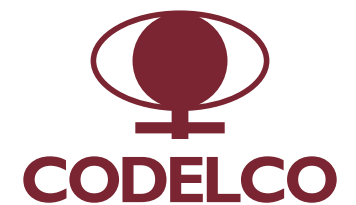


# Financial statements 2015



159	160	161	165	166	168	245	256	257	258	276	284	285
Independent Auditor's Report	Consolidated Financial Statements	Consolidated statements of comprehensive income	Consolidated statements of cash flows - direct method	Consolidated statements of changes in equity	Notes to the Consolidated Financial Statements I. General information II. Summary of Significant accounting Policies III. Explanatory notes	Ratio Analysis of the Consolidated Financial Statements	Divisional statements of income	Statement of assignment of income and expenses controlled by parent company and affiliates to the division	Summarized financial statement of subsidiaries	Relevant events to the consolidated financial statements	Board of directors and management compensation	Additional information on the board of directors and board of directors' committee



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**Independent Auditor's Report**  
(Translation of the report originally issued in Spanish)

Shareholders and Directors  
Corporación Nacional del Cobre de Chile

We have audited the accompanying consolidated financial statements of Corporación Nacional del Cobre de Chile and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with instructions and standards of preparation and presentation of financial information issued by Superintendencia de Valores y Seguros described in Note 2 to the consolidated financial statements. 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 conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves 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 entity's preparation and fair presentation of the 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 evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

A member firm of Ernst & Young Global Limited



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion on the Regulatory Basis of Accounting**

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 subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in conformity with instructions and standards of preparation and presentation of financial information issued by the Superintendencia de Valores y Seguros described in Note 2 to the consolidated financial statements.

**Basis of Accounting**

As described in Note 2 to the consolidated financial statements, on October 17, 2014 the Superintendencia de Valores y Seguros under its authority issued Circular No. 856 instructing entities under its supervision, to record the differences in assets and liabilities for deferred taxes arising as a direct effect of the changes in the tax rates introduced by Law 20.780 against equity, thereby changing the conceptual accounting framework for the preparation and presentation of financial information adopted until that date, from the previous framework (International Financial Reporting Standards) which is required to be adopted in comprehensive and explicit manner and without reservations.

However, notwithstanding that they were prepared on the same basis of accounting, the consolidated statements of comprehensive income and the preparation of the related consolidated statements of changes in shareholders' equity for the years ended December 31, 2015 and 2014, with regard to registration of differences of assets and liabilities for deferred taxes are not comparative according to the explanation provided in the previous paragraph and whose effect is explained in Note 5.



Oscar Gálvez R.

Santiago, March 23, 2016

EY LTDA.

# Consolidated statements of financial position

As of December 31, 2015 and December 31, 2014

(In thousands of US dollars - ThUS\$)

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

	Notes N°	12-31-2015	12-31-2014
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1	1,747,718	1,310,616
Other current financial assets	12	10,202	31,748
Other current non-financial assets		34,611	31,652
Trade and other current receivables	2	1,876,863	2,177,782
Accounts receivables due from related companies, current	3	21,057	9,488
Inventory	4	2,097,026	2,237,791
Current tax assets	6	270,412	189,883
<b>Total current assets</b>		<b>6,057,889</b>	<b>5,988,960</b>
<b>Non-current assets</b>			
Non-current inventories	4	185,470	168,421
Other non-current financial assets	12	36,291	62,413
Other non-current non-financial assets	11	27,908	35,915
Non-current receivables	2	85,069	124,675
Accounts receivables due from related companies, non-current	3	224	224
Investment accounted for using the equity method	8	4,091,817	6,798,706
Intangible assets other than goodwill	9	186,082	167,062
Property, plant and equipment, net	7	22,767,239	21,904,361
Investment property		5,854	5,829
<b>Total non-current assets</b>		<b>27,385,954</b>	<b>29,267,606</b>
<b>Total Assets</b>		<b>33,443,843</b>	<b>35,256,566</b>

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

# Consolidated statements of financial position

As of December 31, 2015 and December 31, 2014

(In thousands of US dollars - ThUS\$)

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

	Notes N°	12-31-2015	12-31-2014
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Current liabilities			
Other current financial liabilities	13	1,166,210	986,168
Trade and other current payables	16	1,306,715	1,443,650
Accounts payables to related companies, current	3	163,366	150,640
Other current provisions	17	661,623	435,365
Current tax liabilities	6	16,253	2,225
Current employee benefit accruals	17	446,212	453,752
Other current non-financial liabilities		100,737	104,035
<b>Total current liabilities</b>		<b>3,861,116</b>	<b>3,575,835</b>
<b>Non-current liabilities</b>			
Other non-current financial liabilities	13	14,026,931	12,951,242
Accounts payables to related companies, non-current	3	157,049	193,710
Other non-current provisions and accrued expenses	17	1,176,187	1,438,825
Deferred tax liabilities	5	3,257,605	4,204,009
Non-current employee benefit accruals	17	1,228,227	1,363,241
Other non-current non-financial liabilities		3,907	4,192
<b>Total non-current liabilities</b>		<b>19,849,906</b>	<b>20,155,219</b>
<b>Total liabilities</b>		<b>23,711,022</b>	<b>23,731,054</b>
<b>Equity</b>			
Issued capital		2,524,423	2,524,423
Retained earnings		33,623	1,793,557
Other reserves	19	6,131,920	5,343,797
<b>Equity attributable to owners of the parent</b>		<b>8,689,966</b>	<b>9,661,777</b>
Non-controlling interests	19	1,042,855	1,863,735
<b>Total equity</b>		<b>9,732,821</b>	<b>11,525,512</b>
<b>Total liabilities and equity</b>		<b>33,443,843</b>	<b>35,256,566</b>

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

# Consolidated statements of comprehensive income

For the years ended as of December 31, 2015 and 2014

(In thousands of US dollars - ThUS\$)

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

	Notes N°	01-01-2015 12-31-2015	01-01-2014 12-31-2014
<b>Profit (loss)</b>			
Revenue	20	11,693,492	13,826,677
Cost of sales		(9,916,805)	(10,111,412)
<b>Gross profit</b>		<b>1,776,687</b>	<b>3,715,265</b>
Other Income, by function	23.a	152,889	98,346
Distribution costs		(12,435)	(9,343)
Administrative expenses		(363,494)	(451,122)
Other expenses	23.b	(2,086,728)	(1,620,977)
Other gains (loss)		20,885	37,682
<b>Profit (loss) from operating activities</b>		<b>(512,196)</b>	<b>1,769,851</b>
Finance income		17,198	19,744
Finance costs	24	(524,847)	(464,671)
Share of profit of associates and joint ventures accounted for using the equity method	8	(2,501,652)	247,994
Foreign exchange differences	26	465,320	378,819
<b>Profit for the period before tax</b>		<b>(3,056,177)</b>	<b>1,951,737</b>
Income tax expense	5	728,398	(1,240,823)
<b>Profit (loss) for the period</b>		<b>(2,327,779)</b>	<b>710,914</b>
Profit (loss) attributable to:			
Profit attributable to owners of the parent		(1,492,216)	721,927
Profit (loss) attributable to non-controlling interests	19.b	(835,563)	(11,013)
<b>Profit (loss) for the period</b>		<b>(2,327,779)</b>	<b>710,914</b>

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

# Consolidated statements of comprehensive income (Continuation)

For the years ended as of December 31, 2015 and 2014

(In thousands of US dollars - ThUS\$)

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

	Notes N°	01-01-2015 12-31-2015	01-01-2014 12-31-2014
<b>Profit/ (loss) for the period</b>		<b>(2,327,779)</b>	<b>710,914</b>
<b>Components of other comprehensive income (loss), before tax:</b>			
<b>Exchange differences on conversion</b>			
Gain (loss) on exchange differences on conversion, before tax		(7,211)	(6,983)
<b>Other comprehensive income, before tax, exchange differences on conversion</b>		<b>(7,211)</b>	<b>(6,983)</b>
<b>Cash flow hedges</b>			
Gain (loss) on cash flow hedges, before tax		(8,664)	12,918
<b>Other comprehensive income, before tax, cash flow hedges</b>		<b>(8,664)</b>	<b>12,918</b>
Other comprehensive income, before tax, gains (losses) for defined benefit plans		(79,167)	(315,225)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method, before tax		(9,632)	(1,816)
<b>Other comprehensive income (loss), before tax</b>		<b>(104,674)</b>	<b>(311,106)</b>
<b>Income tax related to other comprehensive income:</b>			
Income tax related to cash flow hedges of other comprehensive income	5	5,557	(7,656)
Income tax relating to defined benefit plans of other comprehensive income		53,438	208,049
<b>Aggregated income tax related to components of other comprehensive income</b>		<b>58,995</b>	<b>200,393</b>
<b>Other comprehensive income (loss)</b>		<b>(45,679)</b>	<b>(110,713)</b>
Reclassifiable other comprehensive income items to profit or loss in subsequent periods		(19,950)	(3,537)
Other comprehensive income for items not reclassifiable to profit or loss in subsequent periods		(25,729)	(107,176)
<b>Total comprehensive income</b>		<b>(2,373,458)</b>	<b>600,201</b>
<b>Comprehensive income attributable to:</b>			
Comprehensive income (loss) attributable to owners of the parent		(1,537,895)	611,214
Comprehensive income (loss) attributable to non-controlling interests	19.b	(835,563)	(11,013)
<b>Total comprehensive income</b>		<b>(2,373,458)</b>	<b>600,201</b>

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



# Consolidated statements of cash flows - direct method

As of December 31, 2015 and 2014

(In thousands of US dollars - ThUS\$)

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

	Notes N°	01-01-2015 12-31-2015	01-01-2014 12-31-2014
<b>Cash flows provided by (used in) operating activities:</b>			
Cash receipts provided by operating activities			
Cash flows provided by sales of goods and rendering of services		12,134,350	14,153,053
Other cash flows provided by operating activities	27	1,775,106	1,655,763
Types of cash payments			
Payments to suppliers for goods and services		(6,829,745)	(7,881,636)
Payments to and on behalf of employees		(1,672,219)	(2,091,504)
Other cash flows used in operating activities	27	(1,975,383)	(2,251,720)
Dividends received		211,142	495,690
Income taxes paid		(247,888)	(578,946)
<b>Net cash flows provided by operating activities</b>		<b>3,395,363</b>	<b>3,500,700</b>
<b>Cash flows provided by (used in) investing activities:</b>			
Other payments to acquire equity or debt instruments of other entities		(65,511)	(22,502)
Purchases of property plant and equipment		(4,260,783)	(3,799,708)
Interest received		8,328	4,651
Other inflows (outflows) of cash		35,565	(705)
<b>Net cash flows from (used in) investing activities</b>		<b>(4,282,401)</b>	<b>(3,818,264)</b>
<b>Cash flows provided by (used in) financing activities:</b>			
Amounts from shares issuing		600,000	-
Total amounts from loans		2,331,000	3,885,490
Repayments of loans		(1,042,821)	(1,910,687)
Dividends paid		-	(660,582)
Interest paid		(550,536)	(468,176)
<b>Net cash flows from (used in) financing activities</b>		<b>1,337,643</b>	<b>846,045</b>
<b>Net increase (decrease) in cash and cash equivalents before foreign exchange difference</b>		<b>450,605</b>	<b>528,481</b>
Effect of exchange rate changes		(13,503)	31,466
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>437,102</b>	<b>559,946</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1</b>	<b>1,310,616</b>	<b>750,670</b>
<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>1,747,718</b>	<b>1,310,616</b>

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

# Consolidated statements of changes in equity

As of December 31, 2015 and 2014  
(In thousands of US dollars - ThUS\$)  
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

December 31, 2015	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined bene- fits plans  Note 18	Other miscellaneous reserves	Total other reserves  Note 19	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests  Note 18	Total Equity
Initial balance as of 1/1/2015	2,524,423	(5,763)	(3,442)	(220,695)	5,573,697	5,343,797	1,793,557	9,661,777	1,863,735	11,525,512
Opening balance reformulated	2,524,423	(5,763)	(3,442)	(220,695)	5,573,697	5,343,797	1,793,557	9,661,777	1,863,735	11,525,512
Changes in equity										
Profit for the period							(1,492,216)	(1,492,216)	(835,563)	(2,327,779)
Other comprehensive income (loss)		(7,211)	(3,107)	(25,729)	(9,632)	(45,679)		(45,679)	-	(45,679)
Comprehensive income								(1,537,895)	(835,563)	(2,373,458)
Dividends							-	-		-
Increase (decrease) through transfers and other changes	-	-	-	-	833,802	833,802	(267,718)	566,084	14,683	580,767
Total increase (decrease) in equity					824,170	788,123	(1,759,934)	(971,811)	(820,880)	(1,792,691)
Final balance as of 12/31/2015	2,524,423	(12,974)	(6,549)	(246,424)	6,397,867	6,131,920	33,623	8,689,966	1,042,855	9,732,821

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

# Consolidated statements of changes in equity

As of December 31, 2015 and 2014  
(In thousands of US dollars - ThUS\$)  
(Translation to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)

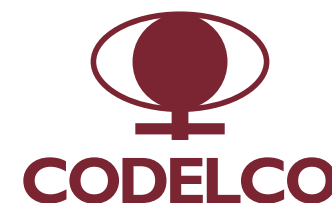
December 31, 2014	Issued capital	Foreign currency conversion reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses in defined bene- fits plans  Note 18	Other miscellaneous reserves	Total other reserves  Note 19	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests  Note 18	Total Equity
Initial balance as of 1/1/2014	2,524,423	1,220	(8,704)	(113,519)	5,366,710	5,245,707	2,590,388	10,360,518	2,047,102	12,407,620
Opening balance reformulated	2,524,423	1,220	(8,704)	(113,519)	5,366,710	5,245,707	2,590,388	10,360,518	2,047,102	12,407,620
Changes in equity										
Profit for the period							721,927	721,927	(11,013)	710,914
Other comprehensive income (loss)		(6,983)	5,262	(107,176)	(1,816)	(110,713)		(110,713)	-	(110,713)
Comprehensive income								611,214	(11,013)	600,201
Dividends							(660,582)	(660,582)		(660,582)
Increase (decrease) through trans- fers and other changes	-	-	-	-	208,803	208,803	(858,176)	(649,373)	(172,354)	(821,727)
Total increase (decrease) in equity					206,987	98,090	(796,831)	(698,741)	(183,367)	(882,108)
Final balance as of 12/31/2014	2,524,423	(5,763)	(3,442)	(220,695)	5,573,697	5,343,797	1,793,557	9,661,777	1,863,735	11,525,512

The accompanying notes form 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 to English of the Consolidated Financial Statements originally issued in Spanish – see Note I.2)



# Notes to the consolidated financial statements

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

## I. GENERAL INFORMATION

### 1. Corporate information

Corporación Nacional del Cobre de Chile, Codelco (hereinafter referred to as "Codelco", "Codelco - Chile", or the "Corporation"), is the largest copper producer in the world. Its most important product is refined copper, primarily in the form of cathodes. The Corporation also produces copper concentrates, blister and anode copper and by-products such as molybdenum, anode slime and sulfuric acid. Codelco also manufactures wire rods in Germany, a semi-manufactured product that uses copper cathodes as raw material through an associated company (discussed in Note 8).

The Corporation trades its products based on a policy with the objective of selling refined copper to manufacturers or producers of semi-manufactured products.

These products contribute to diverse fields of community development, particularly those intended to improve areas such as public health, energy efficiency, and sustainable development, among others.

Codelco is registered under Securities Registry No. 785 of the Chilean Superintendency of Securities and Insurance (the "SVS") and is subject to the supervision of said SVS. According to Article 10 of Law No. 20.392 (on the new Corporate Governance of Codelco), such supervision will be on the same terms as publicly traded companies, notwithstanding the provisions in Decree Law (D.L.) No. 1.349 of 1976, which created the Comisión Chilena del Cobre ("Chilean Copper Commission").

Codelco's head office is located in Santiago, Chile, at 1270 Huérfanos, telephone number (56-2) 26903000.

Codelco Chile was formed as stipulated by D.L. No. 1.350 of 1976, which is the statutory decree of the Corporation. In accordance with the statutory decree, Codelco is a state-owned mining, industrial and commercial company, which is a separate legal entity with its own equity. Codelco Chile currently carries out its mining business

through its divisions Chuquicamata, Radomiro Tomic, Ministro Hales, Gabriela Mistral, Salvador, Andina, El Teniente and Ventanas. The Gabriela Mistral division is in charge of the ore deposit of the same name, whose operations were, until December 31, 2012, the responsibility of its subsidiary Minera Gaby SpA., a wholly owned subsidiary of the Corporation which was absorbed by Codelco on that date.

The Corporation also carries out similar activities in other mining deposits in association with third parties.

In accordance with letter e) of Article 10 of Law No. 20.392, Codelco is governed by its organic standards set forth in Decree Law No. 1.350 (D.L. No. 1.350) and that of its statutes, and in matters not covered by them and, insofar as they are compatible and do not go against the provisions of these rules, the rules that govern publicly traded companies and the common laws as applicable to them.

In accordance with D.L. No. 1.350 Section IV related to the Company's Exchange and Budget Regulations, Codelco's financial activities are conducted following a budgeting system that is composed of an Operations Budget, an Investment Budget and a Debt Amortization Budget.

The tax system applicable to Codelco's income is in accordance with Article 26 of D. L. No. 1.350, which refers to Decree Laws No. 824 on Income Tax of 1974 and Decree Law No. 2.398 (Article 2) of 1978, as applicable. The Corporation's income is also subject to a Specific Mining Tax in accordance with Law No. 20.026 of 2005.

The Corporation is subject to Law No. 13.196, which mandates the payment of a 10% tax over the foreign currency return on the actual sale revenue of copper production, including its by-products.

The subsidiaries whose financial statements are included in these consolidated financial statements correspond to companies located in Chile and abroad, which are detailed in Note II.d of Section II to the Summary of Significant Accounting Policies.

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

## 2. Basis of presentation of the consolidated financial statements

The Corporation's consolidated financial statements are presented in thousands of US dollars and were prepared based on the accounting records maintained by Codelco Chile and its subsidiaries, and have been prepared according to the instructions of the Superintendency of Securities and Insurance (SVS), which fully prescribe the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), except for the effects of higher deferred taxes – for the effects of which IFRS principles issued by the IASB have been applied in full; except for the effects of higher deferred taxes – following the tax reform according to Law N° 20.780 – registered in equity, according to the instructions of SVS in their circulated report No.856. of October 17, 2014 described in note 5: Deferred Taxes and Income Tax.

### Responsibility for the Information and Use of Estimates

The Board of Directors of the Corporation has been informed of the information included in these consolidated financial statements and expressly states its responsibility for the consistent and reliable nature of the information included in the consolidated financial statements as of December 31, 2015, for the effects of which SVS instructions have been applied, which fully prescribe the IFRS, issued by the IASB; except for the effects of higher deferred taxes – following the tax reform according to Law N° 20.780 – to be registered in equity, according to the instructions of the Superintendency of Securities and Insurance (SVS) in their circulated report No.856. The December 31 Consolidated Financial Statements were approved by the Board of Directors in a meeting on March 23, 2016

## Accounting Principles

These consolidated financial statements reflect the financial position of Codelco Chile and its subsidiaries as of December 31, 2015 and December 31, 2014, also, the results of their operations for the periods ended December 31, 2015 and 2014, the changes in net equity and cash flows for the periods ended December 31, 2015 and 2014, and their related notes, all of which have been prepared and presented in accordance with IAS 1 "Presentation of Financial Statements" which considers the respective regulations of the Chilean Superintendency of Securities and Insurance ("SVS"), which do not conflict with IFRS, except for the effects of higher deferred taxes – following the tax reform according to Law N° 20.780 – recorded in equity, as instructed by the Superintendency of Securities and Insurance (SVS) in their circulated report No.856 of October 17, 2014.

For the convenience of the reader, these consolidated financial statements and their accompanying notes have been translated from Spanish to English.

**The Corporation's  
consolidated financial  
statements are presented  
in thousands of US dollars  
and were prepared based  
on the accounting records  
maintained by Codelco Chile  
and its subsidiaries...**

## II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. Significant accounting judgments, estimates and assumptions

the preparation of these consolidated financial statements in accordance with the instructions of the Superintendency of Securities and Insurance (SVS), which fully prescribe the International Financial Reporting Standards issued by the IASB, except for the effects of higher deferred taxes – to tax reform according to Law N° 20.780 – registered in equity, according to the instruction of the Superintendency of Securities and Insurance (SVS) in their circulated report No. 856 requiring the use of certain critical accounting estimates and assumptions that affect the amounts of assets and liabilities recognized as of the date of financial statements and the amounts of income and expenses during the reporting period. It also requires the Corporation's Management to exercise its judgment in the process of applying the Corporation's accounting principles. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as follows:

#### a. Useful economic lives and residual values of property, plant and equipment

- The useful lives and residual values of property, plant and equipment assets that are used for calculating the depreciation are determined based on technical studies prepared by specialists (internal or external). When there are indicators that could lead to changes in the estimated useful lives of such assets, these changes are determined by using technical estimates considering specific factors related to the use of the assets.

