,353
Euros	14	-	-	-	89	-	-	-
Other currencies	1	-	-	-	1	-	-	-
Non-indexed Ch\$	389,869	141,392	277,356	505,603	420,026	148,258	291,395	527,887
U.F.	9,145	-	-	576,845	9,632	-	-	577,373



34. Sanctions

As of December 31, 2018 and December 31, 2017, 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, 2018, 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.

In accordance with Supreme Decree D.S. No. 28, the Corporation is carrying out its environmental, maintenance and operating plans for its smelting plants.

To comply with the Circular No. 1901 of 2008 of the CMF, the details of the Corporation's main expenditures related to the environment during the years ended December 31, 2018 and 2017, respectively, and the projected future expenses are stated below.



Entity	Project Name	Project Status	Disbursements 12-31-2018		Asset / Expenditure Item	12-31-2017	Future committed disbursements	
			Amount ThUS\$	Asset / Expense		Amount ThUS\$	Amount ThUS\$	Estimated date
	Chuquicamata		492,963			339,883	479,386	
Codelco Chile	Talambre dam capacity extension, 8th stage	In Progress	148,715	Asset	P, P & E	86,757	131,287	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2/3	In Progress	345	Asset	P, P & E	6,114	-	-
Codelco Chile	Replacement of circulation pot 1A and 2A	In Progress	1,370	Asset	P, P & E	21,447	15,717	2019
Codelco Chile	Construction installation surplus management	In Progress	-	Asset	P, P & E	6,644	-	-
Codelco Chile	Replacement of water treatment plant	In Progress	-	Asset	P, P & E	24,318	-	-
Codelco Chile	Replacement gas management system	In Progress	745	Asset	P, P & E	849	10,440	2019
Codelco Chile	Acid plant tranformation 3-4 DC/DA	In Progress	200,844	Asset	P, P & E	115,588	198,863	2019
Codelco Chile	Enablement refining gas treatment system	In Progress	26,973	Asset	P, P & E	10,163	47,122	2019
Codelco Chile	Dryer replacement n ° 5 fuco	In Progress	23,204	Asset	P, P & E	11,373	36,257	2019
Codelco Chile	Management feeding and transport powders	In Progress	1,363	Asset	P, P & E	620	-	-
Codelco Chile	Construction Relle Res Dom-Asim Montec	In Progress	599	Asset	P, P & E	22	11,781	2019
Codelco Chile	Construction IX stage Talambre tranque	In Progress	6,063	Asset	P, P & E	78	11,259	2019
Codelco Chile	Construction 8 Seg Montecristo	In Progress	799	Asset	P, P & E	70	16,660	2019
Codelco Chile	Acid plants	In Progress	30,989	Expenditure	Adm. Expense	23,014	-	2019
Codelco Chile	Solid waste	In Progress	6,595	Expenditure	Adm. Expense	1,707	-	2019
Codelco Chile	Tailings	In Progress	23,047	Expenditure	Adm. Expense	15,474	-	2019
Codelco Chile	Water treatment plant	In Progress	17,501	Expenditure	Adm. Expense	14,849	-	2019
Codelco Chile	Environmental monitoring	In Progress	3,811	Expenditure	Adm. Expense	796	-	2019
	Salvador		138,153			110,683	167,627	
Codelco Chile	Improved integration of the gas process	In Progress	91,755	Asset	P, P & E	76,785	100,552	2019
Codelco Chile	Concentrator filter plant construction	In Progress	28	Asset	P, P & E	10,994	-	-
Codelco Chile	Water capture improvement	In Progress	147	Asset	P, P & E	807	-	-
Codelco Chile	Tailings	In Progress	2,008	Expenditure	Adm. Expense	2,180	1,006	2019
Codelco Chile	Acid plants	In Progress	29,677	Expenditure	Adm. Expense	18,401	7,562	2019
Codelco Chile	Solid waste	In Progress	902	Expenditure	Adm. Expense	768	334	2019
Codelco Chile	Water treatment plant	In Progress	687	Expenditure	Adm. Expense	528	486	2019



Entity	Project Name	Project Status	Disbursements 12-31-2018		Asset / Expenditure Item	12-31-2017	Future committed disbursements	
			Amount ThUS\$	Asset / Expense		Amount ThUS\$	Amount ThUS\$	Estimated date
Codelco Chile	Overhaul thickeners tailings sal-proy	In Progress	1,443	Asset	P, P & E	220	17,888	2019
Codelco Chile	Dangerous substances warehouse	In Pogress	82	Asset	P, P & E	-	356	2019
Codelco Chile	Bell replacement	In Pogress	11,185	Asset	P, P & E	-	24,555	2019
Codelco Chile	Ditch hazardous waste	In Pogress	62	Asset	P, P & E	-	865	2019
Codelco Chile	DRPA Emergency	In Pogress	177	Asset	P, P & E	-	14,023	2019
	Andina		166,793			208,822	59,220	
Codelco Chile	Drain water treatment	Finished	171	Asset	P, P & E	11,236	-	-
Codelco Chile	Water Normative Phase 2	In Progress	1,274	Asset	P, P & E	4,095	-	-
Codelco Chile	Construction site emergency plan	In Progress	11,176	Asset	P, P & E	22,127	3,500	2019
Codelco Chile	Construction site emergency plan	Finished	5,975	Asset	P, P & E	27,670	-	-
Codelco Chile	Improved water internal tip E2	In Progress	2,620	Asset	P, P & E	2,906	-	-
Codelco Chile	Construction early alert plan	Finished	-	Asset	P, P & E	303	-	-
Codelco Chile	Implementation in RCA compliance wells (Hydraulic Barrier)	In Progress	3,010	Asset	P, P & E	868	-	-
Codelco Chile	Catchment water drainage hill black	In Progress	2,301	Asset	P, P & E	329	627	2019
Codelco Chile	Construction canal outline DL east	In Progress	6,136	Asset	P, P & E	843	20,490	2020
Codelco Chile	Standard fuel supply system	In Progress	258	Asset	P, P & E	18	-	-
Codelco Chile	Construction site emergency plan	In Progress	7,942	Asset	P, P & E	63	5,115	2019
Codelco Chile	Oo Sbr Level 640 Msnm Tranq	In Progress	16,720	Asset	P, P & E	63,195	-	-
Codelco Chile	Solid waste	In Progress	2,735	Expenditure	Adm. Expense	1,884	746	2019
Codelco Chile	Water treatment plant	In Progress	3,927	Expenditure	Adm. Expense	2,591	920	2019
Codelco Chile	Trailing	In Progress	68,220	Expenditure	Adm. Expense	50,956	17,435	2019
Codelco Chile	Acid drainage	In Progress	30,894	Expenditure	Adm. Expense	17,462	9,474	2019
Codelco Chile	Environmental monitoring	In Progress	554	Expenditure	Adm. Expense	824	122	2019
Codelco Chile	Sustainability and external matters management	In Progress	2,880	Expenditure	Adm. Expense	1,452	791	2019
			797,909			659,388	706,233	
	El Teniente		407,794			250,563	496,088	
Codelco Chile	Construction of 7th phase of Carén	In Progress	27,866	Asset	P, P & E	2,436	280,642	2022
Codelco Chile	Construction of 6th phase of Carén	Finished	-	Asset	P, P & E	7,550	-	-
Codelco Chile	Construction of slag treatment plant	In Progress	108,854	Asset	P, P & E	42,919	108,225	2019
Codelco Chile	Construction of slag treatment plant	In Progress	19,749	Asset	P, P & E	23,214	-	-
Codelco Chile	Smelting emissions network	In Progress	51,273	Asset	P, P & E	60,058	27,997	2019



Entity	Project Name	Project Status	Disbursements 12-31-2018		Asset / Expenditure Item	12-31-2017	Future committed disbursements	
			Amount ThUS\$	Asset / Expende		Amount ThUS\$	Amount ThUS\$	Estimated date
Codelco Chile	Smoke capacity reduction	In Progress	5,579	Asset	P, P & E	2,744	24,555	2019
Codelco Chile	Smoke capacity reduction	In Progress	38,749	Asset	P, P & E	6,693	6,862	2019
Codelco Chile	Construction of slag treatment plant	In Progress	1,650	Asset	P, P & E	455	2,223	2019
Codelco Chile	Acid plants	In Progress	66,294	Expenditure	Adm. Expense	53,294	14,069	2019
Codelco Chile	Solid waste	In Progress	4,460	Expenditure	Adm. Expense	3,933	951	2019
Codelco Chile	Water treatment plant	In Progress	16,688	Expenditure	Adm. Expense	10,962	4,332	2019
Codelco Chile	Tailings	In Progress	66,632	Expenditure	Adm. Expense	36,305	16,232	2019
	Gabriela Mistral		12,126			8,425	47,405	
Codelco Chile	Installation of the rubble dump folder phase VI	Finished	-	Asset	P, P & E	6,446	-	-
Codelco Chile	Installation of the rubble dump folder phase VII	Finished	-	Asset	P, P & E	262	-	-
Codelco Chile	Replacement three tracked tractors	In Progress	-	Asset	P, P & E	154	5,753	-
Codelco Chile	Environmental monitoring	In Progress	6	Expenditure	Adm. Expense	46	11	2019
Codelco Chile	Solid waste	In Progress	2,420	Expenditure	Adm. Expense	1,441	617	2019
Codelco Chile	Environmental consultancy	In Progress	2,087	Expenditure	Adm. Expense	38	30	2019
Codelco Chile	Water treatment plant	In Progress	106	Expenditure	Adm. Expense	38	30	2019
Codelco Chile	Garbage dump extension	In Progress	7,446	Asset	P, P & E	-	40,553	2020
Codelco Chile	Improved dust collection system	In Progress	61	Asset	P, P & E	-	411	2020
	Ventanas		43,492			40,080	9,783	
Codelco Chile	Capturing of second gases	Finished	-	Asset	P, P & E	723	-	-
Codelco Chile	Removal of visible fumes raf	Finished	-	Asset	P, P & E	3,612	-	-
Codelco Chile	Fugitive gas treatment	Finished	-	Asset	P, P & E	3,432	-	-
Codelco Chile	Second gas collection CT	Finished	-	Asset	P, P & E	3,589	-	-
Codelco Chile	Fugitive gas treatment CT	Finished	-	Asset	P, P & E	2,270	-	-
Codelco Chile	Construction new warehouse of concentrate	In Progress	2,072	Asset	P, P & E	518	-	-
Codelco Chile	Acid plants	In Progress	30,514	Expenditure	Adm. Expense	19,483	6,530	2019
Codelco Chile	Solid waste	In Progress	1,908	Expenditure	Adm. Expense	1,883	715	2019
Codelco Chile	Environmental monitoring	In Progress	1,586	Expenditure	Adm. Expense	1,088	358	2019
Codelco Chile	Water treatment plant	In Progress	5,340	Expenditure	Adm. Expense	3,482	2,180	2019
Codelco Chile	Distribution system replacement	In Progress	2,072	Asset	P, P & E	-	-	-



Entity	Project Name	Project Status	Disbursements 12-31-2018		Asset / Expenditure Item	12-31-2017	Future committed disbursements	
			Amount ThUS\$	Asset / Expense		Amount ThUS\$	Amount ThUS\$	Estimated date
	Radomiro Tomic		2,806			1,867	770	
Codelco Chile	Solid waste	In Progress	1,132	Expenditure	Adm. Expense	823	276	2019
Codelco Chile	Environmental monitoring	In Progress	725	Expenditure	Adm. Expense	296	245	2019
Codelco Chile	Water treatment plant	In Progress	949	Expenditure	Adm. Expense	748	249	2019
	Ministro Hales		1,529			2,187	12,809	
Codelco Chile	Solid waste	In Progress	664	Expenditure	Adm. Expense	1,377	1,956	2019
Codelco Chile	Environmental monitoring	In Progress	664	Expenditure	Adm. Expense	572	237	2019
Codelco Chile	Water treatment plant	In Progress	180	Expenditure	Adm. Expense	238	366	2019
Codelco Chile	Pit drainage wells mine	In Progress	10	Asset	P, P & E	-	6,693	2019
Codelco Chile	Implementation monitoring acuifero pit	In Progress	11	Asset	P, P & E	-	3,557	2019
	Ecometales Limited		621			731	828	
Codelco Chile	Smelting powders leaching plant	In Progress	613	Expenditure	Adm. Expense	515	817	2019
Codelco Chile	Smelting powders leaching plant	In Progress	8	Expenditure	Adm. Expense	216	11	2019
Subtotal			468,368			303,853	557,683	
Total			1,266,277			963,241	1,263,916	



36 Subsequent events

- On January 16, 2019, it is reported as an essential fact that Mr. Patricio Chávez Inostroza ceases to exercise its functions as Vice President of Corporate Affairs and Sustainability of the Corporation and assumes as an interim, from this date, José Pesce Rosenthal who will also maintain the position of Vice President of Management of Mining Resources and Development, a role he currently exercise.

- On January 28, 2019, it is reported as an essential fact that Codelco issued bonds in New York for USD 1,300 million at 30 years, with an annual rate of 4.375%. This operation will give greater financial flexibility for it to invest in its structural projects, the first of which, Chuquicamata Subterránea, will start operations this year. The issue will allow the Corporation to lighten its profile of debt repayments for the period 2020 - 2025 and extend part of its financial commitments to 30 years, matching the payment dates with the years in which, in addition to Chuquicamata Subterránea, the New Mine level, Andean Transfer and Inca Rajo also will be in full production.

With this transaction, Codelco's net debt is not increased and a new step is taken in a sustainable financing, according to the guidelines given by the Board of Directors in terms of advancing the realization of structural projects and maintaining a solid financial position.

In this way, Codelco launched in New York an offer to purchase its bonds issued in dollars with maturities between 2020 and 2025. The offer of purchase points

to two groups of bonds. The first includes those with expiration in 2020, 2021, and 2022, and was offered for aggregate amount of up to US\$1,907 million, which corresponds to the total maturities of those papers.

These activities were led on this occasion by HSBC Securities (USA) Inc., JP Morgan Securities LLC, Citigroup Global Markets Inc., and Scotiabank.

The impact on results associated with this refinancing, reached an estimated loss after taxes of US\$14 million.

- On February 1, 2019, it is reported as essential fact, the withdrawal from the Corporation of Mr. Ricardo Montoya Peredo, General Manager of the Gabriela Mistral Division; and, on an "acting" basis, Mr. Gustavo Cordova Alfaro, who up until this date had served as the Mine Manager of the same Division, assumes his role.

- On February 8, 2019, it was reported as an essential fact, according to the provisions in Circular No. 1,072, detail of the financing operation carried out on January 28, 2019

- On February 8, 2019, it was reported as an essential fact that, on the occasion of climatic phenomenon that affected the north of the country, Codelco has had to paralyze part of the tasks in divisions Chuquicamata and Ministro Hales. The restoration of operations will be progressive as long as the climatic conditions allow, while mitigation measures to minimize the effects of this paralysis are put in place.

It is estimated that, with the existing information up to this moment, this situation would not cause a material or significant impact on Codelco's results in 2019.

- On February 28, 2019, an extraordinary capital contribution was received through the Exempt Decree No. 311 of the Ministry of Finance, pursuant to Law No. 20.970, for an amount of ThUS\$400 million.

- On March 1, 2019, it was reported as an essential fact that it was proceeded to designate, count from April 1, 2019, to the following principal executives:

1. Mr. Jaime Rivera Machado was appointed as General Manager of the Andina Division.
2. Mr. Andrés Music Garrido was appointed as General Manager of the Ministro Hales Division.
3. Mr. Sergio Herbage Lundín was appointed as General Manager of the Gabriela Mistral Division.

- As of March 1, 2019, the role of Vice-Presidency of Technology was created reporting to the Executive President., Don Alvaro García González was appointed, starting on March 11, 2019.

The administration of the Corporation is not aware of other significant events of a nature financial or of any other nature that could affect these states, which may have occurred between January 1, 2019 and the date of issuance of these consolidated financial statements to the March 28, 2019.



Nelson Pizarro Contador
Chief Executive Officer

Alejandro Rivera Stambuk
Chief Financial Officer

Gonzalo Zamorano Martínez
Accounting and Finance Control
Manager

Javier Tapia Ávila
Accountant Director

RATIO ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2018



Corporate profile



Key indicators



Our management



Transparency, probity and good corporate governance



Transformation and the future



Subsidiaries and affiliate companies



Consolidated financial statements



Offices and representatives



RATIO ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2018

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 2018 and its comparison to the year 2017.

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.

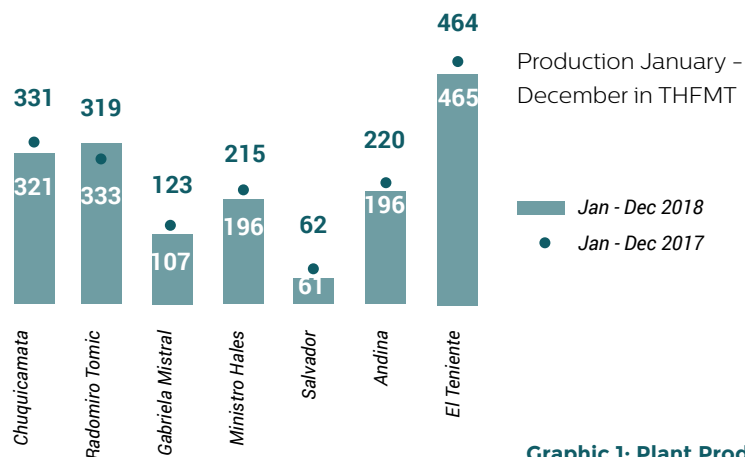
As of December 31, 2018, total production of fine copper by Codelco Chile from its operating divisions, representing 78% of total revenue, amounted to ThFMT 1,678 reflecting a decrease of 3% compared to the production generated during 2017.

At divisional level, such negative variance recorded in the Gabriela Mistral Division (-13%), Andina Division (-11%), Ministro Hales Division (-9%), Chuquicamata Division (-3%) and Salvador Division (-2%), which in aggregate implied a decrease in production of ThFMT 70. The Radomiro Tomic Division and El Teniente Division recorded an increase of (4%) and (0.2%) respectively, contributing + ThTMF 15 of production.

Note that improvements are permanently conducted on the productivity of the resources used looking to offset the adverse factors occurring in mining exploitation such as the decline of ore grade, increased rock hardness, greater depth of deposits, among others, which particularly occurs in the divisions with older deposits.

I. ANALYSIS OF RESULTS OF OPERATIONS

1. Production



Graphic 1: Plant Production of FMT

2. Physical sales volume

Sales, expressed in fine metric tons of own and third party copper and molybdenum are detailed as follows:



DELIVERIES	12-31-18	12-31-17	VARIANCE	VARIANCE
	FMT	FMT	FMT	%
Own copper	1,628,487	1,704,662	(76,175)	-4.5%
Own copper, third party minerals	209,663	141,790	67,873	47.9%
Sales of own copper, own and third party minerals	1,838,150	1,846,452	(8,302)	-0.4%
Copper acquired from third parties	296,109	304,026	(7,917)	-2.6%
Total own and third party copper sales	2,134,259	2,150,478	(16,219)	-0.8%
Own molybdenum	25,385	28,918	(3,533)	-12.2%

Table 2: Total Physical Sales of Copper and Molybdenum.

As of December 31, 2018, total physical sales of own copper (ThFMT 1,838.2) processed at Codelco's plants, mainly from own minerals (88.6%) and at a lower rate from third party minerals (11.4%), recorded a decrease of 0.4% compared to 2017. With respect to this, total deliveries of Codelco's own copper reflected a decrease of 4.5% (ThFMT -76) whereas own physical copper sales using third party minerals increased by 47.9%

Adding to this figure copper acquired from third parties, Codelco's total physical sales volume amounts to ThFMT 2,134.3, which compared to 2017 represents a decrease of 0.8% (ThFMT -16).

In addition, during 2018, the delivery volume of molybdenum decreased by 12.2% (ThFMT -3.5).



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, 2018 and 2017

CONCEPT	12-31-2018 / MUS\$	12-31-2017 / MUS\$	VARIANCE (%)
Revenue from sales of own copper	11,195	11,636	-4%
Revenue from sales of third party copper	1,901	2,006	-5%
Revenue from sales of molybdenum	651	502	30%
Revenue from sales of other products and services	538	498	8%
Results from future market	24	-1	2500%
Total Revenue	14,309	14,642	-2%
Cost of own copper sold	-8,646	-7,793	11%
Cost of third party copper sold	-1,881	-2,000	-6%
Cost of molybdenum sold	-194	-189	3%
Cost of other products and services sold	-473	-399	19%
Total Cost of Sales	-11,194	-10,381	8%
Gross Profit	3,114	4,261	-27%
Other income and other expenses per function (without Law No. 13.196)	-882	-305	189%
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	0	0	-
Law No. 13.196	-1,108	-1,099	1%
Distribution expenses	-18	-10	80%
Administrative expenses	-465	-427	9%
Other gains (losses)	21	33	-36%
Gains (losses) from operating activities	662	2,453	-73%
Finance income	51	30	70%
Finance costs	-463	-645	-28%
Share of profit of associates and joint ventures accounted for using the equity method of accounting	119	185	-36%
Foreign currency translation differences	178	-206	186%
Profit (loss) before taxes	547	1,817	-70%
Income tax (benefit) expense	-357	-1,193	-70%
Consolidated profit (loss)	190	624	-70%
Profit (loss) attributable to non-controlling interests	34	54	-37%
Codelco net profit (loss)	156	569	-73%
Profit (loss) before income taxes and Law No. 13.196 attributable to Codelco Chile (Surplus)	1,606	2,885	-44%
Profit (loss) before income tax and Law No. 13.196, Consolidated (Surplus)	1,655	2,915	-43%
EBIT (Earnings Before Interests and Taxes)	1,010	2,462	-59%
EBITDAL (Earnings Before Interests, Taxes, Depreciation, Amortization and Law No. 13.196)	4,696	5,594	-16%
EBITDA Margin	33%	38%	

1 Average copper price in the LME in Jan-Dec 2018:: US\$/lb 295.88; Jan - Dec 2017: US\$/lb 279.68 (Variation: 5.79%).

1 Average molybdenum price in the LME in Jan-Dec 2018:: US\$/Kg. 26.2; Jan - Dec 2017: US\$/Kg. 18.1 (Variation: 45.6%).

(* For the purposes of the calculation of EBITDAL, we have excluded the write-off recorded in note 10 Intangible assets in the Consolidated Financial Statements.

Table 3: Consolidated profit or loss as of December 31, 2018 and 2017.

As of December 31, 2018, profit before income tax and Law No. 13.196 (Surplus) attributable to Codelco Chile, generated profit of MUS\$ 1,606, which is lower than the Surplus attributable to Codelco Chile recorded in 2017 (variance: MUS\$ -1,279).

Such negative variance recorded in the generation of surplus is mainly reflected by lower gross margin generated by the increase in operating costs and other expenses by function recorded during this period, which includes the write-off of intangible assets and impairment of the Ventanas Division, slightly offset by the result obtained from the effect of exchange rate fluctuations and finance costs (net).

Gross profit amounted to MUS\$ 3,114, which was lower by MUS\$ 1,147 compared to the prior year.

This negative variance is explained, as indicated above, by the increase in production costs, mainly costs from own copper, recorded during 2018. Additionally, sales revenue recorded a negative variance compared to the prior year the effect of which is the lower production obtained in 2018 even though a greater variance is recorded in the price of copper 1 and molybdenum).



In addition, the variance in production costs is noted in the table below.

COST CATEGORY (US¢ / Lb)	jan - dec 2018	jan - dec 2017	VAR (%)
Total costs	245.1	227.2	8%
Net cost to cathode (C3)	230.5	218.0	6%
Direct cash cost (C1)	139.1	135.9	2%
Net cost to cathode (C3)	219.6	218.0	1%

Without considering extraordinary accounting adjustments

Table 4: Production costs as of December 31, 2018 and 2017.

At cash cost level (C1), the main indicator in the industry is reflected by an increase of 2%, mainly explained by lower production and lower exchange rate.

In addition, at total cost level and net cost to cathode level (C3) (which includes extraordinary accounting adjustments associated with write-offs and impairment of assets), an increase has been recorded of 8% and 6%, respectively, also due to lower production, lower exchange rate, collective negotiations and others. Excluding such accounting adjustments, the net cost to cathode (C3) for 2018 would amount to 219.6 c/lb, which compared to 2017 would represent a slight increase of 1%.

4. Other income and expenses per function

As of December 31, 2018, other expenses and income by function (which also add Law 13.196), generated a negative result of MUS\$ 1,990, which is greater by 42% (variance: MUS\$ 586) compared to 2017.