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

#### b. Ore reserves - The measurements of ore reserves are based on estimates of the ore resources that are legally and economically exploitable, and reflect the technical considerations of the Corporation regarding the amount of resources that could be exploited and sold at prices exceeding the total cost associated with the extraction and processing.

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

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

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

#### c. Impairment of assets - The Corporation reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss with regard to the carrying amount. In the evaluation of impairment, the assets are grouped into cash generating units ("CGUs") to which the assets belong. The recoverable amount of these assets or CGUs is calculated as the present value of the cash flows expected to be derived from such assets, considering a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. If the recoverable amount of the assets is less than their carrying amount, an impairment loss exists. The Corporation defines the CGUs and also estimates the timing and cash flows that such CGUs should generate. Subsequent changes in the grouping of the CGU, or changes in the assumptions supporting the estimates of cash flows or the discount rate, could impact the carrying amounts of the corresponding assets.

Estimation of factors influencing the calculation of cash flows, such as the price of copper or treatment charges and refining charges, among others, are determined based on studies conducted by the Corporation, which are in turn supported by certain standards over time. Any changes to these criteria may impact the recoverable amount of the assets on which the Corporation is performing the impairment tests.

The Corporation has assessed and defined that the CGUs are constituted at the level of each of its current operating divisions.

The review for impairment includes subsidiaries, associates and joint arrangements.

**d. Provisions for decommissioning and site restoration costs** - The Corporation is obligated to incur decommissioning and site restoration costs when environmental disturbance is caused by the development or ongoing production of a mining property. Costs are estimated on the basis of a formal closure plan and are reassessed annually or as of the date such obligations become known.

For these purposes, a defined list of mine sites, installations and other equipment assigned to this process, considered at the engineering level profile, the cubing of assets that will be subject to removal and restoration, weighted by a structure of market prices of goods and services, reflecting the best knowledge at the time to carry out such activities, as well as techniques and more efficient construction procedures to date. In the process of valuation of the activities mentioned, the assumptions of the exchange rate for tradable goods and services must be made, and the discount rate applied to update the relevant cash flows over time, which reflects the time value of money and includes the risks associated with liabilities, which is determined based on the currency in which disbursements will be made.

The provision as of a reporting date represents management's best estimate of the present value of the future decommissioning and site restoration costs required. Changes to estimated future costs are recognized in the statement of financial position by either increasing or decreasing the rehabilitation liability and rehabilitation asset if the initial estimate was originally recognized as part of an asset measured in accordance with IAS 16 "Property, Plant and Equipment". Any

reduction in the decommissioning and site restoration liability and therefore any deduction from the decommissioning and site restoration asset may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning and site restoration liability and therefore an addition to the carrying value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36 "Impairment of Assets". If the revised asset net of decommissioning and site restoration provisions exceeds the recoverable value, that portion of the increase is charged directly to profit or loss statement. Any decommissioning and site restoration costs that arose as a result of the production phase of a mine should be expensed as incurred.

The costs arising from the installation of a plant or other site preparation projects are discounted at net present value, provided for and capitalized at the beginning of each project, as soon as the obligation to incur such costs arises. These decommissioning costs are charged to net income over the life of the mine, through depreciation of the asset. The depreciation is included in operating costs, while the unwinding of the discount in the provision is included in finance costs.

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

The Corporation uses assumptions to determine the best estimate for these benefits. Such estimates, as well as assumptions, are determined together with an external actuary. These assumptions include demographic assumptions, mortality and morbidity, discount rate and expected salary increases and rotation levels, among other factors. Although the Corporation believes that the assumptions used are appropriate, a change in these assumptions could affect net income.



**f. Accruals for open invoices** - The Corporation uses information on future copper prices, through which it recognizes adjustments to its revenues and trade receivables, due to the conditions of its provisional invoicing. These adjustments are updated on a monthly basis and the accounting principle on "Revenue recognition" is referred to in letter r) of the section 2 "Significant accounting policies" of the current document.

**g. Fair Value of Derivatives and Other Instruments** - Management may use its judgment to choose an adequate and proper valuation method for the instruments that are not quoted in an active market. The Corporation applies customary valuation techniques used by other professionals in the industry. In the case of derivative financial instruments, assumptions are based on the observable market inputs, adjusted in conformity with the specific features of the instruments.

**h. Lawsuits and contingencies** - The Corporation assesses the probability of lawsuits and contingency losses on an ongoing basis according to estimates performed by its legal advisors. For cases in which management and the Corporation's legal advisors believe that a favorable outcome will be obtained or when the results are uncertain and the lawsuits are still pending resolution, no provisions are recognized.

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

## 2. Significant accounting policies

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

- Statements of Financial Position as of December 31, 2015 and December 31, 2014.
- Statements of Comprehensive Income for the periods ending December 31, 2015 and 2014.
- Statements of Changes in Equity for the periods ending December 31, 2015 and 2014.
- Statements of Cash Flows for the periods ending December 31, 2015 and 2014

**b. Basis of preparation** - The consolidated financial statements of the Corporation for the period ended as of December 31, 2015 have been prepared in accordance with the instructions from the Superintendency of Securities and Insurance (SVS) which prescribe fully with the International Financial Reporting Standards (IFRS), as issued by the IASB, except for the effects of higher deferred taxes – following the tax reform according to Law No. 20.780 – recorded in equity, as instructed by the Superintendency of Securities and Insurance (SVS) in their circulated report No. 856 emitted on October 17, 2014.

The consolidated statement of financial position as of December 31, 2014, and the consolidated statements of comprehensive income, net equity and of cash flows for the period ended December 31, 2014, included for comparison purposes, have been prepared in conformity with IFRS, on a consistent basis with the criteria used by the Corporation for the period ended December 31, 2015.

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

**c. Functional Currency** - The functional currency of Codelco is the US dollar, which is the currency of the primary economic environment in which the Corporation operates and the currency in which it receives its revenues. Transactions other

than those in the Corporation’s functional currency are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at closing exchange rates. Gains and losses from foreign currency conversion are included in the period profit or loss within the line item “Foreign Exchange differences”.

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

The functional currency of subsidiaries, associates and joint ventures, likewise corresponds to the currency of the primary economic environment in which those entities operate and the currency in which they receive their revenues, as established in IAS 21 “The Effects of Changes in Foreign Exchange Rates”. However, regarding those subsidiaries and associates that correspond only to an extension of the operations of Codelco (entities that are not self-sufficient and whose main transactions are performed with Codelco), the functional currency is also the US dollar, as this is the functional currency of Codelco.

When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions under which each entity operates.

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

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

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

In the consolidation process, all significant balances and transactions between the consolidated companies have been fully eliminated, and the equity share of non-controlling interests has been recognized and presented as “Non-

**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)

controlling interests” The consolidated financial statements take into account the elimination of intercompany balances, transactions and unrealized profit and loss between the consolidated companies, including foreign and local subsidiaries. The companies incorporated in the consolidation are detailed as follows:

Taxpayer Number	Company	Country	Moneda Funcional	12-31-2015			12-31-2014
				Entity Share Percentage			Entity Share Percentage
				Direct	Indirect	Total	Total
Foreign	Chile Copper Limited	England	GBP	100.00	-	100.00	100.00
Foreign	CK Metall Agentur GmbH	Germany	EURO	-	-	-	100.00
Foreign	Codelco do Brasil Mineracao	Brazil	BRL	-	100.00	100.00	100.00
Foreign	Codelco Group Inc.	United States of America	USD	100.00	-	100.00	100.00
Foreign	Codelco International Limited	Bermuda	USD	100.00	-	100.00	100.00
Foreign	Codelco Kupferhandel GmbH	Germany	EURO	100.00	-	100.00	100.00
Foreign	Codelco Metals Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Codelco Services Limited	England	GBP	-	100.00	100.00	100.00
Foreign	Codelco Shanghai Company Limited	China	USD	100.00	-	100.00	100.00
Foreign	Codelco Technologies Ltd.	Bermuda	USD	-	100.00	100.00	100.00
Foreign	Codelco USA Inc.	United States of America	USD	-	100.00	100.00	100.00
Foreign	Ecometales Limited	Anglonormandars	USD	-	100.00	100.00	100.00
Foreign	Exploraciones Mineras Andinas Ecuador EMSAEC S.A.	Ecuador	USD	-	100.00	100.00	100.00
Foreign	Cobrex Prospeccao Mineral	Brazil	BRL	-	51.00	51.00	51.00
78.712.170-5	Compañía Minera Picacho (SCM)	Chile	USD	-	-	-	100.00
78.860.780-6	Compañía Contractual Minera los Andes	Chile	USD	99.97	0.03	100.00	100.00
79.566.720-2	Isapre Chuquicamata Ltda.	Chile	CLP	98.30	1.70	100.00	100.00
81.767.200-0	Asociación Garantizadora de Pensiones	Chile	CLP	96.69	-	96.69	96.69
88.497.100-4	Clinica San Lorenzo Limitada	Chile	CLP	99.90	0.10	100.00	100.00
76.521.250-2	San Lorenzo Institución de Salud Previsional Ltda.	Chile	CLP	-	100.00	100.00	99.90
89.441.300-K	Isapre Río Blanco Ltda.	Chile	CLP	99.99	0.01	100.00	100.00
96.817.780-K	Ejecutora Hospital del Cobre Calama S.A.	Chile	USD	99.99	0.01	100.00	100.00
96.819.040-7	Complejo Portuario Mejillones S.A.	Chile	USD	99.99	0.01	100.00	100.00
96.854.500-0	Instituto de Innovación en Minería y Metalurgia S.A.	Chile	USD	99.93	0.07	100.00	100.00
96.876.140-4	Santiago de Río Grande S.A.	Chile	USD	99.99	0.01	100.00	100.00
76.024.442-2	Ecosea Farming S.A.	Chile	USD	-	91.32	91.32	85.03
96.991.180-9	Biosigma S.A.	Chile	USD	66.67	-	66.67	66.67
99.569.520-0	Exploraciones Mineras Andinas S.A.	Chile	USD	99.90	0.10	100.00	100.00
99.573.600-4	Clinica Río Blanco S.A.	Chile	CLP	99.00	1.00	100.00	100.00
76.064.682-2	Centro de Especialidades Médicas Río Blanco Ltda.	Chile	CLP	99.00	1.00	100.00	100.00
77.773.260-9	Inversiones Copperfield SpA (Ex-Sociedad de Inversiones Copperfield Ltda.)	Chile	USD	99.99	0.01	100.00	100.00
76.883.610-8	Energía Minera S.A.	Chile	USD	99.00	1.00	100.00	100.00
76.043.396-9	Innovaciones en Cobre S.A	Chile	USD	0.05	99.95	100.00	100.00
76.148.338-2	Sociedad de Procesamiento de Molibdeno Ltda.	Chile	USD	99.90	0.10	100.00	100.00
76.167.903-1	Inversiones Mineras Acrux SpA.	Chile	USD	-	67.80	67.80	67.80
76.173.357-5	Inversiones Gacrux SpA.	Chile	USD	100.00	-	100.00	100.00
76.231.838-5	Inversiones Mineras Nueva Acrux SpA	Chile	USD	-	67.80	67.80	67.80
76.237.866-3	Inversiones Mineras Los Leones SpA	Chile	USD	100.00	-	100.00	100.00
76.173.783-K	Inversiones Mineras Becrux SpA	Chile	USD	-	67.80	67.80	67.80
76.124.156-7	Centro de Especialidades Médicas San Lorenzo Ltda.	Chile	USD	-	100.00	100.00	100.00
76.255.061-K	Central Eléctrica Luz Minera SpA	Chile	USD	100.00	-	100.00	100.00
70.905.700-6	Fusat	Chile	CLP	-	-	-	-
76.334.370-7	Inst. de Salud Previsional Fusat. Ltda.	Chile	CLP	-	99.70	99.70	99.70
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

For the purposes of these consolidated financial statements, subsidiaries, associates, acquisitions and disposals and joint ventures are defined as follows:

- **Subsidiaries:** A subsidiary is an entity over which the Corporation has power to govern its operating and financial policies in order to obtain benefits from its activities under the rules of IFRS 10. The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of Codelco and its subsidiaries, after eliminating all inter-company balances and transactions. For partially owned subsidiaries, the net assets and net earnings attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated statements of financial position and consolidated statement of income.

- **Associates:** An associate is an entity over which Codelco is in the position to exercise significant influence, but not to control or jointly control, through the power to participate in the financial and operating policy decisions of that entity.

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

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

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

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

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

- **Joint Ventures:** The entities that qualify as joint ventures, in which joint control exists over the operating and financial decisions, are accounted for using the equity method.

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

At the reporting period-end, monetary assets and liabilities denominated in currency other than the functional currency, indexed in unidades de fomento (UF or inflation index-linked units of account) (12/31/2015: US\$36,09; 12/31/2014: US\$40.63), are expressed in U.S. dollars at the closing exchange rates of each period.

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

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

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

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

The exchange rates used in each period are as follows:

Relation	Exchange rates	
	12-31-2015	12-31-2014
USD / CLP	0.00141	0.00165
USD / GBP	1.48280	1.55618
USD / BRL	0.25109	0.37622
USD / EURO	1.09075	1.21640

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

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

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

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

**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)

Furthermore, investments in assets acquired under finance lease contracts are not legally owned by the Corporation until the corresponding purchase option is exercised.

Starting fiscal year 2014, the assets included in property, plant and equipment related to the production process are depreciated, as a general rule, using the units of production method. Other assets are depreciated using the straight-line method.

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

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

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

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

Additionally, depreciation criteria and the estimated useful lives of the various assets, especially plants, facilities and infrastructure are likely to be revised at the beginning of each year and according to changes in the structure of reserves of the corporation and productive long-term plans that are updated as of that date.

This review can happen at any time if the conditions of ore reserves change significantly as a result of new information, confirmed and officially recognized by the Corporation.

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

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

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

Without prejudice to the foregoing, reserves and resources acquired as part of acquisitions of shares in companies where the economic value of such properties differs from the carrying amount are recorded at fair value less any accumulated losses for impairment, and deducting the value associated with the use and/or consumption of such reserves.

Borrowing costs that are directly attributable to the acquisition or construction of assets that require a substantial period of time before they are ready for use or sale will be considered as part of the cost of property, plant and equipment.

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

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

The main intangible assets are described as follows:

**Expenses for Research and Technological Development and Innovation**

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

Research expenses for technology projects and innovation are recognized in profit or loss of the period in which were incurred.

**i. Impairment of property, plant and equipment and intangible assets** - Property, plant and equipment and intangible assets with finite useful life are reviewed for impairment, in order to verify whether there is any indication that the carrying value cannot be recovered. If such an indicator exists, the recoverable amount of the assets is estimated to determine the extent of the impairment loss.

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

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

For such purposes, each division of the Corporation has been defined as a cash generating unit.

The measurement of impairment includes subsidiaries and associates.

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

If the recoverable value of an asset or cash generating unit is estimated to be less than its carrying amount, an impairment loss is immediately recognized, reducing the carrying amount up to its recoverable amount with a charge to net income. In case of a subsequent reversal of the impairment, the carrying amount increases

to the reviewed estimate of the recoverable amount, but only to the point that it does not exceed the carrying amount that would have been determined if no impairment had been recognized previously. A reversal is recognized as a decrease in the charge for depreciation for the year.

For CGU, future cash flow estimates are based on the estimates of future production levels, future prices of basic products and future production costs. IAS 36 "Impairment of Assets" includes a series of restrictions to the future cash flows that can be recognized regarding the restructurings and future improvements related to expenses. When calculating the value in use, it is also necessary to base the calculations on the current exchange rates at the moment of the measurement.

**j. Exploration, mine development and mining operations costs and expenses -**

The Corporation has defined an accounting criterion for each of these costs and expenses.

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

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

Pre-operating and mine development expenses (PP&E) incurred during the execution of a project and until its start-up are capitalized and amortized in relation to the future production of the mine. These costs include extraction of waste material, constructing the mine's infrastructure and other works carried out prior to the production phase.

Finally, the costs for the delimitation of new areas or deposit areas in exploitation and of mining operations (PP&E) are recorded in property, plant and equipment and are charged to net income during the period in which the benefits are obtained.

**k. Deferred stripping** - Costs that arise by removing mine waste materials (overburden) to gain access to mineral ore deposits in open pits that are in production, incurred in order to access mineral deposits that are in production, or incurred in order to access mineral deposits are recognized in property, plant and equipment, provided they meet the following criteria set out in International Financial Reporting Interpretations the Committee ("IFRIC") 20 "Stripping Costs in the Production Phase of a Surface Mine":

- It is probable that the future economic benefits associated with the stripping activity will flow to the entity.
- It is possible to identify the component of an ore body for which access has been improved as a result of the stripping activity.
- The costs relating to the improved access to that component can be measured reliably.

The amounts recognized in property, plant and equipment are depreciated according to units of production method extracted from the ore body related to the stripping activity which generated this amount.

**l. Income taxes and deferred taxes** - Codelco and its Chilean subsidiaries record Income Tax based on the net taxable income determined as per the standards established in the Income Tax Law and Article 2 of the D.L. 2.398, as well as the specific tax on mining referred to in Law 20.026 of 2005. Its foreign subsidiaries record income tax according to the taxation standards of each country.

Deferred taxes due to temporary differences and other events that generate difference between the accounting and tax bases for assets and liabilities are recorded in accordance with the standards established in IAS 12 "Income taxes".

In accordance with the established in the circulated report No. 856 of the SVS, emitted on October 17, 2014, the variations in the deferred tax assets and deferred tax liabilities which arise from the progressive increase in the tax rate on the first category income, introduced with the Law No 20.780, issued on September 29, 2014 and which affect Codelco, were exceptionally registered in the equity of the retained earnings item.



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

The tax reform, established by the Law No 20.780, implied a change in the rates for the determination of the income tax modified the income tax rate, which in effect will have has a prospective impact in the on the Company's consolidated financial statements. The details of the effects due to the tax reform are described in note 5 of deferred taxes and income tax.

**m. Inventory** - Inventory is stated at cost, which does not exceed its net realizable value. The net realizable value represents the estimated sales price less all finishing costs and marketing, sales and distribution expenses. Costs have been determined according to the following methods:

- **Finished products and products in process:** This inventory is stated at average production cost, according to the absorption costing method, including labor and the depreciation of property, plant and equipment, the amortization of intangible assets and the indirect expenses of each period. The inventories of work in process are classified in Current and non-current inventories, according to the normal cycle of the operation.
- **Materials in warehouse:** This inventory is stated at acquisition cost, and the Corporation determines an allowance for obsolescence considering the permanence in stock of slow moving materials in the warehouse.
- **Materials in transit:** This inventory is stated at cost incurred until the period-end date. Any difference, due to the estimate of a lower net realizable value of the inventory, in relation to its accounting value, is adjusted with a charge to net income.

**n. Dividends** - The payment obligation of net revenues presented in the financial statements, as determined in Article 6 of D.L. 1.350, is recognized based on the accrued payment obligation.

**o. Employee benefits** - Codelco recognizes accruals for employee benefits when there is a current obligation as a result of the services provided.

The contract conditions stipulate, subject to compliance with certain conditions, the payment of an employee termination benefit when an employment contract ends. In general, this corresponds to one monthly salary per year of service and considers the components of the final remunerations which are contractually defined as the basis for the indemnity. This benefit has been defined as a long-term benefit.

Codelco has also agreed to post-employment medical care for certain employees, which are paid based on a fixed percentage of the monthly tax base of the employees covered by this agreement. This benefit has been defined as a post-employment medical care benefit.

The employee termination benefit obligation and the post-employment medical plans are calculated in accordance with valuations performed by an independent actuary, using the projected unit credit method, which are updated on a regular basis. The obligation recognized in the statement of financial position represents the net present value of the employee termination benefit obligation and the post-employment medical benefit. Actuarial gains and losses are recognized immediately in the statement of other comprehensive income.

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

In accordance with its operating optimization programs to reduce costs and increase labor productivity by incorporating new current technologies and/or practical management best practices, the Corporation has established employee retirement programs by means of related addenda to employee contracts or collective union agreements with benefits that encourage employees to retire. Accordingly, the required accruals are established based on the accrued obligation at current value. In case of employee retirement programs which involve multiyear periods, the provisioned obligations for these concepts are updated considering a discount rate determined by financial instruments for the same currency used to pay the obligations and similar maturities.

**p. Provisions for dismantling and restoration costs** - A legal or constructive obligation occurs when dismantling and restoration costs are incurred as a result of alterations caused by a mining activity (in development or in production). Costs are estimated on the basis of a formal closure plan and are subject to yearly reviews.

The costs arising from the obligation to dismantle the installation of a plant or other project for the preparation of the site, discounted at their net present value, are accrued and capitalized at the beginning of each project, at which time the obligation to incur such costs is arises.

These dismantling costs are recorded in income via the depreciation of the asset that gave rise to this cost, and the provision is used when the dismantling takes place. Subsequent changes in the estimates of liabilities related to dismantling are added to or deducted from the costs of the related assets in the period in which the adjustment is made.

The restoration costs are accrued at their net present value against operating income, and the provision is used in the period during which the restoration works are performed. Changes in measurement of the liability related to the location of the mining activity (discount rate or time) are recorded in operating income and depreciated based on the useful lives of assets which give rise to these changes.

The effects of updating the liability, due to the discount rate and/or time, are recorded as finance costs.