This increase in other expenses is mainly explained by: the accounting recognition of write-offs of investment projects, the record of the impairment

of the Ventanas Division, greater expenses for the concept of the collective negotiation bonus occurred in the divisions during 2018 and other accounting provisions for contingencies (variance: MUS\$ 596).

This also includes the increase in the accrued expense associated with the tax per Law 13.196, which levies 10% on the return from exports of copper and own by-products. As of December 31, 2018 and 2017, the expense for such concept amounted to MUS\$ 1,108 and MUS\$ 1,099 respectively (variance: MUS\$ 9), explained by the return obtained from revenue from sales recorded during the year.

5. Surplus – profit (loss) before taxes and net profit (loss)

During 2018, profit before tax and tax per Law 13.196 (surplus) attributable to Codelco Chile was profit of MUS\$ 1,606, which is lower than the surplus generated in the same period of 2017 (MUS\$ 2,885).

The negative variance in comparing both profits (variance: MUS\$ -1,279) is mainly explained by the increase reflected in operating costs.

In addition, the profit before tax (income tax and specific tax on mining activities) amounted to profit of MUS\$ 546; whereas the profit after tax attributable to Codelco Chile recorded profit of MUS\$ 156. During 2018, a positive result was recognized for the non-controlling interest of MUS\$ 34.

The return on assets and return on equity for the same period without considering the tax, Law 13.196, interest, depreciation and amortization was 12.5% and 42.7%, respectively..

II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CAPTION	12-31-2018 MUS\$	12-31-2017 MUS\$	VARIANCE %
Current assets	5,828	6,211	-6.2%
Non-current assets	31,263	30,145	3.7%
Total Assets	37,091	36,356	2.0%
Current liabilities	3,539	3,315	6.8%
Non-current liabilities	22,208	22,116	0.4%
Total Liabilities	25,747	25,431	1.2%
Equity	11,344	10,925	3.8%
Total Liabilities and Equity	37,091	36,356	2.0%

Table 5: Consolidated statement of financial position as of December 31, 2018 and 2017.

From total assets as of December 31, 2018, items of current assets represent 16% whereas the remaining percentage is composed of non-current assets, being "Property, Plant and Equipment" the caption, which has the most significant representation (86%) with respect to this last asset category.

From total liabilities and equity as of December 31, 2018, current liabilities represents 10%. Non-current liabilities and equity represent 60% and 31%, respectively.



1. Assets

As of December 31, 2018, current assets amounted to MUS\$ 5,828, mainly composed of current inventories of MUS\$ 2,043 (35%), trade and other receivables of MUS\$ 2,212 (38%), cash and cash equivalents of MUS\$ 1,229 (21%) and the difference is composed of other current asset accounts.

With regard to current inventories, a net increase is recorded of MUS\$ 213, resulting from the greater volume recorded in inventories of finished products and products in process, mainly from own copper minerals. For materials in warehouse, an increase of MUS\$ 79 is recorded for the concept of operating materials and supplies.

With respect to inventories as of December 31, 2018 of the subsidiaries a decrease of MUS\$ 23 is recorded.

As of December 31, 2018, inventories, current are detailed as follows:

INVENTORY	dec-2018 MUS\$	dec-2017 MUS\$	VARIANCE D18/D17 MUS\$
Finished products	443	324	119
Products in process	1,134	1,096	38
Warehouse	449	370	79
Total Inventories - Codelco	2,026	1,790	236
Consolidation of subsidiaries	17	40	-23
Total Inventories	2,043	1,830	213

Table 6: Inventories as of December 31, 2018 and 2017.

The table below presents items of Property, plant and equipment as of December 31, 2018:

PROPERTY, PLANT AND EQUIPMENT	12-31-2018 MUS\$	12-31-2017 MUS\$	VAR D18/D17
Construction in progress, gross	8,809	7,005	26%
Land, gross	174	175	-1%
Buildings, gross	5,403	5,375	1%
Plant and equipment, gross	15,894	15,151	5%
Facilities and fixtures, gross	59	59	0%
Motor vehicles, gross	2,063	2,019	2%
Land improvements, gross	5,620	5,296	6%
Mining operations, gross	7,215	6,785	6%
Mine development, gross	4,117	4,184	-2%
Other assets, gross	1,380	1,346	3%
Total property, plant and equipment, gross	50,734	47,395	7%
Total accumulated depreciation	23,979	22,119	8%
NET VALUE	26,755	25,276	6%

Table 7: Property, plant and equipment as of December 31, 2018 and 2017.

In net terms, the total variance in property, plant and equipment increased by MUS\$ 1,479 (increase in these assets of MUS\$ 4,021 less the variance in accumulated depreciation and other decreases of MUS\$ 2,542), variance of 7% compared to the prior year and which maintains the performance of Codelco's investment program, mainly in structural projects aiming at maintaining and/or replenishing or increasing productive capacity in the operating divisions (mainly in the Divisions Chuquicamata, Andina, El Teniente and Salvador).



2. Liabilities

Current liabilities as of December 31, 2018 amounts to MUS\$ 3,539 (MUS\$ 3,315 as of December 31, 2017), and is composed of other financial liabilities, current of MUS\$ 872 (25%), trade and other payables of MUS\$ 1,547 (44%), current provisions for employee benefits of MUS\$ 510 (14%), other current provisions of MUS\$ 384 (11%), trade payable due to related parties of MUS\$ 151 (4%), plus other miscellaneous obligations.

As of December 31, 2018, non-current liabilities amounted to MUS\$ 22,208 (MUS\$ 22,116 as of December 31, 2017) mainly composed of other financial liabilities, non-current of MUS\$ 14,675 (66%), deferred tax liability of MUS\$ 4,586 (21%), other long-term provisions of MUS\$ 1,600 (7%), non-current provisions for employee benefits of MUS\$ 1,316 (6%) plus other non-current liabilities.

Liability items, other financial liabilities, current and non-current, include financial liabilities with banks, financial institutions and bonds payable issued mainly in the international market and, to a lesser extent, in the local market.

The table below records the movements in obligations with banks and financial institutions between January 1 and December 31, 2018 mainly associated with payments recorded during this period, accrual of financial interest, exchange difference and others.

MOVEMENTS IN BANK BORROWINGS	CURRENT MUS\$	NON-CURRENT MUS\$
Initial balance of bank borrowings	131	2,330
Increases	300	-
Postponement of borrowings	-300	300
Repayment of borrowings	-280	-
Transfer to the current portion	525	-525
Foreign currency translation difference, accrual of interest and other	29	2
Total movements	274	-223
Closing balance of bank borrowings	405	2,107

Table 8: Movements in Bank borrowings as of December 31, 2018

3. Equity

As of December 31, 2018, equity amounted to MUS\$ 11,344 (MUS\$ 10,925 as of December 31, 2017), which recorded an increase of 3.8%, equivalent to MUS\$ 419.

This positive variance is mainly composed of the net profit for the period attributable to Codelco Chile of MUS\$ 156 and other comprehensive income and other movements (net effect) of MUS\$ 8 and the capital contribution received of MUS\$ 600 received on December 26, 2018, through Exempt Decree No. 311, which authorizes an extraordinary capital contribution in conformity with Law No. 20.790.

Dividends recognized during this period amount to MUS\$ 306, from which MUS\$ 156 relate to dividends paid for the period and MUS\$ 151 relate to provisional dividends paid in excess as of December 31, 2018.

Finally, adding the result recognized for the period (MUS\$ 34) and the negative effect of other comprehensive income and other movements, loss of MUS\$ 72 attributable to non-controlling interest.



III. FINANCIAL RATIOS

	12-31-2018	12-31-2017	VARIANCE (%)
LIQUIDITY			
CURRENT LIQUIDITY: Current assets / current liabilities	1.65	1.87	-12%
ACID TEST: (Current assets-inventories-prepayments)/current liabilities	1.07	1.31	-18.3%
INDEBTEDNESS			
INDEBTEDNESS RATIO: Total Liabilities / Equity (times)	2.27	2.33	- 2.6
SHORT-TERM TO TOTAL DEBT: Current Liabilities / Total Liabilities	0.14	0.13	7.7%
LONG-TERM TO TOTAL DEBT: Non-Current Liabilities / Total Liabilities	0.86	0.87	-1.1%
HEDGES AND PROFITABILITY RATIOS			
Profit before taxes and interest / finance cost (times)	2.18	3.82	-43%
Annualized return on assets before taxes %	1.5%	5.0%	-70%
Annualized return on equity before taxes %	4.9%	17.5%	-72%
Annualized return on operating assets before taxes %	2.2%	7.1%	-69%
ACTIVITY RATIOS			
Accounts receivable turnover (times)	8.07	7.68	5.1%
Collection recovery (based on 360 days)	45	47	-4.8%
Inventory turnover (times)	5.54	5.42	2.2%
Inventory permanence (based on 360 days)	65	66	-2.2%
ASSETS			
TOTAL ASSETS (MILLIONS OF US\$)	37,091	36,356	2.0%

Table 9: Financial Ratios



As of December 31, 2018, the current liquidity ratio was 1.65 times; whereas for 2017 it was 1.87 times, maintaining stable payment capacity for both years,

The decrease recorded compared to the prior year (-12%) is partly explained by two effects: a decrease in current assets, which records a decrease mainly in trade and other receivables; and 2) the increase recorded in current liabilities (variance: +6.8%) for the increase in financial liabilities maturing at short-term.

As of December 31, 2018, Codelco's total indebtedness amounted to MUS\$ 25,747 (MUS\$ 25,431 as of December 31, 2017), which generates an increase of MUS\$ 316 in such ratio.

The percentage decrease in the indebtedness ratio (variance: -2.6%), is mainly explained by the positive variance recorded in equity (+3.8% / MUS\$ 419), effect generated by the extraordinary capital contribution received and the profit obtained during 2018.

IV. STATEMENT OF CASH FLOWS

As of December 31, 2018, the net cash generated by operating activities recorded a positive movement of MUS\$ 3,938, which is lower by MUS\$ 777 compared to the prior year (MUS\$ 4,720 as of December 31, 2017).

In terms of revenue, such negative variance is mainly recorded by the increase recorded for the concept of payments to suppliers and contractors and income taxes and sales taxes and other operating payments, which, exceed the increase generated by the collection of revenue from sales obtained by Codelco.

Cash flows from operating activities highlight the following items:

CONCEPT	12-31-2018 MUS\$	12-31-2017 MUS\$
Cash receipts from sales of goods and rendering of services	15,429	14,522
Other cash receipts from operating activities	1,734	1,657
Cash payments to suppliers for the supply of goods and services	-8,871	-7,822
Finance hedges and sales	-30	-5
Dividends received	189	228
Cash payments for Law No. 13.196	-1,137	-1,062
Income taxes paid	-67	-31
Other cash payments for operating activities	-3,309	-2,772
Total cash flows generated from operating activities	3,938	4,715

Table 10: Cash flows from operating activities as of December 31, 2018 and 2017

In addition, financing activities as of December 31, 2018, generated negative cash flows of MUS\$ 122 reflecting a positive variance of MUS\$ 294 mainly explained by the effect of lower payments made for financial obligations occurred during the year.



As part of the cash flows from financing activities, we may highlight the following items:

CONCEPT	12-31-2018 MUS\$	12-31-2017 MUS\$
Proceeds from capital contributions	600	995
Payments for other interests in equity	0	0
Total proceeds from bank borrowings	900	3,050
Repayment of bank borrowings	-259	-3,375
Payment of liabilities under finance lease arrangements	-27	-26
Interest paid	-634	-582
Other cash inflows (outflows)	-100	-205
Dividends paid	-602	-273
Total cash flows (used in) from financing activities	-122	-416

Table 11: Cash flows from financing activities as of December 31, 2018 and 2017

Finally, the investing activities as of December 31, 2018, generated a net negative cash flow of MUS\$ 3,953, which compared to December 31, 2017 (negative cash flow of MUS\$ 3,446) maintains the progress in the compliance with the performance of Codelco's investment program.

Considering the aforementioned cash flows and the effect on the exchange rate fluctuation on cash and cash equivalents (negative cash flow of MUS\$ 75 and positive cash flows of MUS\$ 872 for December 31, 2018 and 2017, respectively) and the opening balances of cash (MUS\$ 1,449 and MUS\$ 577 as of December 31, 2018 and 2017, respectively), a closing balance of cash and cash equivalents of MUS\$ 1,229 was obtained, which is greater than the MUS\$ 1,449 determined as of December 31, 2017.