**q. Leases** - (Codelco as a lessee) Leases are classified as finance leases when the terms of the lease transfer all risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease costs under operating leases are charged to income over the lease term. Assets acquired under finance leases are recognized as assets at the start of the lease at either the fair value or the present value of minimum lease payments for the discounted lease at the contracted interest rate, whichever is lower. Interest is charged in the finance

costs, at a fixed periodic rate, in the same depreciation period of the asset. The lease obligations net of financing costs are included in other current or non-current liabilities, as appropriate.

Under the provisions of IFRIC 4 titled "Determining whether an Arrangement Contains a Lease", an arrangement is, or contains a lease at the start date, if it uses a specific asset or assets or if it grants the right to use the asset, even if that right is not explicitly specified. For agreements occurring before January 1, 2005, the start date is considered as January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

All "take-or-pay" contracts and any other service and supply contracts that meet the conditions established in IFRIC 4, are reviewed for indicators of an embedded leasing.

**r. Revenue recognition** - Revenue is recorded when ownership rights and obligations have been substantially transferred to the purchaser, according to the shipment or dispatch of the products, in conformity with the agreed upon conditions and are subject to variations related to the content and/or sales price at their liquidation date. Notwithstanding the foregoing, there are certain contracts for which the rights and obligations are substantially transferred based on receipt of the product at the buyer's destination point, and for these contracts revenue is recorded at the moment of transfer.

Sales contracts include a provisional price at the shipment date, whose final price is generally based on the price recorded in the London Metals Exchange ("LME"). In the majority of cases, the recognition of sales revenue for copper and other commodities is based on the estimates of the future spread of metal price on the LME and/or the spot price at the date of shipment, with a subsequent adjustment made upon final determination and presented as part of "Revenue". The terms of sales contracts with third parties contain provisional pricing arrangements whereby the selling price for metal in concentrate is based on prevailing spot



prices on a specified future date after shipment to the customer (the "quotation period"). As such the final price will be fixed on the dates indicated in the contracts. Adjustments to the sales price occurs based on movements in quoted market prices on the LME up to the date of final settlement. The period between provisional invoicing and final settlement can be between one and nine months. Changes in fair value over the quotation period and up until final settlement are estimated by reference to forward market prices for the applicable metals.

Sales in the national market are recorded in conformity with the regulations that govern domestic sales as indicated in Articles 7, 8 and 9 of Law No. 16.624, modified by Article 15 of Decree Law No. 1.349 of 1976, on the determination of the sales price for the internal market.

As indicated in the note related to hedging policies in the market of metal derivatives, the Corporation enters into operations in the market of metal derivatives. The net results of these contracts are added to or discounted from revenues.

Additionally the Corporation recognizes revenue for providing services, mainly related to the processing of minerals bought from third parties. Revenue is recognized when the amounts can be measured reliably and when the services have been provided.

**s. Derivative contracts** - Codelco uses derivative financial instruments to reduce the risk of fluctuations in the sales prices of its products and of exchange rates.

Derivatives are initially recognized at fair value at the date on which the derivative is entered into and subsequently updated at fair value at each reporting date.

The effective part of the changes in fair value of the derivatives that are allocated as "effective cash flow hedges", is recognized directly in equity, net of taxes, in the item "Cash flow hedge reserves", while the ineffective part is recorded in the statements of comprehensive income on lines "Finance expenses" or "Finance income" depending on the effect generated by the ineffectiveness. The amount recognized in net equity is not transferred to other comprehensive income account until the results of the hedged operations are recorded in the statements of comprehensive income or until the maturity date of such operations.

A hedge is considered highly effective when the changes in fair value or in the cash flows of the underlying item attributable to the hedged risk, are offset with the changes in the fair value or in the cash flows of the hedge instruments, with effectiveness between ranges of 80% - 125%. The corresponding unrealized profit or loss is recognized in comprehensive income for the period, only in those cases in which the contracts are liquidated or when they no longer comply with hedging characteristics.

The total fair value of the hedge derivatives is classified as a non-current asset or liability, if the remaining maturity of the hedged item is greater than 12 months, and as a current asset or liability, if the remaining maturity of the hedged item is lower than 12 months.

All derivatives designated as hedge instruments are classified as current or non-current assets or liabilities, respectively, depending on the maturity date of the derivative.

The derivative contracts entered into by the Corporation are originated by the application of the risk hedge policies indicated below, and are recorded as indicated for each case:

- **Hedging policies for exchange rates:** From time to time, the Corporation enters into exchange rate and interest rate hedge transactions to cover exchange rate variations between the US dollar and the other currencies its transactions are conducted in. Pursuant to the policies established by the Board of Directors these operations are only performed when there are recognized assets or liabilities, the forecast of highly probable transactions or firm commitments, and not for investment or speculative reasons.

The results of foreign exchange insurance operations are recorded at the maturity or liquidation date of the respective contracts.

- **Hedging policies in the market of metal derivatives:** In accordance with the policies approved by the Board of Directors, the Corporation entered into contracts in order to hedge future metal prices, backed by physical production, in order to minimize the inherent risks in price fluctuations.

The hedging policies seek to protect expected cash flows from the sale of products by fixing the prices for a portion of future production, while to the extent necessary adjusting physical contracts to its standard commercial policies. When the sales agreements are fulfilled and the derivative contracts are settled, income from sales and derivative operations is offset.

At each reporting date, these derivative contracts are recorded and adjusted to marked-to-market and recorded at the settlement date of the hedging operations, as a part of the sales revenue of the products.

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

- **Embedded derivative:** The Corporation has established a procedure that allows for evaluation of the existence of embedded derivatives in financial and non-financial contracts. Where there is an embedded derivative, and if the host contract is not recorded at fair value, the procedure determines whether the characteristics and risks of the embedded derivative are not closely related to the host contract, in which case it is required to be recorded separately.

The procedure consists of an initial characterization of each contract that allows for distinguishing among those in which an embedded derivative could exist. In that case, the contract is submitted to a more in-depth analysis. If as a result of this evaluation it is determined that the contract has an embedded derivative that needs to be recorded separately, it is valued and the movements in its fair value are recorded in comprehensive income in the consolidated financial statements.

- t. Financial information by segment** - For the purposes of IFRS 8, Operating Segments, the segments are defined as Codelco's Divisions. The mining deposits in operation, where the Corporation conducts its production processes in the extractive and processing area, are managed by its divisions Chuquicamata, Radomiro Tomic, Minister Hales, Gabriela Mistral, Salvador, Andina and El Teniente.

To these divisions is added Ventanas, which operates only in the smelting and refining area. These divisions have a separate operational management, which report to the Executive Presidency, through the Vice Presidents of Operations North and South Central, respectively. Income and expenses of the Head Office are distributed in the defined segments.

- u. Presentation of Financial Statements** - For the purposes of IAS 1 "Presentation of the Financial Statements", the Corporation establishes the presentation of its statement of financial position classified in "current and non-current" and of its statements of income in conformity with the "by function" method and its cash flows using the direct method.

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

- v. Current and non-current financial assets** - The Corporation determines the classification of its investments upon initial recognition and reviews these at each closing date. This classification depends on the purpose for which such investments were acquired.

In this section the following categories are observed:

- **Financial assets at fair value through profit or loss:** This category includes those financial assets acquired for trading or sale in the short term. Their initial and subsequent recognition is performed at fair value, which is obtained as of the observable date in the market. The gains and losses from variations in fair value are included in net income for the period.

- **Loans granted and accounts receivable:** These correspond to financial assets with fixed or determined payments, and which are not quoted in an active market. Their initial recognition is at fair value, which includes the transaction costs that are directly attributed to the issuance of it. Subsequent to the initial recognition, these are stated at amortized cost, recognizing in the statements of comprehensive income the accrued interest according to the effective interest rate and the possible losses in value of these assets.

A loss in value of the financial assets stated at amortized cost is caused when there is objective evidence that the Corporation will not be able to recover all amounts in accordance with the original terms.

The amount of loss in value is the difference between the carrying amount and the net present value of the future cash flows discounted at the effective interest rate, and it is recognized as an expense in the statements of comprehensive income.

If in subsequent periods there is evidence of a recovery in the value of the financial asset stated at amortized cost, the recognized impairment loss will be reversed as long as it does not generate an amount in the financial asset ledgers that exceeds the one recorded prior to the loss. The accounting of the reversal is recognized in net income for the period.

Finally, an account receivable is not considered recoverable when situations arise such as the dissolution of the company, lack of identifiable assets for its execution or a legal pronouncement.

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

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or when appropriate, a shorter period when the associated liability has a prepayment option that is considered to be exercised.

Trade accounts payable and other payables are financial liabilities that do not explicitly accrue interest and are recorded at their nominal value.

The financial liabilities are derecognized when the liabilities are paid or expire.

- x. **Estimation of doubtful accounts** - The Corporation records an estimate of doubtful accounts after 6 months have passed pre-judicial notification, initiating a judicial collection. Write-off of uncollected receivables will be recorded once the Corporation have exhausted all means of collection and in the following cases:

- a. debtor is declared bankrupt,
- b. absence of debtor's goods and/or
- c. the cost of the demand is higher than the amount of debt

Renegotiations are assessed based on the experience and the background of the debtor.

- y. **Cash and cash equivalents and Statement of Cash Flows prepared by direct method** - Cash equivalents are comprised of highly liquid investments, which have a limited risk in relation to possible changes in value, and maturities of which are less than 90 days from date of purchase.

For the purposes of preparing the statement of cash flows, the Corporation has defined the following:

Cash and cash equivalents in the statement of financial position include cash at banks and on hand, and short term deposits and other highly liquid short term investments with an original maturity of three months or less. In the statement of financial position, bank overdrafts are classified as external resources in current liabilities.

- **Operating activities:** These are the activities that constitute the main source of operating income for the Corporation, as well as other activities that cannot be classified as investment or financing activities.
  - **Investing activities:** These correspond to acquisition or sale activities or disposal through other methods of long-term assets and other investments not included in cash and cash equivalents.
  - **Financing activities:** These are activities that cause changes in the size and composition of net equity and of financial liabilities.
- z. Law No. 13.196** – According to Law No. 13.196, the return on foreign currency of Codelco’s copper export sales based on the actual sales revenue, including byproducts, is taxed at 10%. The amount for this concept is presented in the statement of income in the item other expenses, by function.
- aa. Cost of sales** - Cost of sales is determined according to the absorption cost method, including the direct and indirect costs, depreciation, amortization and any other expenses associated with the production process.
- ab. Environment** - The Corporation adheres to the principles of sustainable development, which foster the economic development while safekeeping the environment and the health and safety of its collaborators. The Corporation recognizes that these principles are key for the well-being of its collaborators, care for the environment and success in its operations.
- ac. Classification of current and non-current balances** - In the consolidated statement of financial position, the balances are classified according to their maturities, that is, as current for those with a maturity equal to or less than twelve months and as non-current for those with a greater maturity. Where there are obligations whose maturity is less than twelve months, but whose long-term refinancing is insured upon a decision by the Corporation, through credit agreements available unconditionally with long-term maturity, these could be classified as non-current liabilities.

### 3. New standards and interpretations adopted by the Corporation

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Corporation for the year ended December 31, 2014.

### 4. New accounting pronouncements

As of the issuance date of these consolidated financial statements, the following IFRS and IFRIC interpretations have been issued by the IASB. Their application was not mandatory:

New IFRS	Date of mandatory application	Summary
IFRS 9 - Financial Instruments	Annual periods beginning on or after January 1, 2018	Financial assets must be entirely classified on the basis of the business model of the entity for financial asset management and the characteristics of contractual cash flows of financial assets. Financial assets under this standard are measured either at amortized cost or fair value. Only financial assets classified as measured at amortized cost must be tested for impairment.
IFRS 14 - Deferred Regulatory Accounts	Annual periods beginning on or after January 1, 2016	Standard for the comparability of financial information from entities that are involved in activities with regulated prices. Entities and IFRS financial statements presented should not implement this standard.
IFRS 15 - Revenue From Contracts with Clients	Annual periods beginning on or after January 1, 2018	Provides a new model for revenue recognition, which stresses the concept of the transfer to the customer "control" of assets sold instead of the concept of transferring "risk" alluded to in IAS 18. In addition it requires more detail in disclosures and refers to more detailed sales contracts with multiple elements.

New IFRS	Date of mandatory application	Summary
IAS 16 – Property, Plant and Equipment IAS 38 – Intangible Assets IFRIC 12 – Agreements of Service Concessions	Annual periods beginning on or after January 1, 2016	Indicates that it is not appropriate to use methods of depreciation of an asset based on income, because such methods generally reflect factors other than consumption of the economic benefits embodied in the asset.
IAS 16 – Property, Plant and Equipment IAS 41 – Agriculture	Annual periods beginning on or after January 1, 2016	Instructs on the implementation of IAS 16 criteria for biological assets considered plants to produce fruit.
IFRS 11 – Joint Agreements	Annual periods beginning on or before January 1, 2016	Refers to the acquisition of an interest in a joint operation that constitutes a business, noting that the purchasers must apply all the principles of accounting for business combinations of IFRS 3 Business Combinations and other rules that are not in conflict with guidelines IFRS 11 Joint Arrangements.
IAS 27 - Separate Financial Statements	Annual periods beginning on or after January 1, 2016	Permits the use of the equity method for recognizing investments in affiliates, joint ventures and associates in separate financial statements
IFRS 10 – Consolidated Financial Statements IAS 28 – Investments in Associates with Joint Ventures	Date to be determined by IASB.	Recognizes the profits or losses of sales of assets between an investor and an associate or a joint venture, which are recognized for the total when the transaction involves assets, which constitute business, will be partial (even if the assets are located in a subsidiary)
IAS 1 – Presentation of Financial Statements	Annual periods beginning on or after January 1, 2016	Allows the exercise professional judgment in applying certain topics on presentation and disclosure
IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosure of Interests in Other Entities IAS 28 – Investments in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2016	Changes the accounting treatment of investment institutions.

IAS, International Accounting Standard, IFRS, International Financial Reporting Standard, IFRIC, International Financial Reporting Interpretations Committee.

Management believes that these standards, amendments and interpretations described above, shall be adopted in the consolidated financial statements of the Corporation in the respective years indicated. Codelco is still evaluating the impact that could be generated from such rules and changes, anticipating that they will not have significant impacts.

III. EXPLANATORY NOTES

1. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

Items	12-31-2015 MU\$	12-31-2014 MU\$
Cash on hand	4,132	4,400
Bank balances	682,348	142,166
Time deposits	1,047,641	1,159,852
Resale agreements	13,597	4,198
Total Cash and cash equivalents	1,747,718	1,310,616

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

The Corporation does not maintain any significant amounts of cash and cash equivalents that are not available for use

2. Trade and other receivables

a. Accrual for open sales invoices

As mentioned in the Article of Summary of Significant Accounting Policies, the Corporation adjusts its revenues and balances from trade accounts receivable, based on future copper prices, by recording an accrual for open sales invoices.

When the future price of copper is lower than the provisional invoice amount, this provision is presented in the Statement of Financial Position as follows:

- Customers that have debt balances with the Corporation are presented in “Current Assets”, decreasing the amounts owed by these customers.
- Customers that do not have debt balances with the Corporation are presented in the item “Trade and other payables under Current Liabilities”.

When the future copper price is higher than the provisional invoice price, the provision is presented in current assets, increasing the amounts owed by customers.

Based on the above-mentioned, trade receivables as of December 31, 2015 and of December 31, 2014 include a negative accrual of ThUS\$66,977 and ThUS\$60,330, respectively, related to the accrual of open invoices.

**b. Trade and other receivables**

The following chart shows the amounts of Trade and other receivables, with their corresponding allowances:

Items	Current		Non-current	
	12-31-2015 MU\$	12-31-2014 MU\$	12-31-2015 MU\$	12-31-2014 MU\$
Trade receivables (1)	1,200,388	1,598,528	850	1,391
Allowance for doubtful accounts (3)	(2,470)	(2,218)	-	-
Subtotal trade receivables, net	1,197,918	1,596,310	850	1,391
Other receivables (2)	684,976	586,778	84,219	123,284
Allowance for doubtful accounts (3)	(6,031)	(5,306)	-	-
Subtotal other receivables, net	678,945	581,472	84,219	123,284
<b>Total</b>	<b>1,876,863</b>	<b>2,177,782</b>	<b>85,069</b>	<b>124,675</b>

- (1) Trade receivables are generated by sales of the Corporation, which are generally sold for cash or by bank guarantee.
- (2) Other receivables include the amounts owed mainly by:

**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)

- Personnel of the Corporation, including short-term loans and mortgage loans, payment for which is withheld on a monthly basis from employee paychecks. The mortgage loans are backed by mortgage guarantees.
- Claims from insurance companies.
- Liquidations to the Central Bank as per Law 13.196.
- Advance payments to suppliers and contractors, to be discounted from the corresponding payment statements.
- Accounts receivable for toll services (Ventanas’ Smelter).
- Tax credit exporter VAT remains susceptible to refund and other taxes receivable in the amount of ThUS\$137,653 and ThUS\$186,032 at December 31, 2015 and December 31, 2014, respectively.

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

The movement of the allowance for doubtful accounts in the twelve month period ended December 31, 2015 and 2014 was as follows:

Items	12-31-2015 MU\$	12-31-2014 MU\$
Opening balance	7,524	7,697
Increases	1,464	854
Write-offs/applications	(487)	(1,027)
Movement, subtotal	977	(173)
<b>Final balance</b>	<b>8,501</b>	<b>7,524</b>

Past due and not impaired balances are detailed as follows:

Maturity	12-31-2015 MUSS	12-31-2014 MUSS
Less than 90 days	29,780	23,633
Between 90 days and 1 year	20,958	6,722
More than 1 year	9,150	5,861
Total past-due and not impaired	59,888	36,216

3. Balance and related party disclosures

a. Operations related to third parties

According to the New Corporate Governance Law, Codelco’s Board Members were affected in business with related parties, as described in Title XVI of the Corporations law (regarding transactions with related parties in publically traded companies and their affiliates).

Notwithstanding the foregoing, pursuant to the provisions of the final paragraph of Article 147 b) of Title XVI, which contains emergency regulations regarding the approval process for related party transactions, the Corporation established a general policy of regularity (reported to the Superintendency of Securities and Insurance as material fact), which establishes common transactions ordinarily made with its related parties within their line of business, contributes to their social interest and are necessary for Codelco’s normal developmental activities.

In addition, consistent with the legal framework, the Corporation maintains within its internal framework a specific policy about transactions with persons and companies related to Codelco personnel. Codelco Corporate Standard No. 18 (NCC No. 18), whose latest version currently in effect was approved by the Executive President and the Board.

Codelco, without the authorization indicated in NCC No. 18 and of the Board of Directors, when required by Law or the Corporate Statute, shall not enter into contracts involving one or more Directors, Executive President, members of the Committee of Managing Directors, Vice President, Legal Counsel, General Auditor, General Manager, Senior Management or staff who must make recommendations and/or has the authority to resolve tenders, purchases and assignments and/or purchases of goods and services and the staff that holds management positions (until the fourth hierarchical level in the organization), including their spouses, children and other relatives up to the 2nd degree of relation, with an interest in itself, directly, or represented by third parties or on behalf of another person. The NCC No. 18 obligates the Corporation’s contract to declare all such relationships, as well as remove related job responsibilities from any member within these positions who may be involved.

This prohibition also includes the companies in which such individuals are involved through ownership or management, whether directly or through representation of other natural persons or legal entities, or individuals who have ownership or management interests in those companies.

The Board of Directors has been informed of the transactions covered by Codelco Corporate Standard No. 18, and upon which it must decide, according to this standard.