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.

production and 31% of domestic production. In addition, Codelco concentrates 6% of the global copper reserves, contained in world class deposits and with market share of 9% is the second biggest producer of molybdenum.

Codelco has seven mining divisions: Radomiro Tomic, Chuquibambilla, Gabriela Mistral, Ministro Hales, Salvador, Andina and El Teniente. These add the Ventanas Division equipped with Smelter and Refinery Facilities.

Additionally, Codelco has interest of 49% in Sociedad Contractual Minera El Abra and is the owner of 20% of Anglo American Sur.

Codelco also has interest in different companies that are focused on exploration and technological research and development both in Chile and abroad. With respect to international exploration, this has been focused on Ecuador and Brazil.

As at December 2018, Codelco had consolidated assets of US 37.1 billion and consolidated equity of US\$ 11.3 billion, both figures at their carrying amount.

From copper nationalization in 1971 through 2018, deposits and operations of Codelco have generated consolidated surplus exceeding US\$ 116 billion, adjusted to currency of 2018. Because of the high price of copper more than 60% of this amount was generated in the period 2004-2018. Over the last fifteen years, contributions by Codelco to the Chilean Treasury have represented 9% of the revenue of the Main Government, its export sales were equivalent to 18% of Chilean exports and its investments represented approximately 5% of total investments made in Chile.

VI. INFORMATION ON THE MARKET AND COMPETITION

Corporación Nacional del Cobre de Chile, Codelco is the world's biggest copper producer. Its main business product are grade A copper cathodes, copper concentrates and blister copper, among other products and by-products.

During 2018, production totaled ThFMT 1,806 (including its interest held in El Abra and Anglo American Sur), which represents 9% of worldwide



During 2018, Codelco recorded surplus of US\$ 1,606 million, which represents a decrease of 44% compared to 2017. This reduction is mainly explained by extraordinary accounting write-offs, the impact of 18 collective negotiations, greater prices of supplies and impairment of the product portfolio, variables that more than offset the greater price of copper noted during the period.

During 2018, the average price of copper was 296 c/lb, increasing by 6% compared to the prior year. This higher price is explained by the first half recording an average price of 314 c/lb where the following drivers were applied: consumption of refined copper in China above that expected, optimism on the future of electro-mobility, favorable expectations for the recovery of the world economy and the adjustments in the production because of the postponement of projects and disruptions of the operations. However, during the second half of the year, the strengthening of U.S. dollar, the commercial war between the United States and China and the crisis in certain relevant emerging economies and a less robust balance look of the worldwide economic expansion had a negative impact on the quotation of refined copper, ranking it at an average of 278 c/lb.

For costs, at cash cost C1 level, in the period between January and December 2018, Codelco recorded an average of 139.1 c/lb recording an increase of 2% compared to the same period of prior year. Such increase is mainly explained by the lower production, lower ore grades, higher price of supplies and lower exchange rate, which are upward factors that were mitigated because of greater credit for by-products and management efforts.

With respect to production, this was below that recorded in 2017 by 2% as a result of a reduction of 3% in the Divisional production and an increase of 19% in the joint contribution of the affiliates El Abra and Anglo American Sur.

Together with the generation of surplus, Codelco contributes to the development of Chile through multiple productive linkages. Codelco permanently consumes goods and services in its operations and projects for which it develops acquisition and hiring processes and establishes collaborative relations with suppliers, which are mainly domestic companies. As a reference, during 2018, the consumption of goods and services by Codelco amounted to close to US\$ 9,000 million.

Beyond such situation, looking at the long-term, market foundations continue to be attractive. The growth expected in China, India and other emerging economies, which are at development phases with greater intensity in the use of copper and the growing relevance of renewable energies and electro-mobility support the future of copper consumption. For the supply, the aging and decreasing wealth of the current deposits, new environmental requirements and requirements for relations with the communities, greater capex and complexities of new projects, the absence of relevant technological breaks and greater geopolitical risks in the new mining districts configure a challenging landscape for producers.

Considering market expectations 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 on increases in productivity in all units.

Robust mining plans with a district look on the business.

Optimized investment program to reduce the risk and maximize the capture of value of the resource basis.

Strong commitment with research & development with a focus on resolving productivity challenges.

Attracting, developing and retaining talent.

Long-term program for Codelco to become a copper sustainable production benchmark.

The progress made and most significant milestones in Codelco's recent management are indicated below.

In Safety & Occupational Health during the period between January and December 2018, Codelco experienced four fatal accidents. Together with a deep regret for such tragic events, Codelco recognizes the need to go beyond in the efforts made to eliminate fatal accidents focusing on: strengthening the operating discipline, decreasing the exposure to risks, increasing efficiency and simplifying processes and the organization's readiness for the new projects.

In the Environment area, Codelco has persevered in its work focused on reducing environmental vulnerabilities, and also continues to contribute to developing the communities and territories where its

operations are located. During 2018, the investment in sustainability initiatives amounted to US\$ 931 million. The challenges which Codelco faces include compliance with the new capturing standards for smelter emissions established by Decree No. 28, which will involve investments exceeding US\$ 2,000 million. Unfortunately, during 2018 Codelco recorded an operating accident with severe environmental consequences in the Salvador Division. The investigation of this incident allowed establishing its causes, implementing the necessary actions to prevent it from occurring again.

In terms of control of costs and an increase in productivity, Codelco has positioned the Strategic Agenda considering 8 topics with respect to which it has defined a number of initiatives in all the Divisions and the Head Office to achieve significant progress in such matter. In 2018, Codelco's productivity achieved 51.7 FMT/person, considering own and third party employees, reaching the goal of an increase of 20% compared to 2014, two years prior to that committed.

With respect to people management, in December 2018, Codelco signed the Decalogue issued by the Ministry of Mining, confirming its commitment to improve the ease of incorporating more women to the mining industry, which is in line with the corporate goal of woman involvement of 11% in the total headcount by 2020. In 2018, woman involvement, within Codelco's headcount increased again reaching 9.9%. Through the present date, Codelco is the only one mining company in Chile that has eight certified work centers (Divisions Radomiro Tomic, Ministro Hales, Gabriela Mistral, Andina, Ventanas and El Teniente, together with the Parent and the Vice-Presidency of Projects) and two pre-certificates



(Divisions Chuquicamata and Salvador) under Chilean Standard 3262 on Gender Equality and Reconciliation of Personal, Family and Work Life.

In addition, in May 2018, Codelco launched the Leaders for Future Mining Program, an initiative that includes the development of new leadership competencies and where more than one hundred individuals from the entire Codelco organization will be involved.

It should also be highlighted that in 2018 for the fourth year in a row, Codelco led the Merco Talent Ranking, which recognizes the most attractive companies to work for in Chile, considering: work quality, employer's brand and talent retention.

For innovation and technology, Codelco has been working in three lines of action:

- Digital Transformation: focused on automation, remote operation and data analysis to achieve improvements in productivity and security.
- Incremental Innovation: focused on keeping state-of-the-art technologies for the Divisions incorporating improvements on an ongoing basis..
- Disruptive Innovation: dedicated to resolve strategic issues at medium and long-term.

A number of projects are in progress to address such matters.

For corporate governance, Codelco has implemented a number of actions for perfecting and strengthening such aspect, also making progress in a culture of greater transparency and integrity in Codelco's management. In 2018, Codelco was recognized as the mining and public company with the best reputation in the Merco Companies Ranking because of its economic and financial results, its transparency and corporate responsibility among other aspects assessed. In February 2018, the web site www.codelcotransparente.cl won the Board's Best Practices for Transparency Contest for going beyond the transparency

obligations established in the law.

Looking to improve the profitability of its mining basis, today, is developing an optimized investment program which highlights the Structural Projects. Through the present date, Chuquicamata Underground Mine, Andina Transfer and Andes Norte - New Mine Level are under construction. Such projects also add Andina Future Development and Inca Open Pit with feasibility studies in progress and the Desalination Plant of the Northern District where the bidding process is in progress.

The formalization of such group of projects requires significant investments. In 2018, Codelco invested more than US\$ 3,500 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. During 2018, the financial management continue to be focused on the financing of the investment program, the alignment of the debt maturity profile with the cash flows expected from such program and the relief of the cash needs in the investment high demand period. Following such logic, Codelco performed operations for financing and refinancing for an aggregate amount of US\$ 1,200 million in 2018.

Additionally, in 2018, the Government announced the capitalization of Codelco for US\$ 1,000 million between 2018 and 2019, from which US\$ 600 million was formalized. The remaining US\$ 400 million are committed for February 2019. Through such contribution the 2014 capitalization law is considered to be completed with total injection of resources of US\$ 2,820 million. The capitalization by the Chilean Government has allowed the company to maintain a controlled debt level despite the high level of investments made.



Finally and looking to make progress to a new paradigm that places the socio-environmental aspects in the center of its business, generating shared value for the communities, the citizenship, the environment and the Company, at the end of 2016, Codelco launched its Sustainability Master Plan, which contains efforts and initiatives for safety & occupational health, the environment, the communities and territories, business results, corporate government, people development and innovation. The main purpose of such plan is to develop and impose in the market the Codelco seal to become a decommotized copper producer with environmental and community awareness, respect for human rights and the responsible use of the resources, because of the application of sustainable and traceable processes, using cutting-edge technologies and the support provided by an efficient, inclusive, dialog-enabling and innovating organization. To achieve such ambitious objective, Codelco has established goals for 2020, 2030 and 2040, which will guide the Company's management actions within the framework of a business model based on sustainability.

Within such context, a highlight is the Traceable Copper initiative, which fosters the measurement and management of social and labor, territorial and environmental variables throughout the copper value chain to gradually align with the new market requirements and ensure Codelco's performance in such aspects.

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

As of December 31, 2018



Corporate profile



Key indicators



Our management



Transparency, probity and good corporate governance



Transformation and the future



Subsidiaries and affiliate associated



Consolidated financial statements



Offices and representatives



DIVISIONAL STATEMENTS OF INCOME



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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, 2018, and have issued our report thereon dated March 28, 2019, 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. The supplementary information 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 28, 2019
Santiago, Chile

Mario Muñoz V.

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Divisional Statement of Income

CHUQUICAMATA

For the year ended December 31, 2018

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES

Income from sale of own copper	3,111,372
Sale of copper bought from third parties	547,437
Income from sale of by-products and other	502,161
Income from transfers	122,767

TOTAL INCOME FROM ORDINARY ACTIVITIES

4,283,737

COST OF SALES

Cost of sale of own copper	(2,885,023)
Cost of sale of copper bought from third parties	(540,099)
Cost of sale of by-products and other	(225,618)
Cost of sale from transfers	(198,829)

TOTAL COST OF SALES

(3,849,569)

GROSS INCOME

434,168

Other income by function	26,665
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	46
Distribution costs	(5,874)
Administrative expenses	(124,404)
Other expenses by function	(441,064)
Other gains (losses)	6,272
Finance income	16,253
Finance costs	(77,304)
Share of profit of associates and joint ventures accounted for using the equity method	40,035
Foreign exchange differences	73,245

PRE-TAX PROFIT (LOSS)

(51,962)

Income tax expense	59,607
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PROFIT (LOSS)

7,645

PROFIT (LOSS) ATTRIBUTABLE TO

Profit (loss) attributable to owners of the parent	(3,638)
Profit (loss) attributable to non-controlling interests	11,283

PROFIT (LOSS)

7,645

RADOMIRO TOMIC

For the year ended December 31, 2018

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES

Income from sale of own copper	2,070,127
Sale of copper bought from third parties	305,508
Income from sale of by-products and other	15,764
Income from transfers	-

TOTAL INCOME FROM ORDINARY ACTIVITIES

2,391,399

COST OF SALES

Cost of sale of own copper	(1,346,353)
Cost of sale of copper bought from third parties	(301,404)
Cost of sale of by-products and other	(12,119)
Cost of sale from transfers	52,328

TOTAL COST OF SALES

(1,607,548)

GROSS INCOME

783,851

Other income by function	14,449
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	26
Distribution costs	(2,169)
Administrative expenses	(60,978)
Other expenses by function	(251,462)
Other gains (losses)	3,501
Finance income	6,525
Finance costs	(54,642)
Share of profit of associates and joint ventures accounted for using the equity method	22,253
Foreign exchange differences	8,388