Among these operations are those indicated in the following chart, for the total amounts indicated, which need to be executed in the periods specified by each contract:



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)

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	12-31-2015	01-01-2014
					12-31-2015 Amount ThUS\$	12-31-2014 Amount ThUS\$
Ecometales Limited agencia en Chile.	59.087.530-9	Chile	Affiliate	Services	20	39,644
Fundación Orquesta Sinfónica Infantil de los Andes.	65.018.784-9	Chile	Founder	Services	561	563
Centro de Capacitación y Recreación Radomiro Tomic.	75.985.550-7	Chile	Other relations	Services	137	918
Codelco Shanghai Company Limited.	Foreign	China	Affiliate	Services	-	1,610
Centro de Especialidades Médicas Río Blanco Ltda.	76.064.682-2	Chile	Affiliate	Services	-	6,985
Sociedad de Procesamiento de Molibdeno Ltda.	76.148.338-2	Chile	Affiliate	Sales and purchases of goods	700,000	-
Kairos Mining S.A.	76.781.030-K	Chile	Other relations	Services	14,800	-
Biosigma S.A.	96.991.180-9	Chile	Affiliate	Services	15,296	-
Prestaciones de Servicios de la Salud Intersalud Ltda.	77.270.020-2	Chile	Affiliate	Services	-	21
Cosando Construcción y Montaje Ltda.	77.755.770-K	Chile	Employee's relative	Services	2,069	2,182
Hatch Ingenieros y Consultores Ltda.	78.784.480-4	Chile	Employee's relative	Services	41,007	12,180
Empresa Nacional de Telecomunicaciones S.A.	92.580.000-7	Chile	Director's family	Services	-	2,890
CIS Ingenieros Asociados S.A.	88.422.600-7	Chile	Director's ownership	Services	-	18
CIS Asociados Consultores en Transporte S.A.	78.306.360-3	Chile	Director's ownership	Services	-	25
Institución de Salud Previsional Río Blanco Ltda.	89.441.300-K	Chile	Affiliate	Services	44,795	-
Salomón Sack S.A.	90.970.000-0	Chile	Board Member	Supplies	-	1,440
Sociedad Contractual Minera El Abra.	96.701.340-4	Chile	Associate	Supplies	1,188	210
Instituto de Innovación en Minería y Metalúrgica S.A.	96.854.500-0	Chile	Affiliate	Services	48,000	-
S y S Ingenieros Consultores Ltda.	84.146.100-2	Chile	Employee's relative	Services	-	35
Finning Chile S.A.	91.489.000-4	Chile	Employee's relative	Supplies	88,047	53,795
Exploraciones Mineras Andinas S.A.	99.569.520-0	Chile	Affiliate	Services	170,000	-
Complejo Portuario Mejillones S.A.	96.819.040-7	Chile	Affiliate	Services	6,000	13,785
Fundación Educacional el Salvador	73.435.300-0	Chile	Founder	Services	32	46
Asesorías y Consultorías Domingo Jeréz EIRL	76.312.085-6	Chile	Employee's relative	Services	-	220
Miji Asesorías y Consultorías EIRL	76.219.287-K	Chile	Employee's relative	Services	-	108
Fundación Sewell	65.493.830-K	Chile	Founder	Services	-	39
Femont y cia. Ltda.	77.395.540-9	Chile	Employee's relative	Supplies	725	66
Arcadis Chile S.A.	89.371.200-3	Chile	Employee's relative	Services	1,441	482
Inoxa S.A.	99.513.620-1	Chile	Employee's relative	Services	-	799
Coya Country Club	82.840.200-5	Chile	Employee's relative	Services	-	94
Capacitación y Eventos Club Anasco Ltda.	70.258.300-4	Chile	Employee's relative	Services	-	94
RSA Seguros Chile S.A.	99.017.000-2	Chile	Employee's relative	Services	24,100	28,770
Sonda S.A.	83.628.100-4	Chile	Employee's relative	Services	156	2,573
Ingeniería de Protección S.A.	89.722.200-0	Chile	Employee's relative	Supplies	135	2,773
Xtreme Mining Ltda.	96.953.700-1	Chile	Employee's relative	Supplies	46	11,900
Corporación Club de Deportes Cobreloa	70.413.000-7	Chile	Board Member	Services	-	1,989
SGS Chile Limitada, Sociedad de Control	80.914.400-3	Chile	Employee's relative	Services	1,099	-
Club de Ski Chapa Verde	71.275.900-3	Chile	Employee's relative	Services	48	-
Esinel Ingenieros S.A.	76.477.780-8	Chile	Employee's relative	Services	15	-
Maestranza Acosta y Cia. Ltda.	76.813.840-0	Chile	Employee's relative	Supplies	7	-
Komatsu Chile S.A.	96.843.130-7	Chile	Employee's relative	Services	105,917	-
Cuatro C Consultores en Ingeniería Civil Limitada	79.693.340-4	Chile	Employee's relative	Services	27	-
SGS Minerals Ltda.	96.671.880-3	Chile	Employee's relative	Services	1,432	-
Soc. S y S Ingeniería Ltda.	79.592.060-9	Chile	Employee's relative	Services	100	-
Transelec S.A.	76.555.400-4	Chile	Board Member	Services	1,856	-
Representaciones Comerciales Ltda.	78.841.100-6	Chile	Employee's relative	Services	4	-



b. Key Personnel of the Corporation

In accordance with the policy established by the Board of Directors and its related regulation, those transactions affecting the Directors, its Executive President, Vice Presidents, Corporate Auditor, the members of the Divisional Management Committees and Divisional General Managers should be approved by this Board.

During the periods of 2015 and 2014, the members of the Board of Directors have received the following amounts as per diems, salaries and fees:

Entity	Taxpayer Number	Country	Nature of the relationship	Description of the transaction	12-31-2015	12-31-2015
					12-31-2015 Amount ThUS\$	12-31-2015 Amount ThUS\$
Andrés Tagle Domínguez	5.895.255-9	Chile	Director	Director's fees	-	35
Augusto González Aguirre	6.826.386-7	Chile	Director	Director's fees	33	101
Augusto González Aguirre	6.826.386-7	Chile	Director	Payroll	53	187
Blas Tomic Errázuriz	5.390.891-8	Chile	Director	Director's fees	108	101
Dante Contreras Guajardo	9.976.475-9	Chile	Director	Director's fees	93	66
Fernando Porcile Valenzuela	4.027.183-K	Chile	Director	Director's fees	-	35
Gerardo Jofré Miranda	5.672.444-3	Chile	Director	Director's fees	93	118
Isidoro Palma Penco	4.754.025-9	Chile	Director	Director's fees	60	-
Juan Luis Ossa Bulnes	3.638.915-K	Chile	Director	Director's fees	-	35
Juan Morales Jaramillo	5.078.923-3	Chile	Director	Director's fees	60	-
Laura Albornoz Pollmann	10.338.467-2	Chile	Director	Director's fees	93	66
Marcos Büchi Buc (1)	7.383.017-6	Chile	Director	Director's fees	-	-
Marcos Lima Aravena	5.119.963-4	Chile	Director	Director's fees	41	126
Oscar Landerretche Moreno	8.366.611-0	Chile	Pdte. Directorio	Director's fees	140	100
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Director's fees	93	101
Raimundo Espinoza Concha	6.512.182-4	Chile	Director	Payroll	36	40

(1) During the periods between January 1 and May 11, 2015 and January 1 and December 31, 2014, the Company did not issue any payment of wages to Mr. Marcos Büchi Buc, stemming from his participation (and until the end of his period) as a Director of the Corporation, as he has expressly and irrevocably waived such payments, in addition to any collection of wages present or future in relation to his participation.

Through Supreme Decree of the Treasury Department No. 458, dated March 14, 2014, the method for determining the remunerations of the Corporation's Directors was updated. This document details the calculation method of such remunerations, as per the following:

- a) The monthly salary of the Directors of Codelco for participating in Board meetings was fixed in the amount of Ch\$3,618,736 - (three million six hundred eighteen thousand, seven hundred and thirty six Chilean pesos).
- b) A unique monthly salary of Ch\$7,237,472 - (seven million two hundred thirty seven thousand, four hundred seventy two Chilean pesos) is established for the Chairman of the Board.
- c) Directors that shall participate in a Board Committee, whether the one referred to in Article 50 bis) of law No. 18.046 or another established by the by-laws of the Corporation, receive a single additional monthly amount of Ch\$1,206,245 - (one million two hundred and six thousand, two hundred and forty five Chilean pesos) for their participation, notwithstanding the number of committees in which they participate. In addition, the director holding the chair of the Directors' Committee shall receive a single monthly remuneration for his participation in committees of Ch\$2,412,491 - (two million four hundred and twelve thousand, four hundred ninety one Chilean pesos).
- d) The established salaries are in effect for a period of two years, as of March 1, 2014. They were adjusted on January 1, 2015, in accordance with the same provisions that govern the general wage adjustments of officials of the Public Sector. In 2014, the adjustment reached to 6%.

On the other hand, in relation to the short term benefits from the executives who serve in the administrative roles for the Corporation; they are paid during the period of January –

December 2015, a total amount of ThUS\$8,925 (January – December 2014: ThUS\$8,751)

The criteria that determines the wages for the executives was established by the Board of Directors by agreement of January 29, 2003.

During the periods of January through December of 2015 and 2014, payments were made to the Principle Executives of Codelco as compensation for years of service, equal to ThUS\$109 and ThUS\$1,572, respectively. There were no payments for other noncurrent benefits during the period of January through December 2015 and 2014, other than those mentioned in the previous paragraph.

There are no share-based benefit plans.

c. Transactions with companies in which Codelco has participation

In addition, the Corporation performs necessary commercial and financial transactions with entities in which it has capital ownership. The financial transactions correspond mainly to loans in checking accounts.

The commercial operations with related companies refer to the purchase and sale of products or services, at market conditions and prices and which do not consider interest or indexation. These companies, for the periods of January – December 2015 and 2014, are the following: Sociedad GNL Mejillones S.A., Copper Partners Investment Corporation Ltd., Copper for Energy, Sociedad Contractual Minera Purén, Sociedad Contractual Minera El Abra, Agua de La Falda S.A., Comotech S.A., Deutsche Geissdraht GmbH, Inca de Oro S.A., Planta Recuperadora de Metales SpA and Anglo American Sur S.A.

The Corporation does not establish an allowance for doubtful accounts for the main items receivable from their related companies, as these have been registered by including the relevant safeguards in the respective debt contracts.

Accounts receivable from and payable to relate companies as of December 31, 2015 and of December 31, 2014, are detailed as follows:

Accounts receivable from related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12-31-2015 ThUS\$	12-31-2014 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
73.063.022-5	Inca de Oro	Chile	Associate	USD	17	20	-	-
76.255.054-7	Planta Recuperadora de Metales SpA	Chile	Associate	USD	8,019	1,258	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	2,350	120	-	-
96.801.450-1	Agua de la Falda S.A.	Chile	Associate	USD	-	-	224	224
Foreign	Copper Partners Invest. Company Ltd.	Bermuda	Joint venture	USD	10,671	8,090	-	-
Total					21,057	9,488	224	224

Accounts payable to related companies:

Taxpayer Number	Entity	Country	Nature of the relationship	Indexation currency	Current		Non-current	
					12-31-2015 ThUS\$	12-31-2014 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
76.775.710-7	GNL Mejillones S.A.	Chile	Associate	USD	500	530	-	-
77.762.940-9	Anglo American Sur S.A.	Chile	Associate	USD	100,888	35,276	-	-
96.701.340-4	Sociedad Contractual Minera El Abra	Chile	Associate	USD	25,918	60,640	-	-
Foreign	Copper Partners Investment Company Ltd.	Bermuda	Joint Venture	USD	29,724	33,611	157,049	193,710
Foreign	Deutsche Geissdraht GmbH	Germany	Associate	EURO	6,336	20,583	-	-
Total					163,366	150,640	157,049	193,710

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)

The transactions performed between the Corporation and its related companies during periods of 2015 and 2014 are detailed in the next chart together with their corresponding effects on profit or loss:

Taxpayer Number	Entity	Nature of the transaction	Country	Indexation currency	12-31-2015 12-31-2015		12-31-2014 12-31-2014	
					Amount ThUS\$	Effects on net income (charges) / credits ThUS\$	Amount ThUS\$	Effects on net income (charges) / credits ThUS\$
Foreign	Copper Partners Investment Co. Ltd.	Product Sales	Bermuda	USD	119,965	119,965	122,883	122,883
Foreign	Copper Partners Investment Co. Ltd.	Dividends received	Bermuda	USD	104,650		147,000	-
77.762.940-9	Anglo American Sur S.A.	Dividends received	Chile	USD	36,876		68,467	-
77.762.940-9	Anglo American Sur S.A.	Product purchase	Chile	USD	458,103	(458,103)	234,237	(234,237)
77.762.940-9	Anglo American Sur S.A.	Product Sales	Chile	USD	-	-	783	783
76.775.710-7	Sociedad GNL Mejillones S.A.	Loans collections	Chile	USD	-	-	23,125	-
76.775.710-7	Sociedad GNL Mejillones S.A.	Loan Interests	Chile	USD	-	-	358	358
76.775.710-7	Sociedad GNL Mejillones S.A.	Services Retention	Chile	USD	(469)	(469)	(891)	(891)
76.775.710-7	Sociedad GNL Mejillones S.A.	Inventory Retention	Chile	USD	469	469	891	891
76.775.710-7	Sociedad GNL Mejillones S.A.	Reimbursement	Chile	USD	5,887	(5,887)	(6,174)	(6,174)
96.701.340-4	SCM El Abra	Dividends received	Chile	USD	51,450		279,300	-
96.701.340-4	SCM El Abra	Product purchase	Chile	USD	394,445	(394,445)	557,875	(557,875)
96.701.340-4	SCM El Abra	Product Sales	Chile	USD	38,844	38,844	25,682	25,682
96.701.340-4	SCM El Abra	Other Sales	Chile	USD	1,493	1,493	-	-
96.701.340-4	SCM El Abra	Product purchase	Chile	USD	4,043	(4,043)	1,478	(1,478)
96.701.340-4	SCM El Abra	Comisiones percibidas	Chile	USD	181	181	203	203
96.701.340-4	SCM El Abra	Other purchases	Chile	USD	398	(398)	-	-
96.801.450-1	Agua de la Falda S.A.	Services Sales	Chile	CLP	7	7	-	-
Foreign	Deutsche Geissdraht GmbH	Dividends received	Germany	EURO	1,021		923	-
76.063.022-5	Inca de Oro S.A.	Contribution	Chile	USD	(481)	-	153	-
76.028.880-2	Minera Purén SCM	Dividends received	Chile	USD	2,450	-	-	-
76.255.054-7	Planta Recuperadora de Metales	Contribution	Chile	USD	-		3,954	-
76.255.054-7	Planta Recuperadora de Metales	Loan	Chile	USD	11,254	-	-	-

d. Additional information

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

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

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

On August 24, 2012, the Corporation, with the approval of their respective board of Directors, purchased the shares of Anglo American Sur S.A., of Inversiones Anglo American Sur S.A., Taxpayer Number: 77.762.890-9. The price paid by the Corporation via its subsidiary Inversiones Mineras Becrux SpA was ThUS\$2,799,795. Out of the above-mentioned amount ThUS\$1,100,000 was related to the interest acquired by Mitsui.

4. Inventories

Inventories as of December 31, 2015 and 2014 are detailed as follows:

Items	Current		Non-current	
	12-31-2015 ThUS\$	12-31-2014 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Finished products	512,711	645,734	-	-
Subtotal finished products, net	512,711	645,734	-	-
Products in process	1,108,291	1,128,692	185,470	168,421
Subtotal products in process, net	1,108,291	1,128,692	185,470	168,421
Material in warehouse and other	555,317	523,464	-	-
Obsolescence allowance adjustment	(79,293)	(60,099)	-	-
Subtotal material in warehouse and other, net	476,024	463,365	-	-
Total Inventories	2,097,026	2,237,791	185,470	168,421

Inventories recognized as cost of operation for the periods ended at December 31, 2015 and 2014 correspond to finished goods and amount to ThUS\$9,877,505 and ThUS\$10,040,684 respectively.

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)

For the period ended December 31, 2015, the Corporation does not have reclassifications of strategic inventories to Property, Plant and Equipment. As of December 31, 2014, the figures related to this item reached to ThUS\$27,302.

The change in the obsolescence provision is described in the following table:

Obsolescence allowance movements	ThUS\$
Initial Balance 1/1/2015	(60,099)
Period allowance	(19,194)
Final Balance 12/31/2015	(79,293)

As of December 31, 2015, Codelco has written off inventory for ThUS 68,708, which has been recognized in the Consolidated Statements of Comprehensive Income.

At the end of the financial period ended December 31, 2015, the book value of inventories - under evaluation of the concept of net realizable value under IAS 2 "Inventories" - amounted to ThUS \$286,574 (December 31, 2014: ThUS\$399,601). As a result of the evaluation, the Corporation adjusted inventories on those assets whose book value exceeds its net realizable value, reaching the balance of this adjustment to the date indicated in the amount of ThUS\$84,527 (December 31, 2014: ThUS\$50,905), which is deducted from the aforementioned figure.

During the period from January-December 2015, the Corporation recorded reversal of provisions of ThUS\$62,061.

Codelco, along with Sociedad Contractual Minera El Abra, purchase and sell copper. At December 31, 2015 and 2014, the value of finished goods inventories for this category [did not present balances in provision for unrealized profit

The Corporation realizes operations for the purchase and sale of copper with Anglo American Sur S.A. The value of finished goods inventories for this category at December 31, 2015, has an unrealized profit provision of ThUS\$160. At December 31, 2014, the Corporation had an unrealized profit provision of ThUS\$172.

5. Deferred taxes and income taxes

a. Expense of tax income

Items	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Tax Expenses	(4,156)	(781,004)
Effect of Deferred Taxes (i)	894,607	(462,175)
Prior period adjustments (ii)	(148,935)	-
Other	(13,118)	2,356
<b>Total income taxes</b>	<b>728,398</b>	<b>(1,240,823)</b>

- i. The Corporation recognizes a tax loss as of December 31, 2015
- ii. As a part of the process of the tax audit for the long-term sales agreement between the Corporation and its subsidiary, Copper Partners Investment, Codelco received two tax liquidations which are indicated in Note No. 28 Contingencies and Restrictions. These settlements were challenged by the Corporation through several administrative and judicial ways. As part of those procedures, the Corporation and the Internal Revenue Service agreed to make certain adjustments to the tax basis which results in the issuance of tax collections which amount to ThUS\$148,935, paid on August 31, 2015. This transaction was recorded in Income taxes of the Statement of Comprehensive Income.

Such agreement has enabled the liquidated and collected differences to be solved which were related to this matter until 2011, plus the differences due to this same concept is foreseen for the years 2012, 2013 and 2014

Notes to the consolidated financial statements

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b. Deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Provisions	1,039,129	1,099,498
Unrealized gains	9,213	21,704
Finance lease	20,379	18,064
Advances from clients	128,804	152,371
Hedged Swap derivatives of exchange rates	12,361	15,222
Health care plans	14,654	14,654
Tax losses	672,907	-
Other	9,234	8,679
<b>Total deferred tax assets</b>	<b>1,906,681</b>	<b>1,330,192</b>

Deferred tax liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
IFRIC 20 First adoption	14,971	14,971
Taxes from Mining Activity	55,487	57,553
Property, plant and equipment variations	523,733	897,536
Valuation of employee termination benefits	27,100	47,686
Accelerated depreciation	4,334,433	3,628,132
Anglo American Sur S.A. investment	66,430	735,713
Income from fair value of mining properties	108,509	108,509
Derivatives Hedging future contracts	1,034	9,451
Affiliates income deferred taxes	30,030	28,348
Other	2,559	6,302
<b>Total deferred tax liabilities</b>	<b>5,164,286</b>	<b>5,534,201</b>

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

Deferred taxes affecting Equity	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Cash Flow Hedge	5,557	(7,656)
Defined Benefit Plans	53,438	208,049
<b>Total deferred taxes affecting equity</b>	<b>58,995</b>	<b>200,393</b>

A reconciliation of taxes considering the legal tax rate and the calculation of the taxes actually paid is detailed as follows, registered in the Financial Statements of the Corporation:

Items	12-31-2015				
	Taxable Base		Tax rate		Total ThUS\$
	22,5% ThUS\$	40% ThUS\$	22,5% ThUS\$	Add. 40% ThUS\$	
Profit (loss) before taxes	(2,221,603)	(2,221,603)	499,861	888,641	1,388,502
Profit before taxes affiliates	(834,574)	(834,574)	187,779	333,830	521,609
Profit before taxes consolidated	(3,056,177)	(3,056,177)	687,640	1,222,471	1,910,111
<b>Permanent differences</b>					
Taxes of first category (22.5%)	40,851	-	(9,191)	-	(9,191)
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	2,721,525	-	(1,088,610)	(1,088,610)
Subtotal determined tax	-	-	-	-	812,310
Effect of the Tax Rate Change (income taxes)	-	-	-	-	71,628
Agreement IRS - SMT	-	-	-	-	(110,125)
Agreement IRS - 40%	-	-	-	-	(23,118)
Agreement IRS - First Category	-	-	-	-	(15,692)
Specific mining tax	-	-	-	-	(6,605)
<b>TOTAL TAX EXPENSE</b>					<b>728,398</b>

Items	12-31-2014				
	Base Imponible		Impuesto Tasa		Total ThUS\$
	21% ThUS\$	40% ThUS\$	21% ThUS\$	Adic. 40% ThUS\$	
Profit (loss) before taxes	1,965,104	1,965,104	(412,672)	(786,042)	(1,198,714)
Profit before taxes affiliates	(13,367)	(13,367)	2,807	5,347	8,154
Profit before taxes consolidated	1,951,737	1,951,737	(409,865)	(780,695)	(1,190,560)
<b>Permanent differences</b>					
Taxes of first category (21%)	(108,086)	-	22,698	-	22,698
Specific tax for government firms Art. 2 D.L. 2.398 (40%)	-	(39,405)	-	15,762	15,762
Subtotal determined tax	-	-	-	-	(1,152,099)
Effect of the 1st Category Tax Rate Change (Oct.14-Dic14.)					(13,298)
Fair value amortization Anglo American Sur S.A.	-	-	-	-	25,574
Specific mining tax	-	-	-	-	(101,001)
<b>TOTAL TAX EXPENSE</b>					<b>(1,240,823)</b>

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)

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

Tax Reform in Chile

On September 29, 2014, Law N° 20.780 named "Tax Reform which modifies the Tax System on the income and which introduces various adjustments on the Tax System" was published.

Among the principal changes, the creation of two optional tax systems stand out: The Attributed Income System, which establishes the progressive increase of the tax rate of the first category for the commercial years 2014, 2015, 2016 and 2017 increasing to 21%, 22.5%, 24% and 25%, respectively; and in the Partially Integrated System, which establishes a progressive increase of the tax rate of the first category for the commercial years 2014, 2015, 2016, 2017 and 2018 increasing to 21%, 22.5%, 24%, 25.5% and 27% respectively.

For the calculation of the deferred taxes, the Corporation, notwithstanding the above, has applied a General Taxation Regime, with tax rates notched for commercial years 2014, 2015, 2016, and 2017 onwards, increasing it to 21%, 22.5%, 24% and 25%, respectively. There exists no option to avail of the schemes provided for in Article 14, as the Company of the state. Meanwhile, subsidiaries and associates for the calculation of deferred taxes were applied to the partially integrated tax system by default. Through the extraordinary meeting of the shareholders, which will be held in the second half of 2016, the Corporation may choose to change the system of Attributed Income.

In relation to deferred tax provisions, the circulated report No. 856 of the Superintendency of Securities and Insurances is considered, which states that the differences of deferred tax assets and liabilities arising as a direct effect of the increased tax rate in the first category will be recorded in the respective year against equity. As of December 31, 2015, the amount recorded in equity reaches to ThUS\$646,897.

It has been estimated a rate of 5% for the Specific Mining Tax, in accordance with the Law No. 20.496.

## 6. Current tax assets and liabilities

In both areas the income tax receivables and tax liabilities to net income of monthly provisional payments are recorded respectively.

Current Tax Assets	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Recoverable Taxes	255,528	149,847
Other	14,884	40,036
<b>Total Current Tax Assets</b>	<b>270,412</b>	<b>189,883</b>

Current Tax Liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Provision for Income Tax	4,156	483,466
Provision for Mining Tax	-	89,490
Provision PPM	8,565	9,805
Credits on Current Taxes	-	(581,144)
Others	3,532	608
<b>Total Current Tax Liabilities</b>	<b>16,253</b>	<b>2,225</b>

## 7. Property, Plant and Equipment

a. The balances of property, plant and equipment at December 31, 2015 compared with December 31, 2014, are as follows:

Property, Plant and Equipment, gross	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Work in progress	4,890,617	4,468,987
Land	133,133	125,699
Buildings	4,962,596	4,871,036
Plant and equipment	14,129,173	13,928,510
Fixtures and fittings	56,229	52,420
Motor vehicles	1,998,687	1,874,770
Land improvements	4,715,847	4,302,421
Mining operations	5,199,036	5,194,551
Mine development	3,863,754	3,120,584
Other assets	1,433,836	1,389,232
<b>Total Property, Plant and Equipment, gross</b>	<b>41,382,908</b>	<b>39,328,210</b>

## 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)

Property, Plant and Equipment, accumulated depreciation	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Work in progress	-	-
Land	-	-
Buildings	2,594,337	2,425,302
Plant and equipment	8,644,487	8,067,566
Fixtures and fittings	38,680	35,231
Motor vehicles	1,111,840	972,491
Land improvements	2,663,029	2,459,842
Mining operations	2,449,858	2,428,777
Mine development	659,444	678,495
Other assets	453,994	356,145
<b>Total Property, Plant and Equipment, accumulated depreciation</b>	<b>18,615,669</b>	<b>17,423,849</b>

Property, Plant and Equipment, net	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Work in progress	4,890,617	4,468,987
Land	133,133	125,699
Buildings	2,368,259	2,445,734
Plant and equipment	5,484,686	5,860,944
Fixtures and fittings	17,549	17,189
Motor vehicles	886,847	902,279
Land improvements	2,052,818	1,842,579
Mining operations	2,749,178	2,765,774
Mine development	3,204,310	2,442,089
Other assets	979,842	1,033,087
<b>Total Property, Plant and Equipment, net</b>	<b>22,767,239</b>	<b>21,904,361</b>



b. Movement of Property, plant and equipment:

Movements (in Thousand of US\$)	Work in Progress	Land	Buildings	Plan and equipment	Fixtures and Fittings	Motor Vehicles	Land Impro- vements	Mining Operations	Mine Deve- lopment	Other Assets	Total
Opening balance as 1/1/2015											
Additions	3,037,635	1,006	4,056	31,662	2,661	-	3,137	720,072	-	28,183	3,828,412
Disposals	(388,881)	-	(718)	(73,752)	(25)	(1,354)	(99)	-	(3,331)	295	(467,865)
Capitalizations	(1,243,012)	12,085	138,102	557,259	793	80,355	308,908	121,832	3,522	20,156	-
Depreciation and amortization	-	-	(162,877)	(681,957)	(3,285)	(143,874)	(204,701)	(615,187)	(64,717)	(96,542)	(1,973,140)
Reclassifications	(738,778)	-	1,019	(45,236)	168	51,987	118,005	(249,180)	826,746	35,343	74
Dismantling Asset	(45,889)	-	(15,469)	(34,419)	-	(1)	(20,616)	-	-	-	(116,394)
Impairment	(200,864)	(4,236)	(44,228)	(106,941)	(64)	(2,477)	(11,634)	5,867	-	-	(364,577)
Other	1,419	(1,421)	2,640	(22,874)	112	(68)	17,239	-	1	(40,680)	(43,632)
Total movements	421,630	7,434	(77,475)	(376,258)	360	(15,432)	210,239	(16,596)	762,221	(53,245)	862,878
Final balance 12/31/2015	4,890,617	133,133	2,368,259	5,484,686	17,549	886,847	2,052,818	2,749,178	3,204,310	979,842	22,767,239

Movements (in Thousand of US\$)	Work in Progress	Land	Buildings	Plan and equipment	Fixtures and Fittings	Motor Vehicles	Land Impro- vements	Mining Operations	Mine Deve- lopment	Other Assets	Total
Opening balance as 1/1/2014	7,710,714	126,792	1,345,390	4,485,004	15,541	800,483	1,687,093	2,486,007	589,784	880,003	20,126,811
Additions	3,114,300	-	2,882	148,688	459	1,600	1,771	498,244	-	61,004	3,828,948
Disposals	(29,323)	-	-	(15,379)	(387)	(2,556)	-	-	-	(5,690)	(53,335)
Capitalizations	(4,046,017)	437	1,286,581	1,711,208	4,476	233,389	340,389	395,566	882	73,089	-
Depreciation and amortization	-	-	(165,810)	(626,430)	(3,297)	(134,758)	(197,315)	(547,093)	(148,865)	(82,216)	(1,905,784)
Reclassifications	(2,262,858)	-	(34,223)	25,575	334	4,172	(1,223)	(66,380)	2,000,289	87,933	(246,381)
Dismantling Asset	-	-	15,314	133,156	68	4	11,656	-	-	-	160,198
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other	(17,829)	(1,530)	(4,400)	(878)	(5)	(55)	208	(570)	(1)	18,964	(6,096)
Total movements	(3,241,727)	(1,093)	1,100,344	1,375,940	1,648	101,796	155,486	279,767	1,852,305	153,084	1,777,550
Final balance 12/31/2014	4,468,987	125,699	2,445,734	5,860,944	17,189	902,279	1,842,579	2,765,774	2,442,089	1,033,087	21,904,361

- c. For comparison purposes, at December 31, 2014, assets related to Mine Development were reclassified from Work in Progress.
- d. For comparison purposes, the balances as of December 31, 2014, concerned to Intangible Assets for Technological Development and Innovation have been reclassified from Property, Plant & Equipment to Intangible Asset Other than Goodwill. The amount related to this item reached to ThUS\$148,656, which is included in the line "Reclassifications" of the Movement of Property, Plant & Equipment Table.

- e. The value of construction in progress, is directly associated with the operating activities of the Corporation and its subsidiaries, and relates to the acquisition of equipment and projects in construction.
- f. The Corporation has contracted insurance policies to cover the potential risks to which the various elements of property, plant and equipment are subject, and any claims that could arise from their activities during the period, these policies provide adequate coverage of the potential risks.



g. Borrowing costs capitalized for the period ended December 2015 amounted to ThUS\$127,568 calculated on an annual capitalization rate of 3.83% and compared with December 31, 2014 was ThUS\$112,801 on an annual rate of 3.50% capitalization.

h. The costs of exploration and drilling of deposits are recognized in profit or loss in accordance with the accounting policy of Codelco and cash outflows disbursed by the same concepts that are presented in the following table:

Expenditure on exploration and drilling reservoirs	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Profit /(loss)	87,047	84,215
Cash outflows	52,431	71,538

i. The item "Other assets" under "Property, plant and equipment" includes:

Other assets, net	12-31-2014 ThUS\$	12-31-2014 ThUS\$
Leasing assets	96,534	96,296
Mining properties from the purchase of Anglo American Sur S.A. shares	402,000	402,000
Maintenances and other major reparations	340,303	374,361
Other assets Plan Calama	133,464	152,527
Others	7,541	7,903
<b>Total other assets, net</b>	<b>979,842</b>	<b>1,033,087</b>

j. With the exception of assets under lease whose legal title corresponds to the lessor, the Corporation currently has no ownership restrictions relating to assets belonging to Property, plant and equipment.

k. During the period January to December 2015 Codelco does not disclose strategic inventory reclassification for property, plant and equipment. At December 31, 2014, it amounted to ThUS\$27,302.

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Codelco has not granted "Property, plant and equipment" assets as collateral to third parties in order to enable the realization of its normal business activities or as a commitment to support payment obligations.

l. According to the accounting policy indicated in note 2.i), related to impairment of Property Plant & Equipment, and as indicated in note Operating Segments, the Corporation recorded an impairment in the value of the assets of Division Ventanas and Division Salvador as of December 31, 2015 and 2014, amounting to ThUS\$54,047 and ThUS\$310,530 before taxes, respectively.

8. Investments accounted for using the equity method

The following table sets forth the carrying amount and the share of profit of the investments accounted for using the equity method:

Item	Equity Method		Accrued Net Income	
	12-31-2015 ThUS\$	12-31-2014 ThUS\$	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Investments in associates accounted for using the equity method	3,977,786	6,665,113	(2,586,742)	121,187
Joint ventures	114,031	133,593	85,090	126,807
<b>Total</b>	<b>4,091,817</b>	<b>6,798,706</b>	<b>(2,501,652)</b>	<b>247,994</b>

a. Associates

Agua de la Falda S.A.

As of December 31, 2015, Codelco has a 43.28% interest in Agua de la Falda S.A., with the remaining 56.72% owned by Minera Meridian Limitada.

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

**Sociedad Contractual Minera El Abra**

Sociedad Contractual Minera El Abra was formed in 1994. As of December 31, 2015, Codelco has a 49% interest in Sociedad Contractual Minera El Abra, with the remaining 51% owned by Cyprus El Abra Corporation, a subsidiary of Freeport-McMoRan Copper & Gold Inc.

Company activities involve the extraction, production and marketing of copper cathodes.

**Sociedad Contractual Minera Purén**

As of December 31, 2015, Codelco has a 35% interest in Sociedad Contractual Minera Purén, with the remaining 65% owned by Compañía Minera Mantos de Oro.

This company's line of business is to explore, identify, survey, investigate, develop and exploit mining deposits in order to extract, produce and process minerals.

**Sociedad GNL Mejillones S.A.**

As of December 31, 2015, Codelco has a 37% interest in Sociedad GNL Mejillones S.A., with the remaining 63% owned by Suez Energy Andino S.A. These interests were established on November 5, 2010 when the Corporation did not increase the capital agreed upon by the meeting of shareholders of such company. Before the actual increase, both the Corporation and Suez Energy Andino S.A. had a 50% interest each.

This company's line of business is the production, storage, marketing, transportation and distribution of all types of fuel, and the acquisition, construction, maintenance and operation of infrastructure facilities and construction projects necessary for transport, reception, processing and storage both in Chile and abroad, singly or in partnership with third parties.

**Comotech S.A.**

As of December 31, 2015, Codelco has a 48.19% interest in Comotech S.A. through its indirect subsidiary Innovaciones en Cobre S.A.

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

**Inca de Oro S.A.**

On June 1, 2009 Codelco's Board authorized the formation of a company destined to developing studies to allow continuity of the Inca de Oro Project.

On February 15, 2011, the association of Codelco and Minera PanAust IDO Ltda. was approved in respect to the Inca de Oro deposit, with 66% of the share of Inca de Oro S.A. held by Minera PanAust IDO Ltda. and Codelco maintains a 34% share. Before the materialization of this association, Codelco owned the 100% of the society.

The financial effects from this operation generated a profit before income tax of ThUS\$33,668 during the period ended at December 31, 2011.

At December 30, 2014, in the Extraordinary meeting of the shareholders held on that date, it was agreed to increase the capital share of ThUS\$102,010, reducing Codelco to 33.19%.

At December 31, 2014, the Corporation has decreased the mining property valuations and exploration and evaluation expenditures, due to an impairment analysis of assets in according with IFRS.

As of December 31, 2015, Codelco holds a participation of 33.2% of shared capital.

Copper for Energy S.A.

As of December 31, 2015, Codelco has a 41.3% interest in the share capital of Copper for Energy S.A. The remaining 58.7% interest is owned by International Copper Association Ltd, Fundación Chile and Universidad de Chile.

Copper for Energy S.A.'s line of business is to develop and commercialize new products and applications for copper, destined to make the most efficient use of energy and/ or to generate and utilize renewable energy; conducting and ordering research, carrying out studies and projects, rendering of training services and activities.

Planta Recuperadora de Metales SpA

On December 3, 2012, Planta Recuperadora Metales SpA was established, with Codelco owning 100% of the entity.

On July 7, 2014, Codelco reduced their participation in the total equity of the firm Planta Recuperadora de Metales SpA to a 51%. LS-Nikko Copper Inc. holds the remaining 49% of the equity.

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

As of December 31, 2015, LS-Nikko Copper Inc. holds the control of the entity, which is based on the control elements that are described in the shareholders agreement.

The principal activity of the company is the processing of intermediate products of the refining and processing of copper and other metals, with the aim to recover copper, the other metals and other containing sub products, their transformation in commercial products and to commercialize and distribute all class of goods or inputs which stand in relation with the mentioned process.

Deutsche Giessdraht GmbH

As of December 31, 2015, Aurubis and Codelco through its affiliate, Codelco Kupferhandel GmbH, have a 60% and 40% interest, respectively.

The company produces wire rods in its Emmerich, Germany facility.

Anglo American Sur S.A.

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

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

to 20%, while Mitsui increased its participation to 9.5%. This situation remains without changes as of December 31, 2012.

At December 31, 2015, the control of Anglo American Sur belongs to Inversiones Anglo American Sur S.A. with a 50.06% share interest, while the non-controlling interest corresponds to Acrux through its subsidiary Inversiones Mineras Becrux SpA., with a 29.5% and Mitsubishi group with a 20.44%.

The principal activities of the Company are the exploration, extraction, exploitation, production, processing and trading of minerals, concentrates, precipitates, copper bars and all metallic and non-metallic minerals, all fossil substances and liquid and gaseous hydrocarbons naturally presented. This includes the exploration, exploitation and use of all natural energy sources capable of industrial use and the products or by-products obtained, as well as any other related, connected or complementary activities in which the shareholders agree.

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)

The following table demonstrates the equity value and accrued results of investments in associates:

Associates	Taxpayer Number	Functional Currency	Equity Interest		Equity Method		Accrued Net Income	
			12-31-2015 %	12-31-2014 %	12-31-2015 ThUS\$	12-31-2014 ThUS\$	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Deutsche Geissdraht GmbH	Foreign	EURO	40.0%	40.0%	3,033	3,688	1,143	1,842
Agua de la Falda S.A.	96.801.450-1	USD	43.3%	43.3%	4,591	4,948	(357)	(641)
Sociedad Contractual Minera El Abra	96.701.340-4	USD	49.0%	49.0%	650,726	701,990	(3,595)	149,258
Minera Purén SCM	76.028.880-2	USD	35.0%	35.0%	10,192	8,628	4,014	(205)
Sociedad GNL Mejillones S.A.	76.775.710-7	USD	37.0%	37.0%	68,029	59,052	8,977	2,247
Inca de Oro S.A.	76.781.030-K	CLP	33.2%	33.2%	23,097	22,616	-	(30,871)
Anglo American Sur S.A.	73.063.022-5	USD	29.5%	29.5%	3,214,570	5,860,559	(2,596,610)	101
Planta Recuperadora de Metales SpA	77.762.940-9	USD	51.0%	51.0%	3,548	3,632	(301)	(537)
Copper for Energy S.A.	76.255.054-7	USD	41.30%	41.30%			-	-
Comotech S.A.	76.133.034-9	USD	48.19%	48.19%	-	-	(13)	-
Others	76.009.778-9	USD						(7)
<b>TOTAL</b>					<b>3.977.786</b>	<b>6.665.113</b>	<b>(2.586.742)</b>	<b>121.187</b>

In respect of investments in associates accounted for under the equity method, the following tables with details of assets and liabilities at December 31, 2015 and December 31, 2014 are presented as well as the major movements and respective results for the periods ended December 31, 2015 and 2014.

Assets and liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Assets	1,240,418	1,552,967
Non-current Assets	6,120,536	6,604,262
Current Liabilities	339,828	766,139
Non-current Liabilities	1,156,418	1,245,761
<b>Net Income</b>	<b>01-01-2015 12-31-2015 ThUS\$</b>	<b>01-01-2014 12-31-2014 ThUS\$</b>
Revenue	2,965,080	4,010,079
Cost of sales	(3,140,367)	(3,408,128)
Profit (loss) for the period	(175,287)	601,951

Movements of Investment in Associates	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Opening balances	6,665,113	7,341,196
Contributions	481	4,107
Tax Reform Effect	-	(455,233)
Dividends	(91,797)	(348,690)
Net income for the period	(147,247)	121,187
Foreign exchange differences	-	(539)
Impairment Anglo American Sur S.A.	(2,439,495)	-
Other comprehensive income	-	6,983
Impairment Inca de Oro S.A.		(30,827)
Other	(9,269)	26,929
<b>Final balance</b>	<b>3,977,786</b>	<b>6,665,113</b>

The following tables provide the details of asset and liabilities of the significant associates at December 31, 2015 and 2014, and present the major movements and their results for the periods ended December 31, 2015 and 2014.

Anglo American Sur S.A.

Assets and liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Assets	750,664	958,450
Non-current Assets	4,419,038	4,745,935
Current Liabilities	271,345	616,481
Non-current Liabilities	626,548	652,672

Net Income	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Revenue	2,080,438	2,791,891
Cost of sales	(2,189,688)	(2,355,681)
Profit (loss) for the period	(109,250)	436,210

Sociedad Contractual Minera El Abra

Assets and liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Assets	443,237	553,212
Non-current Assets	1,221,180	1,380,837
Current Liabilities	54,475	117,482
Non-current Liabilities	252,782	314,860

Net Income	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Revenue	807,957	1,140,775
Cost of sales	(815,294)	(885,606)
Profit (loss) for the period	(7,337)	255,169

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### b. Joint ventures

At December 31, 2015, the Corporation participates in the Copper Partners Investment Company Limited joint venture. This partnership dates from March 2006 when Codelco Chile through its subsidiary Codelco International Ltd., executed the agreement with Album Enterprises Limited (a subsidiary of Minmetals) to form the company, in which both companies hold equal interests.

Assets and liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Assets	76,806	75,302
Non-current Assets	161,956	198,620
Current Liabilities	10,705	6,736
Non-current Liabilities	-	-

Net Income	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Revenue	306,160	388,390
Cost of sales	(135,981)	(134,776)
Profit (loss) for the period	170,179	253,614

Movimiento Inversión en Negocios Conjuntos	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 MUS\$
Saldo inicial	133,593	153,786
Resultado del periodo	85,090	126,807
Dividendos	(104,650)	(146,999)
Otros	(2)	(1)
Saldo final	114,031	133,593

Información adicional	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Efectivo y equivalentes al efectivo	12,231	10,868

### c. Additional information about unrealized profit

The Corporation has recognized unrealized profit for purchases and sales of products, mining properties, property, plant and equipment and ownership rights. The most significant transactions include the transaction carried out in 1994 for the initial contribution of mining properties to Sociedad Contractual Minera El Abra.

The balance of unrealized profit at December 31, 2015 corresponds to ThUS\$14,283 (December 31, 2014: ThUS\$33,846), an amount which represents deductions of investments in this entity.

Codelco carries out copper purchase and sales with the Sociedad Contractual Minera El Abra. At December 31, 2015, and at December 31, 2014, the value of finished products inventories category presents no unrealized gain provisions

Codelco carries out copper purchases and sales with Anglo American Sur S.A., and the value of finished products for the category "Inventories" at December 31, 2015, had a provision for unrealized gain of ThUS\$161. At December 31, 2014, the company had a provision for unrealized gain of ThUS\$172.

The Company has recorded unrealized gains for the purchase of rights to use GNL terminal of Contractual Minera El Abra in the amount of ThUS\$3,920 at December 31, 2015. As of December 31, 2014 it amounts to ThUS\$3,920.

### d. Share in companies acquired at fair value versus carrying amount

The acquisition by Codelco of its participation in Anglo American Sur S.A., on August 24, 2012, was recorded based on the acquisition method, which involved the initial recognition of an investment in the amount of ThUS\$6,490,000, corresponding to the percentage of the share interest acquired (29.5%) over the fair value of the net assets of the company, while the book value at the acquisition date was ThUS\$1,699,795.