PRE-TAX PROFIT (LOSS)

469,742

Income tax expense	(297,046)
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PROFIT (LOSS)

172,696

PROFIT (LOSS) ATTRIBUTABLE TO

Profit (loss) attributable to owners of the parent	166,398
Profit (loss) attributable to non-controlling interests	6,298

PROFIT (LOSS)

172,696



Divisional Statement of Income

SALVADOR		ANDINA	
For the year ended December 31, 2018		For the year ended December 31, 2018	
Expressed in thousands of dollars - ThUS\$		Expressed in thousands of dollars - ThUS\$	
INCOME FROM ORDINARY ACTIVITIES		INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	366,902	Income from sale of own copper	1,103,661
Sale of copper bought from third parties	73,734	Sale of copper bought from third parties	175,388
Income from sale of by-products and other	63,140	Income from sale of by-products and other	92,331
Income from transfers	73,379	Income from transfers	1,487
TOTAL INCOME FROM ORDINARY ACTIVITIES	577,155	TOTAL INCOME FROM ORDINARY ACTIVITIES	1,372,867
COST OF SALES		COST OF SALES	
Cost of sale of own copper	(397,784)	Cost of sale of own copper	(933,115)
Cost of sale of copper bought from third parties	(72,742)	Cost of sale of copper bought from third parties	(173,031)
Cost of sale of by-products and other	(37,784)	Cost of sale of by-products and other	(28,565)
Cost of sale from transfers	(79,004)	Cost of sale from transfers	4,217
TOTAL COST OF SALES	(587,314)	TOTAL COST OF SALES	(1,130,494)
GROSS INCOME		GROSS INCOME	
Other income by function	7,531	Other income by function	22,530
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	6	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	15
Distribution costs	(1,435)	Distribution costs	(1,862)
Administrative expenses	(28,493)	Administrative expenses	(42,662)
Other expenses by function	(186,878)	Other expenses by function	(240,403)
Other gains (losses)	845	Other gains (losses)	2,010
Finance income	3,021	Finance income	5,108
Finance costs	(16,150)	Finance costs	(66,324)
Share of profit of associates and joint ventures accounted for using the equity method	4,895	Share of profit of associates and joint ventures accounted for using the equity method	12,309
Foreign exchange differences	12,814	Foreign exchange differences	28,383
PRE-TAX PROFIT (LOSS)	(214,003)	PRE-TAX PROFIT (LOSS)	(38,523)
Income tax expense	136,670	Income tax expense	20,369
PROFIT (LOSS)	(77,333)	PROFIT (LOSS)	(18,154)
PROFIT (LOSS) ATTRIBUTABLE TO		PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(78,853)	Profit (loss) attributable to owners of the parent	(21,771)
Profit (loss) attributable to non-controlling interests	1,520	Profit (loss) attributable to non-controlling interests	3,617
PROFIT (LOSS)	(77,333)	PROFIT (LOSS)	(18,154)

Divisional Statement of Income

EL TENIENTE

For the year ended December 31, 2018

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES

Income from sale of own copper	2,781,604
Sale of copper bought from third parties	444,891
Income from sale of by-products and other	255,848
Income from transfers	94

TOTAL INCOME FROM ORDINARY ACTIVITIES

3,482,437

COST OF SALES

Cost of sale of own copper	(1,640,650)
Cost of sale of copper bought from third parties	(438,914)
Cost of sale of by-products and other	(130,586)
Cost of sale from transfers	17,831

TOTAL COST OF SALES

(2,192,319)

GROSS INCOME

1,290,118

Other income by function	34,001
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	38
Distribution costs	(3,468)
Administrative expenses	(109,824)
Other expenses by function	(499,216)
Other gains (losses)	5,099
Finance income	11,963
Finance costs	(167,958)
Share of profit of associates and joint ventures accounted for using the equity method	30,151
Foreign exchange differences	35,445

PRE-TAX PROFIT (LOSS)

626,349

PROFIT (LOSS)

196,736

PROFIT (LOSS) ATTRIBUTABLE TO

Profit (loss) attributable to owners of the parent	187,565
Profit (loss) attributable to non-controlling interests	9,171

PROFIT (LOSS)

196,736

VENTANAS

For the year ended December 31, 2018

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES

Income from sale of own copper	13,738
Sale of copper bought from third parties	63,021
Income from sale of by-products and other	196,501
Income from transfers	105,787

TOTAL INCOME FROM ORDINARY ACTIVITIES

379,047

COST OF SALES

Cost of sale of own copper	(4,280)
Cost of sale of copper bought from third parties	(64,118)
Cost of sale of by-products and other	(215,302)
Cost of sale from transfers	(117,771)

TOTAL COST OF SALES

(401,471)

GROSS INCOME

(22,424)

Other income by function	3,514
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	4
Distribution costs	(851)
Administrative expenses	(16,327)
Other expenses by function	(267,340)
Other gains (losses)	555
Finance income	1,854
Finance costs	(9,979)
Share of profit of associates and joint ventures accounted for using the equity method	3,527
Foreign exchange differences	9,176

PRE-TAX PROFIT (LOSS)

(298,291)

PROFIT (LOSS)

(111,331)

PROFIT (LOSS) ATTRIBUTABLE TO

Profit (loss) attributable to owners of the parent	(112,327)
Profit (loss) attributable to non-controlling interests	996

PROFIT (LOSS)

(111,331)



Divisional Statement of Income

GABRIELA MISTRAL

For the year ended December 31, 2018

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES

Income from sale of own copper	644,465
Sale of copper bought from third parties	94,392
Income from sale of by-products and other	4
Income from transfers	-

TOTAL INCOME FROM ORDINARY ACTIVITIES

738,861

COST OF SALES

Cost of sale of own copper	(540,896)
Cost of sale of copper bought from third parties	(93,124)
Cost of sale of by-products and other	(994)
Cost of sale from transfers	(1,228)

TOTAL COST OF SALES

(636,242)

GROSS INCOME

102,619

Other income by function	6,157
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	8
Distribution costs	(633)
Administrative expenses	(33,540)
Other expenses by function	(81,192)
Other gains (losses)	1,082
Finance income	2,722
Finance costs	(19,664)
Share of profit of associates and joint ventures accounted for using the equity method	6,875
Foreign exchange differences	2,727

PRE-TAX PROFIT (LOSS)

(12,839)

Income tax expense	12,813
--------------------	--------

PROFIT (LOSS)

(26)

PROFIT (LOSS) ATTRIBUTABLE TO	(1,971)
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Profit (loss) attributable to owners of the parent	(1,971)
--	---------

Profit (loss) attributable to non-controlling interests	1,945
---	-------

PROFIT (LOSS)	(26)
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MINISTRO HALES

For the year ended December 31, 2018

Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES

Income from sale of own copper	1,127,059
Sale of copper bought from third parties	200,287
Income from sale of by-products and other	59,423
Income from transfers	-

TOTAL INCOME FROM ORDINARY ACTIVITIES

1,386,769

COST OF SALES

Cost of sale of own copper	(897,901)
Cost of sale of copper bought from third parties	(197,908)
Cost of sale of by-products and other	(16,031)
Cost of sale from transfers	18,942

TOTAL COST OF SALES

(1,092,898)

GROSS INCOME

293,871

Other income by function	9,979
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	15
Distribution costs	(1,970)
Administrative expenses	(49,100)
Other expenses by function	(147,759)
Other gains (losses)	2,031
Finance income	3,883
Finance costs	(51,427)
Share of profit of associates and joint ventures accounted for using the equity method	12,904
Foreign exchange differences	7,965

PRE-TAX PROFIT (LOSS)

80,392

Income tax expense	(49,388)
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PROFIT (LOSS)

31,004

PROFIT (LOSS) ATTRIBUTABLE TO	27,351
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Profit (loss) attributable to owners of the parent	27,351
--	--------

Profit (loss) attributable to non-controlling interests	3,653
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PROFIT (LOSS)	31,004
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Consolidated Divisional Statement of Income

For the year ended December 31, 2018. Expressed in thousands of dollars – ThUS\$

INCOME FROM ORDINARY ACTIVITIES	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G.MISTRAL	M. HALES	C. MATRIZ	CONSOLIDADO	AJUSTES	TOTAL
Income from sale of own copper	3,111,372	2,070,127	366,902	1,103,661	2,781,604	13,738	644,465	1,127,059	-	11,218,928	-	11,218,928
Sale of copper bought from third parties	547,437	305,508	73,734	175,388	444,891	63,021	94,392	200,287	-	1,904,658	-	1,904,658
Income from sale of by-products and other	502,161	15,764	63,140	92,331	255,848	196,501	4	59,423	-	1,185,172	-	1,185,172
Income from transfers	122,767	-	73,379	1,487	94	105,787	-	-	-	303,514	(303,514)	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	4,283,737	2,391,399	577,155	1,372,867	3,482,437	379,047	738,861	1,386,769	-	14,612,272	(303,514)	14,308,758
COST OF SALES												
Cost of sale of own copper	(2,885,023)	(1,346,353)	(397,784)	(933,115)	(1,640,650)	(4,280)	(540,896)	(897,901)	-	(8,646,002)	-	(8,646,002)
Cost of sale of copper bought from third parties	(540,099)	(301,404)	(72,742)	(173,031)	(438,914)	(64,118)	(93,124)	(197,908)	-	(1,881,340)	-	(1,881,340)
Cost of sale of by-products and other	(225,618)	(12,119)	(37,784)	(28,565)	(130,586)	(215,302)	(994)	(16,031)	-	(666,999)	-	(666,999)
Income (Cost of sales) from transfers	(198,829)	52,328	(79,004)	4,217	17,831	(117,771)	(1,228)	18,942	-	(303,514)	303,514	-
TOTAL COST OF SALES	(3,849,569)	(1,607,548)	(587,314)	(1,130,494)	(2,192,319)	(401,471)	(636,242)	(1,092,898)	-	(11,497,855)	303,514	(11,194,341)
GROSS INCOME	434,168	783,851	(10,159)	242,373	1,290,118	(22,424)	102,619	293,871	-	3,114,417	-	3,114,417
Other income by function	26,665	14,449	7,531	22,530	34,001	3,514	6,157	9,979	-	124,826	-	124,826
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	46	26	6	15	38	4	8	15	-	158	-	158
Distribution costs	(5,874)	(2,169)	(1,435)	(1,862)	(3,468)	(851)	(633)	(1,970)	-	(18,262)	-	(18,262)
Administrative expenses	(124,404)	(60,978)	(28,493)	(42,662)	(109,824)	(16,327)	(33,540)	(49,100)	-	(465,328)	-	(465,328)
Other expenses by function	(441,064)	(251,462)	(186,878)	(240,403)	(499,216)	(267,340)	(81,192)	(147,759)	-	(2,115,314)	-	(2,115,314)
Other gains (losses)	6,272	3,501	845	2,010	5,099	555	1,082	2,031	-	21,395	-	21,395
Finance income	16,253	6,525	3,021	5,108	11,963	1,854	2,722	3,883	-	51,329	-	51,329
Finance costs	(77,304)	(54,642)	(16,150)	(66,324)	(167,958)	(9,979)	(19,664)	(51,427)	-	(463,448)	-	(463,448)
Share of profit of associates and joint ventures accounted for using the equity method	40,035	22,253	4,895	12,309	30,151	3,527	6,875	12,904	(13,835)	119,114	-	119,114
Foreign exchanges differences	73,245	8,388	12,814	28,383	35,445	9,176	2,727	7,965	-	178,143	-	178,143
PRE-TAX PROFIT (LOSS)	(51,962)	469,742	(214,003)	(38,523)	626,349	(298,291)	(12,839)	80,392	(13,835)	547,030	-	547,030
Income tax expenses	59,607	(297,046)	136,670	20,369	(429,613)	186,960	12,813	(49,388)	2,345	(357,283)	-	(357,283)
PROFIT (LOSS)	7,645	172,696	(77,333)	(18,154)	196,736	(111,331)	(26)	31,004	(11,490)	189,747	-	189,747
PROFIT (LOSS) ATTRIBUTABLE TO												
Profit (loss) attributable to owners of the parent	(3,638)	166,398	(78,853)	(21,771)	187,565	(112,327)	(1,971)	27,351	(7,035)	155,719	-	155,719
Profit (loss) attributable to non- controlling interests	11,283	6,298	1,520	3,617	9,171	996	1,945	3,653	(4,455)	34,028	-	34,028
PROFIT (LOSS)	7,645	172,696	(77,333)	(18,154)	196,736	(111,331)	(26)	31,004	(11,490)	189,747	-	189,747



BASES DE PREPARACION DE LOS ESTADOS DE RESULTADOS DIVISIONALES

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:

Nota 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.