In determining the fair value of the net assets of the acquired share interest, the Corporation considered both the resources and mineral reserves that can be recovered reliably and the assessment of intangibles and all other considerations about assets and contingent liabilities was performed.

The allocation of the purchase price at fair value between the identifiable assets and liabilities has been prepared by management using best estimates and taking into account all relevant and available information at the time of the acquisition of Anglo American Sur S.A.

The transaction has not resulted in the acquisition of control of the acquired company.

The Corporation used the model of discounted cash flows to estimate cash flow projections, based on the life of the mines. These projections are based on estimated production and future prices of minerals, operating costs and capital costs at the date of acquisition, among other estimates. Additionally, resources and potential resources to explore are not included in the plan because they have been valued separately using a market model. These resources include the concept of "Mineral Resources".

As part of this process and the application of the discounted cash flow model, the fair value of the net assets of Anglo American Sur S.A. valued at US\$22,646 million in proportion to the ownership by Inversiones Mineras Becrux SpA (29.5%) which amounts to US\$6,681 million at fair value at purchase date.

The earnings before tax in associates, corresponding to the proportion of the losses of Anglo American Sur S.A., recognized for the period ended December 31, 2015. Such loss amounted to ThUS\$32,229, while the adjustment for depreciation and decrease in the fair value of the net assets of the company recognized at the acquisition date, meant an effect of lower profit before tax of ThUS\$117,390 and ThUS\$2,439,495, respectively and are decreasing the item "Equity in gains (losses) of associates and joint ventures accounted for using the equity method" of the comprehensive income statement, and the item "Other" by ThUS\$7,637.

e. Additional information about impairment of investments accounted for using the equity method

As of December 31, 2015, the Corporation identified the existence of impairment indicators in the operating units of Anglo American Sur S.A. According to this, and with the purpose of performing the corresponding adjustments for the reasonable recognizing of its participation in the profit or loss of the period for this associate, the Corporation performed a calculation for the recoverable amount, by considering the additional value of the identified assets at the date of acquisition of the investment.

With the purpose of determining the recoverable amount, the Corporation applied the methodology of fair value less disposal costs. The recoverable amount of the operating assets was determined according to the Life of Mine (LOM) indicator, which is based on a discounted cash flow model, mainly affected by the ore reserves declared by the associate, the copper price, the supplies costs, foreign exchange rates, discount rates and the market information for the long-term assets valuation. The discount rate used for this calculation was of an 8% annual, after taxes.

Furthermore, the resources which are not included in the mining plan (LOM), as well as the potential resources to explore, have been valued using a market model of multiples for comparable transactions.

Such methodologies are in line with the one used at the acquisition date, which is detailed in letter d) of this note.

As a result of such calculation for the recoverable amount, the Corporation recognized an impairment of ThUS\$2,439,495 over the associate identified assets, which are disclosed in the line "Share of profit of associates and joint ventures accounted for using the equity method" of the Consolidated Statements of Comprehensive Income for the period ended December 2015. Such loss by impairment is mainly due to the drop in copper prices during the year 2015.

After recognition of the share of profit of associated, according to detailed above, there is not evidence requiring further impairments on the recoverable amount of the investment held in Anglo American Sur S.A.

9. Intangible assets other than goodwill

As of December 31 2015 and 2014, the intangible assets other than goodwill are described as follows:

For comparison purposes, the balances as of December 31, 2014 corresponding to intangibles assets of Technological Development and Innovation have been reclassified from Property, Plant & Equipment to this category.

a. This item is composed as follows:

Item	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Intangible Assets with finite useful life, net	13,699	12,691
Intangible assets with indefinite useful life	172,383	154,371
<b>Total</b>	<b>186,082</b>	<b>167,062</b>

b. Balances:

Item	12-31-2015		
	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$
Trademarks, patents and licences	28	-	28
Water rights	7,959	-	7,959
Software	2,349	(1,056)	1,293
Technological development and innovation	164,424	-	164,424
Other	12,824	(446)	12,378
<b>Total</b>	<b>187,584</b>	<b>(1,502)</b>	<b>186,082</b>

Item	12-31-2014		
	Gross ThUS\$	Accumulated Amortization ThUS\$	Net ThUS\$
Trademarks, patents and licences	28	-	28
Water rights	5,715	-	5,715
Software	1,580	(867)	713
Technological development and innovation	148,656	-	148,656
Other	12,396	(446)	11,950
<b>Total</b>	<b>168,375</b>	<b>(1,313)</b>	<b>167,062</b>

c. Movements

Movements	Trademarks, patents and licences	Water rights	Software	Technological development & innovation	Other	Total
Opening balance 1/1/2015	28	5.715	713	148.656	11.950	167.062
Additions	-	2.244	1.019	15.768	718	19.749
Disposals	-	-	(67)	-	(61)	(128)
Amortization	-	-	(329)	-	(350)	(679)
Reclassifications	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Other	-	-	(43)	-	121	78
Total Movements	-	2.244	580	15.768	428	19.020
Final balance 12/31/2015	28	7.959	1.293	164.424	12.378	186.082

Movements	Trademarks, patents and licences	Water rights	Software	Technological development & innovation	Other	Total
Opening balance 1/1/2014	28	5.623	787	-	12.185	18.623
Additions	-	-	260	-	320	580
Disposals	-	-	-	-	-	-
Amortization	-	-	(514)	-	(375)	(889)
Reclassifications	-	92	99	148.656	(92)	148.755
Impairment	-	-	-	-	-	-
Other	-	-	81	-	(88)	(7)
Total Movements	-	92	(74)	148.656	(235)	148.439
Final balance 12/31/2015	28	5.715	713	148.656	11.950	167.062

d. Additional Information

- As of December 31, 2015 and 2014, the Corporation owns significant intangible assets which amount to ThUS\$164,424 and ThUS\$148,656, respectively, related to the Continuous Mining Project.
- As of December 31, 2014 and 2014, there exist no fully amortized intangible assets currently being used.
- As of December 31, 2015 and 2014, expenses for research and technological development and innovation amounted to ThUS\$23,872 and ThUS\$60,665, respectively.
- Research disbursements are presented as follows:

Research disbursements recognized as expenses during the period	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Research Disbursements	11,793	24,016

10. Subsidiaries

The following tables present a detail of the assets, liabilities and results of the Corporation's subsidiaries, prior to consolidation adjustments:

Assets and liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Assets	503,468	464,496
Non-current Assets	3,0970,939	6,457,799
Current Liabilities	364,087	315,797
Non-current Liabilities	1,268,184	1,129,120

Net income	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Revenue	(678,343)	1,790,344
Cost of sales	(1,905,224)	(1,722,089)
Profit (loss) for the period	(2,583,567)	68,255

11. Other non-current non-financial assets

Other non-current non-financial assets included in the consolidated statement of financial position as of December 31, 2015 and 2014 is detailed as follows:

Other non-current non-financial assets	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Law No.13.196 Asset (1)	19,866	23,532
Others	8,042	12,383
Total	27,908	35,915

(1) Corresponds to the recording of the commitment related to Law No. 13.196, for the advance payment received for the copper sales contract signed with Copper Partners Investment Company Limited. This amount will be amortized according to the shipments made



12. Current and non-current financial assets

Current and non-current financial assets included in the statement of financial position are detailed as follows:

Classification in the statement of financial position	12-31-2015				
	At fair value though profit and loss ThUS\$	Loans and receivables ThUS\$	Hedging derivatives ThUS\$	Available for sale ThUS\$	Total financial assets ThUS\$
Cash and cash equivalents	-	1,747,718	-	-	1,747,718
Trade and other current receivables	(66,977)	1,943,840	-	-	1,876,863
Accounts receivables, non – current	-	85,069	-	-	85,069
A/R due from related companies, current	-	21,057	-	-	21,057
A/R due from related companies, non – current	-	224	-	-	224
Other current financial assets	-	7,425	2,777	-	10,202
Other non - current financial assets	-	5,526	30,765	-	36,291
TOTAL	(66,977)	3,810,858	33,542	-	3,777,423

Classification in the statement of financial position	12-31-2014				
	At fair value though profit and loss ThUS\$	Loans and receivables ThUS\$	Hedging derivatives ThUS\$	Available for sale ThUS\$	Total financial assets ThUS\$
Cash and cash equivalents	-	1,310,616	-	-	1,310,616
Trade and other current receivables	(60,330)	2,238,112	-	-	2,177,782
Accounts receivables, non – current	-	124,675	-	-	124,675
A/R due from related companies, current	-	9,488	-	-	9,488
A/R due from related companies, non – current	-	224	-	-	224
Other current financial assets	-	17,904	13,844	-	31,748
Other non - current financial assets	-	6,587	55,826	-	62,413
TOTAL	(60,330)	3,707,606	69,670	-	3,716,946

- **Financial assets designated at fair value through profit or loss:** At December 31, 2015, this category mainly includes unfinished product sale invoices and mutual fund investments made by Codelco Chile subsidiaries.

The effects on results of open invoices are determined by the differences between the provisional price at the date of shipment and the futures price curve of products, as explained under the title Accounting policies (letter p of number 2 of Chapter II), while mutual funds affect the result by the change in fair value of shares.

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

The effects on the period's statements of comprehensive income generated by these assets, come mainly from financial interest gains and from the exchange rate differences related to the balances in currencies other than the functional currency.

No material impairments were recognized in accounts receivable.

- **Hedging derivatives:** These correspond to the receivable balances for derivative contracts from the exposure generated by existing operations and which affect the period's profit and loss from the liquidation of these operations. The details of derivative transactions are included in Note 27.
- **Available-for-sale financial assets:** These correspond primarily to non-derivative financial assets that are specifically designated as available for sale or are not classified as: a) loans and receivables, b) investments held to maturity or c) financial assets carried at fair value through profit or loss.

Within the period presented, there was no reclassification of financial instruments among the different categories established under IAS 39 "Financial Instruments: recognition and measurement".

13. Interest-bearing borrowings

Current and non-current interest-bearing borrowings correspond to Borrowings from financial institutions, Bond obligations and Finance leases, which are recorded by the Corporation at amortized cost using the effective interest rate method.

The tables below show the composition of the other financial liabilities, current and non-current:

Items	12-31-2015					
	Loans and other payables ThUS\$	Hedging derivatives ThUS\$	Total ThUS\$	Loans and other payables ThUS\$	Hedging derivatives ThUS\$	Total ThUS\$
Loans from financial entities	995,891	-	995,891	2,511,654	-	2,511,654
Bonds	146,923	-	146,923	11,176,610	-	11,176,610
Financial Lease	19,173	-	19,173	99,401	-	99,401
Hedge obligations	-	107	107	-	162,437	162,437
Other financial liabilities	4,116	-	4,116	76,829	-	76,829
Total	1,166,103	107	1,166,210	13,864,494	162,437	14,026,931

Items	12-31-2014					
	Loans and other payables ThUS\$	Hedging derivatives ThUS\$	Total ThUS\$	Loans and other payables ThUS\$	Hedging derivatives ThUS\$	Total ThUS\$
Loans from financial entities	828,554	-	828,554	3,367,757	-	3,367,757
Bonds	122,552	-	122,552	9,316,632	-	9,316,632
Financial Lease	20,721	-	20,721	96,317	-	96,317
Hedge obligations	-	10,513	10,513	-	96,626	96,626
Other financial liabilities	3,828	-	3,828	73,910	-	73,910
<b>Total</b>	<b>975,655</b>	<b>10,513</b>	<b>986,168</b>	<b>12,854,616</b>	<b>96,626</b>	<b>12,951,242</b>

These items are generated by the following situations:

**Borrowings from financial institutions:**

The loans obtained by the Corporation to finance its production operations oriented towards the foreign market.

On August 23, 2012, the subsidiary Inversiones GacruX SpA (GacruX), agreed to funding from Oriente Copper Netherlands BV (a subsidiary of Mitsui & Co. Ltd.) for approximately US\$1,863 million, renewable monthly until November 26, 2012, after which, if not paid or renegotiated, will automatically become a loan with a 7.5 years maturity from the date of disbursement, and an annual rate of Libor + 2.5%. This credit has no personal guarantees ("non-recourse") on Codelco's part.

Codelco's indirect subsidiary Codelco Inversiones Mineras BecruX SpA used this funding for the acquisition of 24.5% of the shares of Anglo American Sur S.A. and other related expenses.

On October 31, 2012, new terms of the amended Credit Agreement were agreed, which remains without personal guarantees of Codelco ("non-recourse"), and established a fixed rate of 3.25% per annum and a duration 20 years, to be payable in 40 semi-annual quotas of principal and interest. Under previous agreements, Mitsui is entitled to additional interest equivalent to one-third of the savings that result to GacruX from the difference between refinanced credit and the Credit Agreement originally signed.

Furthermore, Mitsui (through a subsidiary) held an option to purchase from GacruX an additional 15.25% of the shares issued by the company Inversiones Mineras Acrux SpA ("Acrux"), at a fixed price of approximately US\$998 million, to be used in full to prepay GacruX's debt under the Credit Agreement.

Subsequently, on November 26, 2012, Mitsui materialized the purchase of additional 15.25% share interest in Acrux, so Codelco reduced its debt with Mitsui, which at December 31, 2015, has a balance of ThUS\$75,722.

**Bond obligations:**

On May 10, 2005, the Corporation issued and placed bonds in the domestic market for a nominal amount of UF6,900,000 in a single series denominated Series B, which consists of 6,900 bonds for UF1,000 each. These bonds are payable in a single installment on April 1, 2025, with a 4% annual interest rate and with bi-annual interest payments.

On September 21, 2005, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on September 21, 2035, with a 5.6250% annual interest rate and with bi-annual interest payments.

On October 19, 2006, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$500,000. These bonds are payable in a single installment on October 24, 2036, with a 6.15% annual interest rate and with bi-annual interest payments.

On January 20, 2009, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$600,000. These bonds mature in a single installment on January 15, 2019, at an interest rate of 7.5% per annum with interest paid bi-annually.

On November 4, 2010 the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$1,000,000. These bonds mature in a single installment on November 4, 2020, at an interest rate of 3.75% per annum with interest paid bi-annually.

On November 3, 2011, the Corporation issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$1,150,000. These bonds mature in a single installment on November 4, 2021, with an interest rate of 3.875% per annum, with interest paid bi-annually.

On July 17, 2012, the Company issued and placed bonds in the U.S. market under Rule 144-A and Regulation S, for a nominal amount of ThUS\$2,000,000. The ThUS\$1,250,000 with an interest rate of 3% per annum mature on July 17, 2022 and the ThUS\$750,000 with an interest rate of 4.25% mature on July 17, 2042, and each have interest paid annually.

On August 13, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$750,000, which will mature in a single installment on August 13, 2023, with a coupon of 4.5% per annum with interest paid semiannually.

On October 18, 2013, the Corporation issued and placed bonds in the U.S. market, under Rule 144-A and Regulation S, for a nominal amount of ThUS\$950,000, which will mature in a single installment on October 18, 2043, with a coupon of 5.625% per annum with interest paid semiannually.

On July 9, 2014, the Corporation issued and placed bonds in the international financial markets, under rule 144-A and Regulation S, for a nominal amount of EUR\$600,000,000, which will mature in a single installment on July 9, 2024, with a coupon of 2.25% per annum with the interest paid annually.

On November 4, 2014, the Corporation issued and placed bonds in the U.S. market, under rule 144-A and Regulation S, for a nominal amount of ThUS\$980,000, which will mature in a single installment on November 4, 2044, with a coupon of 4.875% per annum with interest paid semiannually.

On September 16, 2015, the Corporation issued and placed bonds in the U.S. market, under rule 144-A and Regulation S, for a nominal amount of ThUS\$2,000,000, which will mature in a single installment on September 16, 2025, with a coupon of 4.5% per annum with interest paid semiannually.

As of December 31, 2015, the Corporation does not have financial covenants related to borrowings from financial institutions and bond obligations.

**Financial debt commissions and expenses:**

Obtaining financial resources generates, in addition to the interest rate, fees and other expenses charged by the financial institutions, and the Corporation receives the net value of the loans. These expenses are amortized based on the effective interest rate determined using the amortized cost method.

**Finance leases:**

Finance lease transactions are generated for service contracts, principally for buildings and machinery .

As of December 31, 2015, the details of loans from financial institutions and bond obligations are as follows:

12-31-2015								Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
Tax-payer number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount						
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	13-10-16	Floating	US\$	100,000,000	Maturity	Quarterly	0.92%	1.20%	99,995	-
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	14-10-16	Floating	US\$	250,000,000	Maturity	Quarterly	0.82%	1.13%	249,855	-
Foreign	USA	Bilateral Credit	HSBC Bank USA. N.A.	11-10-16	Floating	US\$	250,000,000	Maturity	Quarterly	0.92%	1.23%	249,959	-
Foreign	USA	Bilateral Credit	Export Dev Canada	03-11-16	Floating	US\$	250,000,000	Maturity	Quarterly	0.82%	1.25%	249,702	-
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	16-09-18	Floating	US\$	300,000,000	Maturity	Quarterly	1.13%	1.37%	151	298,267
Foreign	USA	Bilateral Credit	Bank of America N.A.	11-10-18	Floating	US\$	300,000,000	Maturity	Quarterly	0.97%	1.18%	638	298,375
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	17-07-18	Floating	US\$	300,000,000	Maturity	Quarterly	0.94%	1.04%	597	299,357
Foreign	USA	Bilateral Credit	Export Dev Canada	20-07-18	Floating	US\$	300,000,000	Maturity	Quarterly	0.94%	1.04%	520	299,309
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	05-06-19	Floating	US\$	95,000,000	Maturity	Quarterly	1.10%	1.33%	64	94,300
Foreign	USA	Bilateral Credit	Export Dev Canada	16-06-19	Floating	US\$	300,000,000	Maturity	Quarterly	0.94%	1.03%	657	299,055
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd	24-05-19	Floating	US\$	96,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.17%	1.55%	24,101	59,429
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	24-05-22	Floating	US\$	224,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	1.07%	1.24%	32,228	174,939
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	26-11-32	Fixed	US\$	874,959,000	Semi-annual principal installments at maturity.	Semi-annual	3.25%	5.37%	63,773	686,999
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.24%	1.24%	12,921	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.22%	1.22%	9,025	-
			Other									1,705	1,625
TOTAL												995,891	2.511.654

Bonds	Country	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US\$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	595,412
144-A REG.S	Luxembourg	11/4/2020	Fixed	US\$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	5,943	989,806
144-A REG.S	Luxembourg	11/4/2021	Fixed	US\$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,345	1,138,652
144-A REG.S	Luxembourg	7/17/2022	Fixed	US\$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	17,221	1,237,442
144-A REG.S	Luxembourg	8/13/2023	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,840	738,341
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,518	264,658
144-A REG.S	Luxembourg	9/16/2025	Fixed	US\$	2,000,000,000	Maturity	Semi-annual	4.50%	4.77%	26,311	1,957,617
144-A REG.S	Luxembourg	9/21/2035	Fixed	US\$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	7,881	491,006
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,965	496,127
144-A REG.S	Luxembourg	7/17/2042	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.25%	4.40%	14,638	731,865
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	10,950	932,407
144-A REG.S	Luxembourg	11/4/2044	Fixed	US\$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,481	960,040
144-A REG.S	Luxembourg	7/9/2024	Fixed	EUR	600,000,000	Maturity	Annual	2.25%	2.48%	7,042	643,237
TOTAL										146,923	11,176,610

Nominal and effective interest rates presented above correspond to annual rates.