Nota 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	314,516
Radomiro Tomic	201,452
Salvador	34,027
Andina	118,451
El Teniente	265,868
Ventanas	15,137
Gabriela Mistral	63,789
Ministro Hales	94,969
Total Law No. 13196	1,108,209

STATEMENT OF ALLOCATIONS OF INCOME **AND EXPENSES**



Corporate
profile



Key
indicators



Our
management



Transparency, probity and
good corporate governance



Transformation
and the future



Subsidiaries and
affiliate companies



**Consolidated
financial statements**



Offices and
representatives



STATEMENT OF ALLOCATIONS OF INCOME AND EXPENSES

Corresponding to the period between January 1 and December 31, 2018

(In thousands of US dollars - ThUS\$)



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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, 2018, and have issued our report thereon dated March 28, 2019, 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. The supplementary information 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 Allocation 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 28, 2019
Santiago, Chile

Mario Muñoz V.
Mario Muñoz V.

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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, 2018

Expressed in thousands of U.S. dollars - ThUS\$

	TOTAL	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	C. MATRIZ
	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$	MUS\$
Sales operations Head Office and affiliates	1,876,087	549,994	307,035	74,102	176,264	447,113	48,666	94,864	178,049	-
Cost of sales Head Office and affiliates	(1,876,413)	(550,089)	(307,088)	(74,114)	(176,295)	(447,192)	(48,674)	(94,880)	(178,081)	-
Other income by function	61,696	15,671	8,680	3,034	8,182	15,983	1,695	3,049	5,402	-
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	158	46	26	6	15	38	4	8	15	-
Distribution costs	(9,770)	(2,864)	(1,599)	(386)	(918)	(2,328)	(254)	(494)	(927)	-
Administrative expenses	(201,113)	(63,992)	(28,549)	(10,817)	(20,013)	(43,009)	(6,531)	(11,179)	(17,023)	-
Other expenses by function	(226,067)	(29,393)	(14,954)	(26,908)	(29,363)	(62,141)	(42,196)	(5,380)	(15,732)	-
Other gains (losses) by function	21,395	6,272	3,501	845	2,010	5,099	555	1,082	2,031	-
Finance income (losses)	48,219	16,064	6,281	2,895	4,993	9,789	1,770	2,704	3,723	-
Finance costs	(50,821)	(15,033)	(8,205)	(2,077)	(4,807)	(11,993)	(1,354)	(2,589)	(4,763)	-
Participation in the gains (losses) of										
Share of profit of associates and joint ventures accounted for using the equity method	122,134	39,861	22,242	5,368	12,769	32,389	3,525	6,872	12,898	(13,835)
Income taxes	(47,096)	(15,515)	(6,280)	(2,738)	(4,835)	(9,715)	(1,683)	(2,617)	(3,713)	-
	198,611	57,537	32,120	7,752	18,441	46,775	5,091	9,923	18,627	2,345
Total income (expenses) controlled by the Head Office and affiliates	(82,980)	8,559	13,221	(23,036)	(13,551)	(19,177)	(39,384)	1,366	512	(11,490)
Total income (expenses) controlled by the Head Office and affiliates attributable to non-controlling interests	34,028	11,283	6,298	1,520	3,617	9,171	996	1,945	3,653	(4,455)
Total income (expenses) controlled by the Head Office and affiliates attributable to the owners of the parent company	(117,008)	(2,724)	6,923	(24,556)	(17,168)	(28,348)	(40,380)	(579)	(3,141)	(7,035)
Total income (expenses) controlled by the Head Office and affiliates	(82,980)	8,559	13,221	(23,036)	(13,551)	(19,177)	(39,384)	1,366	512	(11,490)



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 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 FINANCIAL STATEMENT OF SUBSIDIARIES

As of December 31, 2018
In thousands of US dollars - ThUS\$



Corporate profile



Key indicators



Our management



Transparency, probity and good corporate governance



Transformation and the future



Subsidiaries and affiliate companies



Consolidated financial statements



Offices and representatives

SUMMARIZED STATEMENT OF FINANCIAL POSITION



As of december 31, 2018

2018	CHILE COPPER LTD. CONSOLIDATED THUS\$	CODELCO KUPFERHANDEL GMBH CONSOLIDATED THUS\$	CODELCO USA GROUP CONSOLIDATED THUS\$	CODELCO INTERNACIONAL LIMITED CONSOLIDATED THUS\$	CODELCO SHANGHAI COMPANY LIMITED THUS\$	CÍA. CONTRACTUAL MINERA LOS ANDES THUS\$	SALAR DE MARIQUINGA SPA THUS\$	EXPLORACIONES MINERAS ANDINAS S.A. THUS\$	INVERSIONES MINERAS LOS LEONES SPA THUS\$	SOC. INVERSIONES COPPERFIELD LTDA. THUS\$	INVERSIONES MINERAS CACRUX SPA CONSOLIDATED THUS\$	COMPLEJO PORTUARIO MEJILLONES S.A. THUS\$	CODELCO TEC SPA THUS\$	ASOCIACIÓN GARANTIZADORA DE PENSIONES THUS\$	CLÍNICA RÍO BLANCO S.A. THUS\$	CENTRO DE ESP. MEDICAS RÍO BLANCO LTDA. THUS\$	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A. THUS\$	ISAPRE RÍO BLANCO LTDA. THUS\$	CHUQUIGAMATA LTDA. THUS\$	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED THUS\$	FUSAT CONSOLIDATED THUS\$	ENERGÍA MINERA S.A. THUS\$	CENTRAL ELÉCTRICA LUZ MINERA SPA THUS\$	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA THUS\$	ANGLO AMERICAN SUR S.A. (1) THUS\$
SUMMARIZED STATEMENT OF FINANCIAL POSITION																									
ASSETS																									
Total current assets	6.972	72.787	4.428	30.757	5.675	287	286	9.955	918	1.269	361.568	19.966	10.847	238	5.212	1.317	4.133	4.154	4.934	4.380	26.276	-	4	45.815	1.164.724
Total non-current assets	96	711	15	118.377	214	432	-	1.102	82	15.202	2.839.764	91.228	492	623	4.498	307	4.239	1.752	3.709	987	32.602	-	3.381	485.791	4.104.271
TOTAL ASSETS	7.068	73.498	4.443	149.134	5.889	719	286	11.057	1.000	16.471	3.201.332	111.194	11.339	861	9.710	1.624	8.372	5.906	8.643	5.367	58.878	-	3.385	531.606	5.268.995
LIABILITIES																									
Total current liabilities	3.143	35.209	1.302	8.530	544	65	-	4.693	86	4.447	176.742	5.639	3.975	97	2.069	4.804	4.169	2.416	4.080	5.761	24.862	-	97	12.309	890.874
Total non-current liabilities	-	153	1	10.180	-	3.814	-	981	-	8.680	593.078	69.444	1.737	620	12.513	1.505	4.239	458	633	730	42.657	-	-	371.048	1.226.503
TOTAL LIABILITIES	3.143	35.362	1.303	18.710	544	3.879	-	5.674	86	13.127	769.820	75.083	5.712	717	14.582	6.309	8.408	2.874	4.713	6.491	67.519	-	97	383.357	2.117.377
EQUITY																									
Equity attributable to owners of the parent	3.573	38.136	3.140	130.424	5.345	(3.160)	286	5.360	914	3.348	1.462.309	36.111	5.627	143	(4.872)	(4.685)	(36)	3.032	3.930	(1.124)	(8.641)	-	3.288	148.249	3.151.618
Non-controlling interests	352	-	-	-	-	-	-	23	-	(4)	969.203	-	-	1	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	3.925	38.136	3.140	130.424	5.345	(3.160)	286	5.383	914	3.344	2.431.512	36.111	5.627	144	(4.872)	(4.685)	(36)	3.032	3.930	(1.124)	(8.641)	-	3.288	148.249	3.151.618
TOTAL LIABILITIES AND EQUITY	7.068	73.498	4.443	149.134	5.889	719	286	11.057	1.000	16.471	3.201.332	111.194	11.339	861	9.710	1.624	8.372	5.906	8.643	5.367	58.878	-	3.385	531.606	5.268.995
SUMMARIZED STATEMENTS OF INCOME																									
Gross (Loss) Profit	476	2.351	1.896	7.456	2.597	-	-	7.087	-	(31)	8.691	9.022	3.226	-	1.341	(440)	-	(61)	914	1.763	17.740	-	-	(16.152)	563.596
Other incomes (expenses) and profits (losses)	(302)	13.788	(1.508)	(14.694)	(1.590)	(4.617)	-	(4.743)	-	(3.010)	77.243	(4.242)	(3.062)	(44)	(1.264)	(495)	(15)	582	(706)	(1.815)	(20.030)	-	(61)	(13.763)	(3.895)
Profit (loss) for the period before tax	174	16.139	388	(7.238)	1.007	(4.617)	-	2.344	-	(3.041)	85.934	4.780	164	(44)	77	(935)	(15)	521	208	(52)	(2.290)	-	(61)	(29.915)	559.701
(Expenses) Income taxes	(11)	(7.921)	(141)	-	(284)	-	-	(723)	-	(37)	(12.296)	(1.265)	(11)	-	10	41	-	-	(32)	(482)	(33)	-	-	7.720	(174.805)
PROFIT (LOSS)	163	8.218	247	(7.238)	723	(4.617)	-	1.621	-	(3.078)	73.638	3.515	153	(44)	87	(894)	(15)	521	176	(534)	(2.323)	-	(61)	(22.195)	384.896
STATEMENTS OF CASH FLOWS - DIRECT METHOD																									
Cash flow provided by (used in) operating activities	246	28.632	887	3.134	997	-	(286)	(3.005)	-	390	140.302	590	1.467	(46)	280	301	-	(15)	(1.255)	(508)	1.163	-	(1)	4.175	925.294
Cash flows provided by (used in) investing activities	12	21.855	-	(10.181)	(13)	-	-	-	-	(1.682)	2.695	410	-	-	(122)	-	-	(54)	(858)	82	(1.434)	-	-	(9.858)	(223.410)
Cash flows provided by (used in) financing activities	-	(29.002)	-	8.049	-	-	286	1.200	-	688	(204.961)	-	1.475	-	(375)	(11)	-	-	-	(176)	(841)	-	-	(2.576)	(629.702)
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	258	21.485	887	1.002	984	-	-	(1.805)	-	(604)	(61.964)	1.000	2.942	(46)	(217)	290	-	(69)	(2.113)	(602)	(1.112)	-	(1)	(8.259)	72.182
Effects of exchange rate changes on cash and cash equivalents	(270)	(660)	-	(2.892)	27	(34)	-	(1.152)	-	(7)	-	(94)	(139)	(22)	(101)	(63)	-	(79)	(202)	(94)	(575)	-	-	(2.171)	-
Net increase (decrease) in cash and cash equivalents	(12)	20.825	887	(1.890)	1.011	(34)	-	(2.957)	-	(611)	(61.964)	906	2.803	(68)	(318)	227	-	(148)	(2.315)	(696)	(1.687)	-	(1)	(10.430)	72.182
Cash and cash equivalents at beginning of period	4.180	1	2.917	19.129	3.126	293	-	12.610	-	1.147	154.243	15.897	1.790	222	1.030	351	-	717	3.175	1.240	5.723	-	4	24.693	420.452
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4.168	20.826	3.804	17.239	4.137	259	-	9.653	-	536	92.279	16.803	4.593	154	712	578	-	569	860	544	4.036	-	4	14.263	492.966