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)

At December 31, 2014, the detail of Borrowings from financial institutions and Bond obligations is as follows:

12-31-2014													
Taxpayer number	Country	Loans with financial entities	Institution	Maturity	Rate	Currency	Amount	Type of amortization	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
97036000-k	Chile	Bilateral Credit	Banco Santander S.A.	11/30/2015	Floating	US\$	75,000,000	Maturity	Quarterly	1.08%	1.20%	75,013	-
Foreign	Bermuda	Bilateral Credit	HSBC Bank Bermuda Limited	12/17/2015	Floating	US\$	162,500,000	Maturity	Quarterly	1.09%	1.21%	162,404	-
Foreign	USA	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd.	12/22/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.00%	1.09%	99,923	-
97036000-k	Chile	Bilateral Credit	Banco Santander S.A.	12/23/2015	Floating	US\$	100,000,000	Maturity	Quarterly	1.10%	1.22%	99,919	-
Foreign	USA	Bilateral Credit	Export. Dev. Canada	12/28/2015	Floating	US\$	250,000,000	Maturity	Quarterly	1.06%	1.18%	249,746	-
Foreign	USA	Bilateral Credit	Sumitomo Mitsui Banking	2/18/2016	Floating	US\$	100,000,000	Maturity	Quarterly	1.07%	1.09%	42	99,903
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	10/13/2016	Floating	US\$	100,000,000	Maturity	Quarterly	0.83%	1.11%	178	99,519
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	10/14/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.73%	1.04%	392	248,657
Foreign	USA	Bilateral Credit	HSBC Bank USA. N.A.	10/11/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.83%	1.14%	481	248,678
Foreign	USA	Bilateral Credit	Export Dev Canada	11/3/2016	Floating	US\$	250,000,000	Maturity	Quarterly	0.73%	1.10%	321	248,401
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	9/16/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.86%	1.09%	101	297,644
Foreign	USA	Bilateral Credit	Bank of America N.A.	10/11/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.88%	1.08%	598	297,833
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd.	5/24/2019	Floating	US\$	8,700,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	0.88%	1.01%	1,095	7,596
Foreign	Japan	Bilateral Credit	Bank of Tokyo-Mitsubishi Ltd.	5/24/2019	Floating	US\$	30,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	0.89%	1.03%	3,761	26,131
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US\$	20,300,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	0.78%	0.79%	1,466	18,778
Foreign	Japan	Bilateral Credit	Japan Bank International Cooperation	5/24/2022	Floating	US\$	70,000,000	Semi-annual principal installments from 2015 until maturity	Semi-annual	0.79%	0.79%	5,026	64,720
Foreign	USA	Bilateral Credit	Bank of Tokyo Mitsubishi Ltd.	7/19/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.85%	0.95%	536	299,137
Foreign	USA	Bilateral Credit	Export Dev Canada	7/17/2018	Floating	US\$	300,000,000	Maturity	Quarterly	0.86%	0.96%	486	299,075
Foreign	USA	Bilateral Credit	Mizuho Corporate Bank Ltd	6/5/2019	Floating	US\$	95,000,000	Maturity	Quarterly	0.86%	1.09%	52	94,104
Foreign	USA	Bilateral Credit	Export Dev Canada	6/16/2019	Floating	US\$	300,000,000	Maturity	Quarterly	0.85%	0.94%	589	298,712
Foreign	Netherlands	Bilateral Credit	Oriente Copper Netherlands B.V	11/26/2032	Fixed	US\$	874,959,000	Semi-annual principal installments until maturity	Semi-annual	3.25%	3.60%	55,103	715,877
Foreign	Germany	Credit Line	HSBC Trinkaus &		Floating	Euro				1.36%	1.36%	30,236	-
Foreign	Germany	Credit Line	Deutsche Bank		Floating	Euro				1.37%	1.37%	31,229	-
			Other									9,857	2,992
TOTAL												122,552	9,316,632

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)

12-31-2014											
Bonds	Country	Maturity	Rate	Currency	Amount	Type of amorti- zation	Payment of Interest	Nominal rate	Effective rate	Current balance ThUS\$	Non-current balance ThUS\$
144-A REG.S	Luxembourg	1/15/2019	Fixed	US\$	600,000,000	Maturity	Semi-annual	7.50%	7.79%	20,788	594,093
144-A REG.S	Luxembourg	11/4/2020	Fixed	US\$	1,000,000,000	Maturity	Semi-annual	3.75%	3.98%	6,215	988,506
144-A REG.S	Luxembourg	11/4/2021	Fixed	US\$	1,150,000,000	Maturity	Semi-annual	3.88%	4.07%	7,386	1,136,984
144-A REG.S	Luxembourg	7/17/2022	Fixed	US\$	1,250,000,000	Maturity	Semi-annual	3.00%	3.16%	17,221	1,235,352
144-A REG.S	Luxembourg	8/13/2023	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.50%	4.75%	12,861	737,038
BCODE-B	Chile	4/1/2025	Fixed	U.F.	6,900,000	Maturity	Semi-annual	4.00%	3.24%	2,844	298,453
144-A REG.S	Luxembourg	9/21/2035	Fixed	US\$	500,000,000	Maturity	Semi-annual	5.63%	5.78%	8,080	490,762
144-A REG.S	Luxembourg	10/24/2036	Fixed	US\$	500,000,000	Maturity	Semi-annual	6.15%	6.22%	5,998	496,036
144-A REG.S	Luxembourg	7/17/2042	Fixed	US\$	750,000,000	Maturity	Semi-annual	4.25%	4.40%	14,638	731,466
144-A REG.S	Luxembourg	10/18/2043	Fixed	US\$	950,000,000	Maturity	Semi-annual	5.63%	5.76%	11,010	932,183
144-A REG.S	Luxembourg	11/4/2044	Fixed	US\$	980,000,000	Maturity	Semi-annual	4.88%	5.01%	7,613	959,689
144-A REG.S	Luxembourg	7/9/2024	Fixed	Euro	600,000,000	Maturity	Annual	2.25%	2.48%	7,898	716,070
TOTAL										122,552	9,316,632

Nominal and effective interest rates presented above correspond to annual rates.

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

The undiscounted amounts due to the Corporation maintained with financial institutions, is as follows:

12-31-2015					Current			Non-current			
Debtor's Name	Currency	Effective Interest Rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Mizuho Corporate Bank Ltd	US\$	1,20%	0,92%	Quarterly	467	100,467	100,934	-	-	-	-
Bank of Tokyo Mitsubishi Ltd.	US\$	1,13%	0,82%	Quarterly	524	251,561	252,085	-	-	-	-
HSBC Bank USA. N.A.	US\$	1,23%	0,92%	Quarterly	1,180	251,167	252,347	-	-	-	-
Export Dev Canada	US\$	1,25%	0,82%	Quarterly	526	250,973	251,499	-	-	-	-
Mizuho Corporate Bank Ltd.	US\$	1,37%	1,13%	Quarterly	858	2,594	3,452	306,028	-	-	306,028
Bank of America N.A.	US\$	1,18%	0,97%	Quarterly	1,479	1,479	2,958	305,898	-	-	305,898
Bank of Tokyo Mitsubishi Ltd.	US\$	1,04%	0,94%	Quarterly	714	2,151	2,865	305,016	-	-	305,016
Export Dev Canada	US\$	1,04%	0,94%	Quarterly	724	2,158	2,882	304,992	-	-	304,992
Mizuho Corporate Bank Ltd	US\$	1,33%	1,10%	Quarterly	261	796	1,057	1,850	95,527	-	97,377
Export Dev Canada	US\$	1,03%	0,94%	Quarterly	1,430	2,150	3,580	4,987	301,962	-	306,949
Bank of Tokyo-Mitsubishi Ltd.	US\$	1,55%	1,17%	Semi-annual	-	24,926	24,926	48,994	12,071	-	61,065
Japan Bank International Cooperation	US\$	1,24%	1,07%	Semi-annual	-	34,172	34,172	67,292	65,908	48,519	181,719
ORIENTE COPPER NETHERLANDS B.V	US\$	3,60%	3,25%	Semi-annual	39,161	38,663	77,824	151,188	145,474	778,309	1,074,971
BONO 144-A REG. 2019	US\$	7,79%	7,50%	Semi-annual	22,500	22,500	45,000	90,000	622,500	-	712,500
BONO 144-A REG. 2020	US\$	3,98%	3,75%	Semi-annual	-	37,500	37,500	75,000	1,075,000	-	1,150,000
BONO 144-A REG. 2021	US\$	4,07%	3,88%	Semi-annual	-	44,563	44,563	89,125	89,125	1,194,563	1,372,813
BONO 144-A REG. 2022	US\$	3,16%	3,00%	Semi-annual	18,750	18,750	37,500	75,000	75,000	1,325,000	1,475,000
BONO 144-A REG. 2023	US\$	4,75%	4,50%	Semi-annual	16,875	16,875	33,750	67,500	67,500	851,250	986,250
BONO 144-A REG. 2025	US\$	4,77%	4,50%	Semi-annual	45,000	45,000	90,000	180,000	180,000	2,450,000	2,810,000
BONO 144-A REG. 2035	US\$	5,78%	5,63%	Semi-annual	14,063	14,063	28,126	56,250	56,250	921,875	1,034,375
BONO 144-A REG. 2036	US\$	6,22%	6,15%	Semi-annual	-	30,750	30,750	61,500	61,500	992,000	1,115,000
BONO 144-A REG. 2042	US\$	4,40%	4,25%	Semi-annual	15,938	15,938	31,876	63,750	63,750	1,451,250	1,578,750
BONO 144-A REG. 2043	US\$	5,76%	5,63%	Semi-annual	-	53,438	53,438	106,875	106,875	2,179,063	2,392,813
BONO 144-A REG. 2044	US\$	5,01%	4,88%	Semi-annual	-	47,775	47,775	95,550	95,550	2,126,600	2,317,700
Total ThUS\$					180,450	1,310,409	1,490,859	2,456,795	3,113,992	14,318,429	19,889,216
BONO BCODE-B 2025	U.F.	3,24%	4,00%	Semi-annual	138,000	138,000	276,000	552,000	552,000	8,142,000	9,246,000
Total U.F.					138,000	138,000	276,000	552,000	552,000	8,142,000	9,246,000
Subtotal ThUS\$					4,980	4,980	9,961	19,921	19,921	293,838	333,681
BONO 144-A REG. 2024	EUR	2,48%	2,25%	Annual	-	13,500,000	13,500,000	27,000,000	27,000,000	654,000,000	708,000,000
Total EUR					-	13,500,000	13,500,000	27,000,000	27,000,000	654,000,000	708,000,000
Subtotal ThUS\$					-	14,725	14,725	29,450	29,450	713,353	772,254
Total ThUS\$					185,430	1,330,114	1,515,545	2,506,167	3,163,364	15,325,620	20,995,151

Nominal and effective interest rates presented above correspond to annual rates.



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12-31-2014					Current			Non-current			
Debtor's Name	Currency	Effective Interest Rate	Nominal Rate	Payments of Interest	Less than 90 days	More than 90 days	Current total	1 to 3 years	3 to 5 years	More than 5 years	Non-current total
Banco Santander S.A.	US\$	1,20%	1,08%	Trimestral	205	75,632	75,837	-	-	-	-
HSBC Bank Bermuda Limited	US\$	1,21%	1,09%	Trimestral	444	163,856	164,300	-	-	-	-
Bank of Tokyo-Mitsubishi Ltd.	US\$	1,09%	1,00%	Trimestral	251	100,763	101,014	-	-	-	-
Banco Santander S.A.	US\$	1,22%	1,10%	Trimestral	276	100,842	101,118	-	-	-	-
Export. Dev. Canada	US\$	1,18%	1,06%	Trimestral	660	252,018	252,678	-	-	-	-
Sumitomo Mitsui Banking	US\$	1,09%	1,07%	Trimestral	268	810	1,078	100,185	-	-	100,185
Mizuho Corporate Bank Ltd	US\$	1,11%	0,83%	Trimestral	212	629	841	100,844	-	-	100,844
Bank of Tokyo Mitsubishi Ltd.	US\$	1,04%	0,73%	Trimestral	469	1,391	1,860	251,865	-	-	251,865
HSBC Bank USA. N.A.	US\$	1,14%	0,83%	Trimestral	1,050	1,587	2,637	251,581	-	-	251,581
Export Dev Canada	US\$	1,10%	0,73%	Trimestral	468	1,389	1,857	251,862	-	-	251,862
Mizuho Corporate Bank Ltd	US\$	1,09%	0,86%	Trimestral	647	1,977	2,624	5,255	301,970	-	307,225
Bank of America N.A.	US\$	1,08%	0,88%	Trimestral	1,319	2,015	3,334	4,681	302,674	-	307,355
Bank of Tokyo-Mitsubishi Ltd.	US\$	1,01%	0,88%	Semestral	-	1,167	1,167	4,459	3,292	-	7,751
Bank of Tokyo-Mitsubishi Ltd.	US\$	1,03%	0,89%	Semestral	-	4,006	4,006	15,372	11,351	-	26,723
Japan Bank International Cooperation	US\$	0,79%	0,78%	Semestral	-	1,604	1,604	6,040	5,948	7,307	19,295
Japan Bank International Cooperation	US\$	0,79%	0,79%	Semestral	-	5,510	5,510	20,840	20,519	25,200	66,559
Bank of Tokyo Mitsubishi Ltd.	US\$	0,95%	0,85%	Trimestral	647	1,941	2,588	5,197	301,948	-	307,145
Export Dev Canada	US\$	0,96%	0,86%	Trimestral	672	1,951	2,623	5,225	301,923	-	307,148
Mizuho Corporate Bank Ltd	US\$	1,09%	0,86%	Trimestral	203	621	824	1,650	96,235	-	97,885
Export Dev Canada	US\$	0,94%	0,85%	Trimestral	1,284	1,950	3,234	4,532	304,369	-	308,901
ORIENTE COPPER NETHERLANDS B.V	US\$	3,60%	3,25%	Semestral	-	78,471	78,471	152,685	146,852	814,097	1,113,634
BONO 144-A REG. 2019	US\$	7,79%	7,50%	Semestral	22,500	22,500	45,000	90,000	667,500	-	757,500
BONO 144-A REG. 2020	US\$	3,98%	3,75%	Semestral	-	37,500	37,500	75,000	75,000	1,037,500	1,187,500
BONO 144-A REG. 2021	US\$	4,07%	3,88%	Semestral	-	44,563	44,563	89,125	89,125	1,239,125	1,417,375
BONO 144-A REG. 2022	US\$	3,16%	3,00%	Semestral	18,750	18,750	37,500	75,000	75,000	1,362,500	1,512,500
BONO 144-A REG. 2023	US\$	4,75%	4,50%	Semestral	16,875	16,875	33,750	67,500	67,500	885,000	1,020,000
BONO 144-A REG. 2035	US\$	5,78%	5,63%	Semestral	14,063	14,063	28,126	56,250	56,250	950,000	1,062,500
BONO 144-A REG. 2036	US\$	6,22%	6,15%	Semestral	-	30,750	30,750	61,500	61,500	1,022,750	1,145,750
BONO 144-A REG. 2042	US\$	4,40%	4,25%	Semestral	15,938	15,938	31,876	63,750	63,750	1,483,125	1,610,625
BONO 144-A REG. 2043	US\$	5,76%	5,63%	Semestral	26,719	53,438	80,157	106,875	106,875	1,255,781	1,469,531
BONO 144-A REG. 2044	US\$	5,01%	4,88%	Semestral	-	47,775	47,775	95,550	95,550	1,170,488	1,361,588
				Total MUS\$	123,920	1,102,282	1,226,202	1,962,823	3,155,131	11,252,873	16,370,827
BONO BCODE-B 2025	U.F.	3,24%	4,00%	Semestral	138,000	138,000	276,000	552,000	552,000	8,418,000	9,522,000
				Total U.F.	138,000	138,000	276,000	552,000	552,000	8,418,000	9,522,000
				Subtotal ThUS\$	5,601	5,601	11,202	22,405	22,405	341,673	386,483
BONO 144-A REG. 2024	EUR	2,48%	2,25%	Semestral	-	13,500,000	13,500,000	27,000,000	27,000,000	667,500,000	721,500,000
				Total EUR	-	13,500,000	13,500,000	27,000,000	27,000,000	667,500,000	721,500,000
				Subtotal MUSS\$	-	16,421	16,421	32,843	32,843	811,946	877,632
				Total MUSS\$	129,521	1,124,304	1,253,825	2,018,071	3,210,379	12,406,492	17,634,942

Nominal and effective interest rates presented above correspond to annual rates.

Payment commitments for financial leasing transactions are summarized in the following table:

Financial Leasing	12-31-2015			12-31-2014		
	Gross ThUS\$	Interest ThUS\$	Net ThUS\$	Gross ThUS\$	Interest ThUS\$	Net ThUS\$
Less than 90 days	10,025	(2,434)	7,591	7,505	(2,265)	5,240
Between 90 days and 1 year	19,117	(7,535)	11,582	22,327	(6,846)	15,481
Between 1 and 2 years	28,319	(10,386)	17,933	24,151	(6,833)	17,318
Between 2 and 3 years	23,131	(9,259)	13,872	18,972	(6,106)	12,866
Between 3 and 4 years	40,157	(13,178)	26,979	18,009	(6,025)	11,984
Between 4 and 5 years	11,191	(3,197)	7,994	17,773	(6,054)	11,719
More than 5 years	37,883	(5,260)	32,623	52,284	(9,854)	42,430
Total	169,823	(51,249)	118,574	161,021	(43,983)	117,038

Commitment to future payments for operating leases and lease payments recognized in the statements of comprehensive income are summarized in the following table:

Futruce payments for operating issues	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Less than one year	1,114,212	928,510
Between one and five years	620,318	516,932
More than five years	268,864	224,053
TOTAL	2,003,394	1,669,495

Rental fees recognized in the Statement of Comprehensive Income	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Minimum payments for operatings leases	286,628	238,857

14. Fair Value of financial assets and liabilities

As the carrying amount of financial assets is a reasonable approximation of their fair value, no incremental disclosures are required in accordance with IFRS 7.

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

Regarding financial liabilities, the following table shows a comparison in December 31, 2015 between the book value and the fair value of financial liabilities other than those whose book value is a reasonable approximation of fair value.

Comparison between book value & fair value As of December 31, 2015	Accounting treatment for valuation	Book value	Fair value
		ThUS\$	ThUS\$
Financial Liabilities:			
Bond Obligations	Amortized cost	11,323,533	10,704,922

The fair value of loans from financial institutions is a reasonable approximation of their book value. Liabilities arising from hedging are valued in the financial statements at fair value.

15. Fair value hierarchy

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

- Level 1 corresponds to Fair Value measurement methodologies through market quotes (unadjusted) in active markets and considering the same valued assets and liabilities.
- Level 2 corresponds to Fair Value measurement methodologies using market quote data, not included in Level 1, that are either directly (prices) or indirectly (derived from the prices) observable for the valued assets and liabilities.
- Level 3 corresponds to Fair Value measurement methodologies that use valuation techniques that include data on the valued assets and liabilities that are not supported by observable market data.

Based on the methodologies, inputs, and previous definitions the following market levels have been established for the financial instruments portfolio held by the Corporation at December 31, 2015:

Financial assets and liabilities at fair value with effect in profit and loss statement	12-31-2015			
	Level 1 ThUS\$	Level 2 ThUS\$	Level 3 ThUS\$	Total ThUS\$
<b>Financial Assets:</b>				
Provisionally priced sales contracts	-	(66,976)	-	(66,976)
Cross Currency Swap	-	30,764	-	30,764
Mutua funds units	-	-	-	-
Metals futures	2,777	-	-	2,777
<b>Financial Liabilities:</b>				
Metals Futures	107	-	-	107
Cross Currency Swap		162,438		162,438

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

16. Trade and other payables

Total trade and other payables, current and non-current, are detailed as follows:

Items	Current Liabilities	
	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Trade payables	1,103,310	1,222,597
Payables to employees	20,299	2,483
Withholdings	77,088	89,728
Tax withholdings	26,240	36,879
Other payables	79,778	91,963
Total	1,306,715	1,443,650

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17. Other provisions

Other short-term accrued expenses and provisions as of the indicated dates are detailed as follows:

Other Provisions	Current		Non-current	
	12-31-2015 ThUS\$	12-31-2014 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Trade (1)	14,038	12,568	-	-
Operating (2)	327,181	143,334	-	-
Law No. 13.196	171,530	169,856	-	-
Sundry	148,874	109,607	10,914	2,299
Closure, decommissioning and restoration (3)	-	-	1,140,080	1,395,008
Contingencies	-	-	25,193	41,518
Total	661,623	435,365	1,176,187	1,438,825

Accrual for employee benefits	Current		Non-current	
	12-31-2015 ThUS\$	12-31-2014 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Employees' collective bargaining agreements	206,869	201,384	-	-
Employee termination benefit	37,131	43,735	700,882	762,146
Bonus	1,121	4,056	-	-
Vacation	136,933	145,206	-	-
Medical care programs (4)	922	805	457,067	492,277
Retirement plans (5)	47,725	46,630	62,504	99,834
Other	15,511	11,936	7,774	8,984
Total	446,212	453,752	1,228,227	1,363,241

- (1) Corresponds to a sales-related accrual, which includes charges for freight, loading, and unloading that were not invoiced at the end of the period.
- (2) Corresponds to a provision for customs duties, freight on purchases, electricity, among others.

(3) Corresponds to future asset retirement provision costs primarily related to tailing dams, closures of mine operations and other assets. The value is calculated in present value discounted at a real annual discount rate before tax of 2.01% in Chilean pesos, and reflects the corresponding assessments of the time value of money, which the market provides. The discount rate includes the risks associated to the liability that is being determined, except those that are included in the cash flows. The discount period varies between 11 and 82 years.

The Company determines and records the liability in accordance with the accounting policies mentioned in note II.1 letter d) and II.2 letter o) of the Accounting Policies.

(4) Corresponds to an accrual for contributions to medical care institutions agreed upon with current and former employees.

(5) Corresponds to an accrual for employees who have agreed or expected to agree to retire in accordance with plans in effect for personnel retirement. .

Movements of Other provisions were as follows:

Movimientos	01-01-2015 12-31-2015			
	Provision for mine closure ThUS\$	Contingencies ThUS\$	Other Provisions, non-current ThUS\$	Total ThUS\$
Opening balance	1,395,008	41,518	2,299	1,438,825
ARO Adjustments	(116,394)	-	-	(116,394)
Financial expenses	30,357	-	-	30,357
Payment of liabilities	(2,593)	(11,926)	(30)	(14,549)
Foreign exchange rate differences	(174,909)	(1,806)	(64)	(176,779)
Other variations	8,611	(2,592)	8,708	14,727
Final balance	1,140,080	25,194	10,913	1,176,187

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18. Employee benefits

a. Provisions for post-employment benefits and other long term benefits

Provision for post-employment benefits mainly corresponds to employee termination benefits, registered to reflect the obligations for severance, and medical care plans, and is intended to cover the payment obligations that the Corporation has contracted with its employees, according to contracts or collective bargaining agreements and to partially cover the costs of medical services.