SUMMARIZED STATEMENTS OF CHANGES IN EQUITY



As of december 31, 2018

2018	CHILE COPPER LTD. CONSOLIDATED THUS\$	CODELCO KUPFERHANEL CMBH CONSOLIDATED THUS\$	CODELCO USA GROUP CONSOLIDATED THUS\$	CODELCO INTERNACIONAL LIMITED CONSOLIDATED THUS\$	CODELCO SHANGHAI COMPANY LIMITED THUS\$	CÍA. CONTRACTUAL MINERA LOS ANDES THUS\$	SALAR DE MARRICUNGA SPA THUS\$	EXPLORACIONES MINERAS ANDINAS S.A. THUS\$	INVERSIONES MINERAS LOS LEONES SPA THUS\$	SOC. INVERSIONES COPPERFIELD LTDA. THUS\$	INVERSIONES MINERAS GACRUX SPA CONSOLIDATED THUS\$	COMPLEJO PORTUARIO MEJILLONES S.A. THUS\$	CODELCO TEC SPA THUS\$	ASOCIACIÓN GARANTIZADORA DE PENSIONES THUS\$	CLÍNICA RÍO BLANCO S.A. THUS\$	CENTRO DE ESP. MEDICAS RIO BLANCO LTDA. THUS\$	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A. THUS\$	ISAPRE RÍO BLANCO LTDA. THUS\$	ISAPRE CHUQUICAMATA LTDA. THUS\$	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED THUS\$	FUSAT CONSOLIDATED THUS\$	ENERGÍA MINERA S.A. THUS\$	CENTRAL ELÉCTRICA LUZ MINERA SPA THUS\$	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA THUS\$	ANGLO AMERICAN SUR S.A. (1) THUS\$	
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY																										
Initial Balance as of 01/01/2018																										
Issued Capital	1	3,607	-	120,493	2,000	21,635	286	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)	286	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)	1,007,493	-	-	2	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EQUITY	4,036	31,717	3,056	130,696	4,903	(4,552)	286	3,087	914	6,263	2,430,947	34,385	5,474	213	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,476,488	
Changes in equity																										
Issued Capital	-	(175)	-	8,049	-	6,043	-	1,188	-	1,512	-	-	-	-	(448)	(50)	-	(101)	(143)	(2)	(19)	-	-	112,123	-	
Other Reserves	(5)	-	-	(1,083)	(565)	-	-	30	-	1	(752)	-	-	-	(38)	(20)	-	-	-	69	(1,299)	-	-	47	(3,761)	
Accumulated retained earnings	(93)	6,594	84	(7,238)	1,007	(4,651)	-	1,062	-	(4,432)	39,607	1,726	153	(68)	(2,043)	(1,139)	(14)	210	(254)	(1,093)	(3,863)	-	(61)	(22,195)	(321,109)	
Equity attributable to owners of the parent	(98)	6,419	84	(272)	442	1,392	-	2,280	-	(2,919)	38,855	1,726	153	(68)	(2,529)	(1,209)	(14)	109	(397)	(1,026)	(5,181)	-	(61)	89,975	(324,870)	
Non-controlling interests	(13)	-	-	-	-	-	-	16	-	-	(38,290)	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EQUITY	(111)	6,419	84	(272)	442	1,392	-	2,296	-	(2,919)	565	1,726	153	(69)	(2,529)	(1,209)	(14)	109	(397)	(1,026)	(5,181)	-	(61)	89,975	(324,870)	
Final Balance as of 31/12/2018																										
Issued Capital	1	3,432	-	128,542	2,000	27,678	286	1,424	1,000	17,490	167,784	32,596	53,913	-	3,432	381	358	772	1,101	14	146	-	4,628	217,343	1,240,736	
Other Reserves	75	-	1,706	2,090	(380)	-	-	304	-	(2)	3,507,759	-	4,715	-	(301)	(33)	-	-	-	(48)	8,788	-	-	(97)	(37,253)	
Accumulated retained earnings	3,497	34,704	1,434	(208)	3,725	(30,838)	-	3,632	(86)	(14,140)	(2,213,234)	3,515	(53,001)	143	(8,003)	(5,033)	(394)	2,260	2,829	(1,090)	(17,575)	-	(1,340)	(68,997)	1,948,135	
Equity attributable to owners of the parent	3,573	38,136	3,140	130,424	5,345	(3,160)	286	5,360	914	3,348	1,462,309	36,111	5,627	143	(4,872)	(4,685)	(36)	3,032	3,930	(1,124)	(8,641)	-	3,288	148,249	3,151,618	
Non-controlling interests	352	-	-	-	-	-	-	23	-	(4)	969,203	-	-	1	-	-	-	-	-	-	-	-	-	-	-	
TOTAL EQUITY	3,925	38,136	3,140	130,424	5,345	(3,160)	286	5,383	914	3,344	2,431,512	36,111	5,627	144	(4,872)	(4,685)	(36)	3,032	3,930	(1,124)	(8,641)	-	3,288	148,249	3,151,618	

SUMMARIZED STATEMENT OF FINANCIAL POSITION



As of december 31, 2017

2017	CHILE COPPER LTD. CONSOLIDATED THUS\$	CODELCO KUPFERHANDEL GMBH CONSOLIDATED THUS\$	CODELCO USA GROUP CONSOLIDATED THUS\$	CODELCO INTERNACIONAL LIMITED CONSOLIDATED THUS\$	CODELCO SHANGHAI COMPANY LIMITED THUS\$	CÍA. CONTRACTUAL MINERA LOS ANDES THUS\$	EXPLORACIONES MINERAS ANDINAS S.A. THUS\$	INVERSIONES MINERAS LOS LEONES SPA THUS\$	SOC. INVERSIONES COPPERFIELD LTDA. THUS\$	INVERSIONES MINERAS GACRUX SPA CONSOLIDATED THUS\$	COMPLEJO PORTUARIO MEJILLONES S.A. THUS\$	CODELCO TEC SPA THUS\$	ASOCIACIÓN GARANTIZADORA DE PENSIONES THUS\$	CLÍNICA RÍO BLANCO S.A. THUS\$	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA. THUS\$	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A. THUS\$	ISAPRE RÍO BLANCO LTDA. THUS\$	ISAPRE CHUQUICAMA LTDA. THUS\$	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED THUS\$	FUSAT CONSOLIDATED THUS\$	ENERGÍA MINERA S.A. THUS\$	CENTRAL ELÉCTRICA LUZ MINERA SPA THUS\$	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA. THUS\$	ANGLO AMERICAN SUR S.A. (1) 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	9,295	310	4,851	873	4,541	5,238	6,469	4,610	29,899	-	5	67,769	1,055,740
Total non-current assets	107	8,354	21	112,099	209	432	689	82	15,143	2,959,114	95,226	776	675	8,174	1,263	7,983	2,306	3,904	1,085	40,023	-	3,438	482,157	4,265,685
TOTAL ASSETS	19,456	70,700	3,203	142,318	5,308	741	13,933	1,000	17,781	3,265,610	113,851	10,071	985	13,025	2,136	12,524	7,544	10,373	5,695	69,922	-	3,443	549,926	5,321,425
LIABILITIES																								
Total current liabilities	15,420	38,983	147	6,891	405	46	10,138	86	2,898	158,455	6,287	3,774	108	2,109	4,294	4,563	4,180	5,271	5,116	25,433	-	94	12,525	635,033
Total non-current liabilities	-	-	-	4,731	-	5,247	708	-	8,620	676,208	73,179	823	664	13,259	1,318	7,983	441	775	677	47,949	-	-	479,127	1,209,904
TOTAL LIABILITIES	15,420	38,983	147	11,622	405	5,293	10,846	86	11,518	834,663	79,466	4,597	772	15,368	5,612	12,546	4,621	6,046	5,793	73,382	-	94	491,652	1,844,937
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	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)	1,007,493	-	-	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	4,036	31,717	3,056	130,696	4,903	(4,552)	3,087	914	6,263	2,430,947	34,385	5,474	213	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,476,488
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	10,071	985	13,025	2,136	12,524	7,544	10,373	5,695	69,922	-	3,443	549,926	5,321,425
SUMMARIZED STATEMENTS OF INCOME																								
Gross (Loss) Profit	3	3,204	1,851	8,742	2,239	-	4,387	-	908	5,941	8,713	1,748	6	1,522	(189)	-	375	2,074	2,130	20,174	-	-	(9,580)	547,568
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)	(1,755)	(24)	(1,800)	(511)	(5)	(133)	(1,507)	(1,396)	(19,041)	-	71	(3,221)	(23,784)
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	(7)	(18)	(278)	(700)	(5)	242	567	734	1,133	-	71	(12,801)	523,784
(Expenses) Income taxes	24	7,836	(128)	-	(116)	-	(489)	-	1,256	15,480	(929)	(135)	-	95	130	-	(67)	(363)	(307)	(714)	-	-	3,071	(161,867)
PROFIT (LOSS)	(118)	(13,733)	193	(3,247)	334	(5,024)	2,067	(30)	(2,342)	145,131	2,737	(142)	(18)	(183)	(570)	(5)	175	204	427	419	-	71	(9,730)	361,917
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	(2,163)	(24)	(168)	(6)	-	573	1,566	1,773	7,665	(11)	1	51,067	910,565
Cash flows provided by (used in) investing activities	10	(45)	(4)	(4,680)	(12)	-	-	-	(302)	(38,171)	240	-	-	278	1	-	-	(886)	(1,166)	(508)	-	-	(32,579)	(297,361)
Cash flows provided by (used in) financing activities	-	(15,671)	-	5,192	-	3,802	-	-	(1,536)	(43,814)	-	-	-	(693)	-	-	-	-	(261)	(6,527)	11	-	424	(647,244)
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	(2,163)	(24)	(583)	(5)	-	573	680	346	630	-	1	18,912	(34,040)
Effects of exchange rate changes on cash and cash equivalents	375	(11)	-	1,178	-	-	7,889	-	916	-	15,342	182	(69)	106	(39)	-	41	245	90	5,083	-	-	1,533	-
Net increase (decrease) in cash and cash equivalents	95	-	(1,525)	4,146	(327)	24	12,610	-	1,147	140,781	15,897	(1,981)	(93)	(477)	(44)	-	614	925	436	5,713	-	1	20,445	(34,040)
Cash and cash equivalents at beginning of period	4,085	1	4,442	14,983	3,453	269	-	-	-	13,462	-	3,771	315	1,507	395	-	103	2,250	804	10	-	4	4,248	454,491
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	1,790	222	1,030	351	-	717	3,175	1,240	5,723	-	5	24,693	420,451

SUMMARIZED STATEMENTS OF CHANGES IN EQUITY



As of december 31, 2017

2017	CHILE COPPER LTD. CONSOLIDATED THUS\$	CODELCO KUPFERHANDEL CMBH CONSOLIDATED THUS\$	CODELCO USA GROUP CONSOLIDATED THUS\$	CODELCO INTERNACIONAL LIMITED CONSOLIDATED THUS\$	CODELCO SHANGHAI COMPANY LIMITED THUS\$	CÍA. CONTRACTUAL MINERA LOS ANDES THUS\$	EXPLORACIONES MINERAS ANDINAS S.A. THUS\$	INVERSIONES MINERAS LOS LEONES SPA THUS\$	SOC. INVERSIONES COPPERFIELD SPA CONSOLIDATED LTD. THUS\$	INVERSIONES MINERAS GACRUX CONSOLIDATED THUS\$	COMPLEJO PORTUARIO MEJILLONES S.A. THUS\$	CODELCO TEC SPA THUS\$	ASOCIACIÓN GARANTIZADORA DE PENSIONES THUS\$	CLÍNICA RÍO BLANCO S.A. THUS\$	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA. THUS\$	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A. THUS\$	ISAPRE RÍO BLANCO LTDA. THUS\$	ISAPRE CHUQUICAHATA LTD. THUS\$	CLÍNICA SAN LORENZO LTDA. CONSOLIDATED THUS\$	FUSAT CONSOLIDATED THUS\$	ENERGÍA MINERA S.A. THUS\$	CENTRAL ELÉCTRICA LUZ MINERA SPA THUS\$	SOC. DE PROCESAMIENTO DE MOLIBDENO LTD. THUS\$	ANGLO AMERICAN SUR S.A. (1) THUS\$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY																								
Initial Balance as of 01/01/2017																								
Issued Capital	1	3,162	-	115,437	2,000	17,655	236	1,000	15,978	167,784	32,596	53,913	-	3,554	395	358	800	1,140	20	200	-	4,628	105,220	1,240,736
Other Reserves	(664)	-	1,706	3,309	(123)	-	179	-	82	3,507,629	-	4,454	-	(287)	196	-	-	-	407	10,767	-	-	(144)	(42,069)
Accumulated retained earnings	4,094	37,482	1,157	10,280	2,417	(21,132)	1,461	(56)	(5,255)	(2,348,565)	2,214	(52,751)	222	(5,293)	(3,145)	(375)	1,704	2,627	(496)	(8,760)	-	(1,350)	(36,715)	2,697,350
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	5,616	222	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361	3,896,017
Non-controlling interests	373	-	-	-	-	-	-	-	(22)	978,664	-	-	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	3,804	40,644	2,863	129,026	4,294	(3,477)	1,876	944	10,783	2,305,512	34,810	5,616	224	(2,026)	(2,554)	(17)	2,504	3,767	(69)	2,207	-	3,278	68,361	3,896,017
Changes in equity																								
Issued Capital	-	445	-	5,056	-	3,980	-	-	-	-	-	-	-	326	36	-	73	104	(4)	(35)	-	-	-	-
Other Reserves	744	-	-	(136)	308	-	95	-	(85)	882	-	261	-	24	(209)	-	-	-	(524)	(680)	-	-	-	8,577
Accumulated retained earnings	(504)	(9,372)	193	(3,250)	301	(5,055)	1,109	(30)	(4,453)	95,724	(425)	(403)	(11)	(667)	(749)	(5)	346	456	499	(4,952)	-	71	(10,087)	(428,106)
Equity attributable to owners of the parent	240	(8,927)	193	1,670	609	(1,075)	1,204	(30)	(4,538)	96,606	(425)	(142)	(11)	(317)	(922)	(5)	419	560	(29)	(5,667)	-	71	(10,087)	(419,529)
Non-controlling interests	(8)	-	-	-	-	-	7	-	18	28,829	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	232	(8,927)	193	1,670	609	(1,075)	1,211	(30)	(4,520)	125,435	(425)	(142)	(11)	(317)	(922)	(5)	419	560	(29)	(5,667)	-	71	(10,087)	(419,529)
Final Balance as of 31/12/2017																								
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)	1,007,493	-	-	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	4,036	31,717	3,056	130,696	4,903	(4,552)	3,087	914	6,263	2,430,947	34,385	5,474	213	(2,343)	(3,476)	(22)	2,923	4,327	(98)	(3,460)	-	3,349	58,274	3,476,488

RELEVANT EVENTS

The Corporation has reported to the Chilean Financial Market Commission (CMF) the following relevant events occurred during the periods between January and December 2018 and 2017:



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profile



Key
indicators



Our
management



Transparency, probity and
good corporate governance



Transformation
and the future



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1. Changes in the Board of Directors, Executives and the Organizational Structure

- On March 07, Codelco communicated as essential event that Mr. Mauricio Larrain 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.

- On February 28, 2018, Codelco reported as an essential event the resignation from Codelco of Messrs. Rodrigo Toro, Vice-president of Commercialization and Juan Carlos Avendaño, the Manager of the Salvador Division.

Accordingly, beginning on April 1, 2018 Mr. Roberto Ecclefield Escobar took office as Vice-president of Commercialization who was formerly the Manager of Copper Sales, whereas Mr. Christian Toutin Navarro, formerly the Manager of Operations of the Chuquicamata Division took office as the General Manager of the Salvador Division from March 1, of the current year.

- On April 18, 2018, Codelco communicated as an essential event that Mr. André Sougarret Larroquete the General Manager of El Teniente Division was appointed the Executive Vice-president of Enami from April 27 and accordingly, Mr. Nicolás Rivera

Rodríguez, the former Manager of Operations of El Teniente Division took office as the Acting General Manager of such Division from the aforementioned date.

- On April 26, 2018, Codelco communicated as an essential event that Mr. Nicolás Rivera Rodríguez was appointed as the General Manager of El Teniente Division from April 27, 2018.

- On May 25, 2018, Codelco communicated as an essential event that the President of the Republic, Sebastián Piñera, appointed Mr. Juan Benavides Feliú as the Chairman of the Board of Directors of Codelco and also appointed Messrs. Hernán de Solminiach Tampier and Ignacio Briones Rojas as directors.

- On September 28, 2018, Codelco communicated as an essential event that beginning on December 1, 2018, Mr. Marcelo Alvarez Jara the current Corporate manager of Labor Relations will assume as Vice-president of Human Resources replacing Mr. Daniel Sierra Parra who currently has such position.

- On December 27, 2018, Codelco communicated as an essential event the resignation of Mr. Patricio Chávez Inostroza the Vice-president of Corporate Affairs and Sustainability. Accordingly, beginning on February 18, 2019 Mr. Renato Fernández Baeza will take office in such position.

2. Shareholders' Meetings

- On April 10, 2017, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for April 25, 2017 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 Financial Market Commission (CMF) formerly 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 Public 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 Public 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 Comptrollership 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 (CMF) formerly the Chilean Superintendence of Securities and Insurance (SVS) 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.

- On April 4, 2018, Codelco communicated that the Board of Directors opted to summon to a meeting for April 26, 2018 at 11:00 am at the Company's office located at Huérfanos 1270, piso 11, Santiago, Chile to address the matters usually analyzed at Ordinary Shareholders' Meetings.

At such meeting the shareholders will address the following matters:

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, 2017.

2. Appointment of Codelco's external auditors and risk raters for 2018.

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 2018.

6. Follow-up of the 2014-2018 Business and Development Plan as established in Law 20.790, including the sources of financing and capitalization required.

7. Any other matter or topic of interest which is to be discussed by the shareholders at a shareholders' meeting and adopting the related agreements.

The Company's financial statements as of December 31, 2017 and 2017 Annual Report have been published in Codelco's web site www.codelco.com and <https://www.codelco.com/memoria2017/>

- On April 26, 2018, it has been communicated as an essential event that at Codelco's Ordinary Shareholders' Meeting conducted on the same day 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 for the year ended December 31, 2017 and the Report of External Auditors on such report for that year.

2. The shareholders appointed Deloitte as Codelco's external auditors for 2018.

3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2018.

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 Financial Market Commission (CMF) (formerly the Chilean 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 of 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 2017 were informed.

7. The Shareholders were informed of and analyzed the Progress of the 2014 - 2018 Business and Development Plan, established by Law No. 20.790.

3. Financing

- 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, Merrill 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.

- On April 30, 2018, Codelco communicated as an essential event that the Company issued an international bond of US\$ 600 million at 30 years in the Formosa market in Taiwan at a rate of 4.85%.

The issuance was led by HSBC Bank (Taiwan) Limited, BNP Paribas and Taipei Branch.

The bond issuance does not consider an increase in Codelco's net debt. Such transaction will allow to decrease the financial burden at short and medium-term, optimizing the debt maturity profile and making it more consistent with the generation of expected cash flows from the investment plan.

Access to this new capital market, not only allows extending the basis of investors but also provides a prepayment option to the issuance amount providing more financial flexibility.

Note that the Company's main developments highlight the structural projects Chuquicamata Underground Mine, El Teniente Mine New Level and Andina Transfer, will allow to extend the life of the Company by approximately 50 years.

- On May 11, 2018, Codelco communicated as an essential event, as established in Circular No. 1.072, the detail of the financing transaction performed on April 30, 2018.

4. Contingencies, strikes and disruption of activities

- On July 30, 2018, Codelco communicated as an essential event that a group of union representatives of the Role B unions 1, 2 and 3 of Chuquicamata Division prevented access to the mine site without affecting the normal operations of the other district divisions. The effects of such disruption in production and profit or loss cannot be currently be quantified as it will depend on its scope and extension.

5. Other

- 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 April 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.

- On August 8, 2018, Codelco communicated as an essential event that as communicated through Essential event PE-226/14 of December 18, 2014 related to the Chuquicamata Underground Mine Project, the Board of Directors of Codelco at the Extraordinary Board of Directors' Meeting of August 7, 2018, agreed to authorize the restructuring of such project for US\$ 4,881 million (at the amount of the budget for 2017) and for a term of 74 months, which added to the early works already performed, amounts to total investment of US\$ 5,550 million.

The Project Chuquicamata Underground Mine is an integral part of the Chuquicamata Division's Business Plan and Codelco. For approval purposes, the Board of Directors considered the background submitted by the Vice-president of Projects and Chuquicamata Division both to the Investment Projects and Financing Committee and the Board of Directors and the progress and commitments assumed for the transformation process, as well as the results of the independent review conducted for such purposes.



Note that the authorization indicated above is subject to the recommendation by the Chilean Copper Commission and the Social Development Ministry.

- On October 16, 2018, the Ministry of Finance issued Exempt Decree 311 where it provides an extraordinary capital contribution to Codelco, in conformity with Law No. 20,790 of US\$ 1,000 million, which will be performed in a first portion for US\$ 600 million and in a second portion for US\$ 400 million and which will be transferred in terms no later than December 31, 2018 and February 28, 2019.

On December 26, 2018, Codelco received the first part of the extraordinary capital contribution through Exempt Decree No. 311 issued by the Ministry of Finance in conformity with Law No. 20.790 for US\$ 600 million.

There are no other events that qualify as relevant occurred prior to December 31, 2018.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS AND BOARD OF DIRECTOR'S **COMMITTEE**

As of December 31, 2018
Expressed in thousands of
U.S. dollars - ThUS\$



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Additional Information on the Board of Directors and Board of Directors' Committee

As of December 31, 2018

Expressed in thousands of U.S. dollars - ThUS\$

1) Advisory services engaged by the Board of Directors

During 2018, expenses for advisory services provided to the Board of Directors are as follows:

Company	Purpose	Amount ThUS\$
Egonzehnder	Autoevaluación del Directorio	25
Directory self-evaluation	Consultoría Compliance	38

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 Chile from the three candidates proposed for the position by the Senior Public Management Council.

In line with this, as of December 31, 2018, 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 Enrique 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, 2018 and 2017 are available in the Chilean Financial Market Commission (CMF) formerly the Chilean Superintendence of Securities and Insurance (SVS) web site as part of the 2018 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 2018 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 31, 2018
Expressed in thousands of
U.S. dollars - ThUS\$



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BOARD OF DIRECTORS AND MANAGEMENT COMPENSATION

As of December 31, 2018

Expressed in thousands of U.S. dollars - ThUS\$

During 2018 and 2017, 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	2018 ThUS\$	2017 ThUS\$
Blas Tomic Errázuriz	122	118
Dante Contreras Guajardo	34	95
Gerardo Jofré Miranda	-	38
Ghassan Dayoub Pseli	97	71
Hernán de Solminihac Tampier	63	-
Ignacio Briones Rojas	63	-
Isidoro Palma Penco	97	95
Juan Benavides Feliú	95	-
Juan Morales Jaramillo	97	95
Laura Albornoz Pollmann	34	95
Oscar Landerretche Moreno	51	142
Paul Schiodtz Obilinovich	97	64
Raimundo Espinoza Concha	97	95

2. Compensation

Name	2018 ThUS\$	2017 ThUS\$
Ghassan Dayoub Psele	107	72
Raimundo Espinoza Concha	64	53

The remuneration of the Company's main executives for 2018 amount to THUS\$ 12,382. This amount includes a performance bonus of ThUS\$ 3,546.

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 2018 payments equivalent to ThUS\$ 1,084.

DECLARACIÓN JURADA DE **RESPONSABILIDAD**



Corporate
profile



Key
indicators



Our
management



Transparency, probity and
good corporate governance



Transformation
and the future



Subsidiaries and
affiliate companies



**Consolidated
financial statements**



Offices and
representatives

DECLARACIÓN JURADA DE RESPONSABILIDAD

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Los suscritos, en sus calidades de directores de la Corporación Nacional del Cobre de Chile, domiciliados en Santiago, calle Huérfanos 1270, a fin de dar debido cumplimiento a la Norma de Carácter General N°30 de la Comisión para el Mercado Financiero (ex Superintendencia de Valores y Seguros), declaramos y damos fe, bajo juramento, en este acto y bajo nuestra responsabilidad, respecto de la plena y absoluta veracidad y autenticidad de toda la información proporcionada por Codelco en la Memoria Anual 2018.



Juan Benavides Feliú
Presidente del directorio
5.633.221-9

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Director
12.232.813-9

Hernán de Solminihaq Tampier
Director
6.263.304-2

Blas Tomiz Errázuriz
Director
5.390.891-8

Juan Enrique Morales Jaramillo
Director
5.078.923-3

Isidoro Palma Penco
Director
4.754.025-9

Paul Schiodtz Obilinovich
Director
7.170.719-9

Raimundo Espinoza Concha
Director
6.512.182-4

Ghassan Dayoub Pseli
Director
14.695.762-5

OFFICES AND REPRESENTATIVES



Corporate profile



Key indicators



Our management



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Consolidated financial statements



Offices and representatives



Offices and representatives

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