Both long term benefits are based on the agreements in the employment contracts or collective bargaining agreements signed between the Corporation and workers.

These accruals are recorded in the statement of financial position, at the present value of estimated future obligations. The discount rate applied is determined on the basis of the rates of financial instruments in the same currency in which the obligations are to be paid and with similar maturities.

The basis for the registration of these obligations are denominated in Chilean pesos, therefore the amount includes in the Corporation's financial statements represents exposure to financial risk of exchange rate.

The results from adjustments and changes in actuarial variables are charged or credited to the statements of other comprehensive income in the period in which they occur.

During the period of January to December 2015, there were no significant changes in post-employment benefits plans.

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

Assumptions	12-31-2015		12-31-2014	
	Retirement plan	Health plan	Retirement plan	Health plan
Annual Discount Rate	4,66%	5,11%	4,65%	4,76%
Voluntary Annual Turnover Rate for Retirement (Men)	4,24%	4,24%	4,66%	4,66%
Voluntary Annual Turnover Rate for Retirement (Women)	3,44%	3,44%	5,51%	5,51%
Salary Increase (real annual average)	3,72%	3,72%	4,00%	4,00%
Future Rate of Long-Term Inflation	3,00%	3,00%	3,00%	3,00%
Inflation Health Care	5,05%	5,05%	5,05%	5,05%
Mortality tables used for projections	CB14-RV14	CB14-RV14	RV-2009	RV-2009
Average duration of future cash flows (years)	7,02	18,50	9,04	18,42
Expected Retirement Age (Men)	60	60	65	65
Expected Retirement Age (Women)	59	59	60	60

The discount rates correspond to the price in the secondary market of government bonds issued by Chile. Annual inflation corresponds to the long-term goal publicly declared by the Central Bank of Chile. Rotation rates were determined by reviewing the experience of the Corporation, by studying the cumulative expenditures for the last three years on the current (analysis executed by causal) behavior. Growth rates of compensable revenues respond to the long-term trend observed by reviewing the historical salaries paid by the Corporation. The mortality tables used for the actuarial calculations correspond to numbers issued by the Superintendency of Securities and Insurance, and these are used because they are an appropriate representation of the Chilean market and given the lack of comparable statistical series to develop independent studies. Financial liabilities term corresponds to average maturity of payment flows of the respective defined benefit. For Health Plans, retirement ages are defined in the scheduled withdrawal of AFP, which is a parameter generally accepted in the Chilean market and by the absent of homogeneous statistical series used to perform own studies. The financial maturity of these assets corresponds to the averaged maturity date for the payment flows of the respective determined benefits.

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

Movements	01-01-2015 12-31-2015		01-01-2014 12-31-2014	
	Retirement plan ThUS\$	Health plan ThUS\$	Retirement plan ThUS\$	Health plan ThUS\$
Opening balance	805,881	493,082	841,944	350,159
Service cost	78,193	1,047	75,087	2,734
Financial cost	12,894	8,432	20,543	10,199
Paid contributions	(86,021)	(36,850)	(130,845)	(36,268)
Actuarial (gains)/losses	44,289	34,878	120,578	194,647
Transfers from other benefits	-	7,780	-	-
Subtotal	855,236	508,369	927,307	521,471
(Gains)/Losses on foreign exchange rate	(117,223)	(50,380)	(121,426)	(28,389)
Final Total	738,013	457,989	805,881	493,082

It has been performed a technical revaluation of the liability for severance benefits for years of service, with a net effect of ThUS\$44,289 as of December 31, 2015, affecting equity, which is composed by an actuarial gain amounting to ThUS\$1,748 corresponding to changes in demographic assumptions, a loss of ThUS\$26,011 due to a revaluation of the financing assumptions and ThUS\$72,048 due to an experience loss.

Similarly to this last case, it has been determined an actuarial loss for ThUS\$34,878, comprised by a loss of ThUS\$40,136 corresponding to changes in demographic assumptions, a gain of ThUS\$8,244 in financing assumptions and an adjustment for experience of ThUS\$2,986.

The balance at December 31, 2015 comprises a portion of ThUS\$37,131 and ThUS\$922 in the short term, corresponding to compensation for years of service and Health Plans respectively. At December 31, 2016, a balance of ThUS\$807,392 has been projected for the provision of compensation and ThUS\$463,397 for health benefits. The compensation payments flow over the next twelve months reach an expected monthly average of ThUS\$3,094 for severance and of ThUS\$77 per concept of health benefit plans.

The next table shows a review of the sensitivities performed over the provisions, from an average scenario, at low or high scenario with unit percentage change, respectively, and the two separate effects of reduction or increase of the book value of these provisions states:

Severance Benefits for Years of Service	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	3,658%	4,658%	5,658%	5,18%	-4,57%
Financial effect on the real increase in income	3,221%	3,721%	4,221%	-2,10%	2,22%
Demographic effect of job rotations	3,660%	4,160%	4,660%	1,39%	-1,49%
Demographic effect on mortality tables	-25,00%	CB14- RV14, Chile	25,00%	-0,05%	0,05%
Health Benefits and Other	Low	Medium	High	Reduction	Increase
Financial effect on interest rates	4,112%	5,112%	6,112%	16,79%	-12,85%
Financial effect on health inflation	4,550%	5,050%	5,550%	-6,80%	7,54%
Demographic effect, planned retirement age	58 / 63	60 / 65	62 / 67	3,81%	-3,91%
Demographic effect on mortality tables	-25,00%	CB14- RV14, Chile	25,00%	8,93%	-7,22%

b. Provision for termination benefits

The Corporation under its operational optimization programs seeks to reduce costs and increased labor productivity, facilitated by the incorporation of modern technologies and/or best management practices, has established personnel severance programs, using the corresponding addendum to contracts or collective bargaining agreements, with benefits that encourage retirement, for which necessary provisions are made based on the accrued obligation at present value.

At December 31, 2015 and 2014, a current balance is presented by these obligations of ThUS\$47,725 and ThUS\$46,630 respectively, while non-current balance represents ThUS\$62,504 and ThUS\$99,834 respectively, the latter of which is associated with the provision related to the term of the collective bargaining process that the Administration negotiated with Codelco Chuquicamata during the month of December 2012 with union workers of that

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Division. These values have been discounted using a discount rate equivalent to that used for calculating employee benefits provisions and whose outstanding balances are part of the accounting balances at December 31, 2015 and 2014.

c. Employee benefits expenses by nature of the benefits

The costs associated with employee benefits classified by their nature, are:

Expenditure by Nature of Employee Benefits	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Benefits - Short term	1,684,043	1,755,622
Benefits - Post employment	1,047	2,734
Benefits - Termination	59,963	61,742
Benefits by years of service	78,193	75,087
Total	1,823,346	1,895,185

19. Net equity

In accordance with article 6 of Decree Law 1.350 of 1976, it is established that, before March 30 of each year, the Board must approve the Corporation's Business and Development Plan for the next three-year period. Taking that plan as a reference, and keeping in mind the Corporation's balance sheet for the immediately preceding year, in order to ensure its competitiveness, before June 30 of each year the amounts that the Corporation shall allocate to the formation of capitalization funds and reserves shall be determined by founded decree from the Ministries of Mining and Treasury.

Net income shown in the balance sheets, after deducting the amounts referred to in the previous paragraph, shall belong to the State and becomes part of the Nation's general income.

Pursuant to the Exempt Finance Decree No. 184 of June 27, 2014 of the Ministry of Finance, the Corporation was authorized to capitalize US\$200 million of the net profit of the financial statements as of December 31, 2013. Those resources were charged to the profits of 2014.

On October 24, 2014, the President of the Republic signed the Law No. 20,790. Such Law establishes an extraordinary capital contribution up to US\$3 billion to the Corporation during the period 2014-2018, whose resources, together with the earning capitalization – up to US\$1 billion – generated in that period, will serve to boost the Investment Plan in mining projects, sustainability, mining development and renewal of equipment and industrial plants. At December 31, 2015, there are no capitalized resources under such statute.

Pursuant to the Exempt Finance Decree No. 197 of June 30, 2015 of the Ministry of Finance, the Corporation was authorized to capitalize US\$225 million of the net profit of the financial statements as of December 31, 2014. Those resources will be charged to the profits of 2015.

On October 28, 2015, it was reported that it was decided to provide capital for US \$ 600 million once reviewed the follow-up and Development Business Plan 2014-2018 for Codelco, which were admitted on December 2, 2015.

This contribution will be financed by the Public Treasury and sourced from debt issues performed by the Republic pursuant to Article 2 of Law No. 20.790, which establishes an Extraordinary Capital Contribution for Codelco and authorizes it to contract debt.

As of December 31, 2015 and 2014, no dividends payable were provisioned.

In the financial statement “Statement of Changes in Net Equity” the changes experienced in the Corporation’s equity are disclosed.

Due to the bylaws that govern the Corporation, these financial statements do not consider disclosure of information related to earnings per share.

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

Reclassification adjustments from other comprehensive income to profit or loss resulted in a loss of ThUS\$261 and a gain of ThUS\$3,023 for the period January through December 2015 and 2014, respectively.

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)

a. Other reserves

Other equity reserves are listed in the table below, as of the dates indicated in each case.

Other Reserves	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Foreign exchange differences on conversion reserves	(12,974)	(5,763)
Cash flow hedge reserves	(6,549)	(3,442)
Capitalization fund and reserves	5,772,162	4,938,359
Reserve of gains (losses) of defined benefit plans	(246,424)	(220,695)
Other reserves	625,705	635,338
<b>Total other reserves</b>	<b>6,131,920</b>	<b>5,343,797</b>

b. Non-controlling equity interests

The details of non-controlling equity interests, included in liabilities and net income, are listed in the table below, as of the dates indicated in each case.

Sociedades	Non-controlling participation		Net equity		Profit (loss)	
	12-31-2015 %	12-31-2014 %	12-31-2015 ThUS\$	12-31-2014 ThUS\$	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Biosigma S.A.	33,30%	33,30%	669	636	(633)	(804)
Inversiones GacruX SpA	32,20%	32,20%	1,042,171	1,862,844	(834,890)	(9,968)
Ecosea Farming S.A.	8,68%	14,97%	-	245	(40)	(241)
Other	-	-	15	10	-	-
<b>Total</b>			<b>1.042.855</b>	<b>1.863.735</b>	<b>(835.563)</b>	<b>(11.013)</b>

Between January 1 and December 31, 2015, Inversiones GacruX SpA did not report any dividends paid to non-controlling participations.



The percentage of non-controlling interest over the assets of Inversiones Mineras Acrux SpA is equal to 32.2% and generates a non-controlling interest in the affiliated company Inversiones GacruX SpA, which had the following figures in its statement of financial position, income statements and cash flow statement:

Assets and liabilities	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current Assets	169,276	151,275
Non-current assets	3,215,675	5,860,559
Current liabilities	168,068	92,660
Non-current liabilities	686,999	720,267

Results	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Revenues	(2,009,439)	239,794
Expenses	(635,488)	(274,805)
Profit (loss) of the period	(2,644,927)	(35,011)

Cash flow	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Net cash flow from operating activities	78,263	530
Net cash flow from investing activities	61,647	45,322
Net cash flow from financing activities	(152,376)	(79,987)

## 20. Operating income

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

Item	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Revenue from sales of own copper	8,721,880	10,720,801
Revenue from sales of third-party copper	2,039,161	1,858,630
Revenue from sales of molybdenum	391,587	669,686
Revenue from sales of other products	538,289	564,968
Revenue in futures market	2,575	12,592
<b>Total</b>	<b>11,693,492</b>	<b>13,826,677</b>

## 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)

## 21. Expenses by nature

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

Item	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Short-term benefits to employees	1,684,043	1,755,622
Depreciation	1,213,102	1,171,158
Amortization	811,738	775,699
<b>Total</b>	<b>3,708,883</b>	<b>3,702,479</b>

## 22. Impairment of Assets

As of December 31, 2015, losses due to impairment are recognized in the CGU of Division Salvador and Division Ventanas. Assets affected by losses due to impairment of value correspond to items of the category Property, Plant & Equipment, mainly in the items of Plant & Equipment, Ongoing Construction and Buildings.

### Cash Generating Unit Division Salvador

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

Said recoverable amount calculation resulted in a value of ThUS\$463,314, which compared to the book value, led to recognizing a loss due to impairment of asset of ThUS\$310,530 (before taxes), which was recorded in Other Expenses by Function in the Consolidated Statements of Comprehensive Income for the period 2015.

The recoverable amount determined for the calculation of the loss due to impairment corresponds to the value in use with an annual discount rate of an 8.5%, before taxes. The main variables used for determining the recoverable amount of this asset correspond to copper prices, treatment and refining charges, exchange rates and discount rates.

The mentioned loss due to impairment is mainly raised by the drop in copper prices experimented during the year 2015 and a downward adjustment for the expected production.



Cash Generating Unit Division Ventanas

As of December 31, 2015, the Corporation performed a calculation of the recoverable amount in the CGU Division Ventanas, in order to verify the existence of an impairment of value for the assets related to the mentioned Division, which book value amounted to ThUS\$338,047.

Said recoverable amount calculation resulted in a value of ThUS\$284,000, which compared to the book value, led to recognizing a loss due to impairment of asset of ThUS\$54,047 (before taxes), which was recorded in Other Expenses by Function in the Consolidated Statements of Comprehensive Income for the period 2015.

The recoverable amount determined for the calculation of the loss due to impairment corresponds to the value in use with an annual discount rate of an 8.5%, before taxes. The main variables used for determining the recoverable amount of this asset correspond to copper prices, treatment and refining charges, exchange rate and discount rates.

The mentioned loss due to impairment is mainly raised by the drop in copper prices experimented during the year 2015.

23. Other revenues and expenses by function

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

a. Other income by function

Item	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Penalties to suppliers	16,737	8,498
Delegated Administration	4,070	4,491
Miscellaneous sales (net)	17,467	17,875
Compensations by insurance companies	-	50
Reversals of provisions	26,710	-
Won trials	18,762	-
Realized gain in associates	19,563	19,563
Other income	49,580	47,869
Total	152,889	98,346

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)

b. Other expenses by function

Item	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Law No. 13.196	(864,797)	(1,081,259)
Research expenses	(87,047)	(59,215)
Bonus for the end of collective bargaining	(35,112)	(260,539)
Expenses plan	(59,963)	(61,742)
Write-off of investment projects	(313,776)	(4,177)
Penalty of fixed assets	(64,110)	(9,261)
Write-off of research projects	(82,132)	(25,000)
Medical care plan	(1,047)	(2,734)
Assets Impairment (see Note No.22)	(364,577)	(12,000)
Write-off of inventories	(68,708)	-
Climatic impact	(25,132)	-
Contractors mobilization	(13,242)	-
Other	(107,085)	(105,050)
Total	(2,086,728)	(1,620,977)

24. Finance costs

Finance costs are detailed as follows:

Item	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Bond interests	(335,847)	(286,810)
Bank loan interests	(82,101)	(66,083)
Exchange differences on severance indemnity provision	(12,327)	(18,154)
Exchange differences on other non-current provisions	(60,629)	(64,171)
Other	(33,943)	(29,453)
Total	(524,847)	(464,671)

El porcentaje de participación no controlador sobre el patrimonio de la sociedad Inversiones Mineras Acrux SpA corresponde a un 32,2% y genera un interés no controlador en la sociedad afiliada Inversiones Gacrux SpA, la cual presenta las siguientes cifras relativas a su estado de situación financiera, estados de resultados y estado de flujo de efectivo:

Activos y Pasivos	31-12-2015 MUS\$	31-12-2014 MUS\$
Activos Corrientes	169.276	151.275
Activos No Corrientes	3.215.675	5.860.559
Pasivos Corrientes	168.068	92.660
Pasivos No Corrientes	686.999	720.267

Resultados	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Ingresos ordinarios	(2.009.439)	239.794
Otros ingresos (gastos)	(635.488)	(274.805)
Ganancia (pérdida) del periodo	(2.644.927)	(35.011)

Flujos de Efectivo	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Flujos de efectivo netos procedentes de (utilizados en) actividades de Operation	78.263	530
Flujos de efectivo netos procedentes de (utilizados en) actividades de inversión	61.647	45.322
Flujos de efectivo netos procedentes de (utilizados en) actividades de la financiación	(152.376)	(79.987)

20. Ingresos de actividades ordinarias

Concepto	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Ingresos por ventas de cobre propio	8.721.880	10.720.801
Ingresos por ventas de cobre comprado a terceros	2.039.161	1.858.630
Ingresos por ventas Molibdeno	391.587	669.686
Ingresos por venta Otros Products	538.289	564.968
Ingresos Mercado Futuro	2.575	12.592
Total	11.693.492	13.826.677

Notas a los estados financieros consolidados

(Valores monetarios en miles de dólares de los Estados Unidos de América, salvo que se indique otra moneda o unidad)

21. Gastos por naturaleza

En el cuadro siguiente, se muestran los gastos por naturaleza consolidados de la Corporación:

Concepto	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Beneficios de corto plazo a los empleados	1.684.043	1.755.622
Depreciaciones	1.213.102	1.171.158
Amortizaciones	811.738	775.699
Total	3.708.883	3.702.479

22. Deterioro de activos

Al 31 de diciembre de 2015, se reconocen pérdidas de deterioro en las unidades generadoras de efectivo División Salvador y División Ventanas.

Los activos afectados por pérdidas de deterioro del valor corresponden a bienes del rubro Propiedad, Planta y Equipo, principalmente en conceptos de Planta y Equipos, Construcción en Curso y Edificios.

Unidad generadora de efectivo división Salvador

Al 31 de diciembre de 2015, la Corporación realizó un cálculo del importe recuperable de su unidad generadora de efectivo División Salvador, para efectos de comprobar la existencia de un deterioro del valor de los activos asociados a dicha división, cuyo importe en libros ascendía a MUS\$ 773.844.

El referido cálculo del importe recuperable, determinó un valor de MUS\$ 463.314, que al compararlo con el importe en libros, implicó un reconocimiento de una pérdida por deterioro de activos por MUS\$ 310.530 (antes de impuesto), el cual fue registrado en Otros Gastos por Función, de los estados de resultados integrales del año 2015.

El importe recuperable determinado para el cálculo de la pérdida por deterioro, corresponde al valor de uso utilizando una tasa de descuento de 8,5% anual antes de impuestos. Las principales variables utilizadas para determinar el importe recuperable de este activo corresponden al precio del cobre, costo de tratamiento y refinación, tipos de cambio y tasas de descuento.

La mencionada pérdida por deterioro se genera principalmente por la caída del precio del cobre experimentada durante el año 2015 y un ajuste a la baja de la Output esperada.

### Unidad generadora de efectivo división ventanas

Al 31 de diciembre de 2015, la Corporación realizó un cálculo del importe recuperable de su unidad generadora de efectivo División Ventanas, para efectos de comprobar la existencia de un deterioro del valor de los activos asociados a dicha división, cuyo importe en libros ascendía a MUS\$338.047.

El referido cálculo del importe recuperable, determinó un valor de MUS\$284.000, que al compararlo con el importe en libros, implicó un reconocimiento de una pérdida por deterioro de activos por MUS\$54.047 (antes de impuesto), el cual fue registrado en Otros Gastos por Función, de los estados de resultados integrales del año 2015.

El importe recuperable determinado para el cálculo de la pérdida por deterioro, corresponde al valor de uso utilizando una tasa de descuento de 8,5% anual antes de impuestos. Las principales variables utilizadas para determinar el importe recuperable de este activo corresponden al precio del cobre, costo de tratamiento y refinación, tipos de cambio y tasas de descuento.

La mencionada pérdida por deterioro se genera principalmente por la caída del precio del cobre experimentada durante el año 2015

## 23. Otros ingresos y gastos por función

### Otros Ingresos

Concepto	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Multas a proveedores	16.737	8.498
Administración delegada	4.070	4.491
Ventas misceláneas (neto)	17.467	17.875
Indemnizaciones seguros por siniestros	-	50
Reverso de provisiones	26.710	-
Juicios ganados	18.762	-
Utilidad realizada en asociadas	19.563	19.563
Otros ingresos varios	49.580	47.869
Totales	152.889	98.346

## Notas a los estados financieros consolidados

(Valores monetarios en miles de dólares de los Estados Unidos de América, salvo que se indique otra moneda o unidad)

### Otros gastos

Concepto	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Ley N° 13.196	(864.797)	(1.081.259)
Gastos de estudios	(87.047)	(59.215)
Bono término de negociación colectiva	(35.112)	(260.539)
Plan de egresos	(59.963)	(61.742)
Castigo proyectos de inversión	(313.776)	(4.177)
Pérdida por baja de activo fijo	(64.110)	(9.261)
Castigo proyectos de investigación	(82.132)	(25.000)
Planes de salud	(1.047)	(2.734)
Deterioro de activos (ver nota 22)	(364.577)	(12.000)
Castigo de inventarios	(68.708)	-
Impacto climático	(25.132)	-
Movilización contratistas	(13.242)	-
Otros gastos	(107.085)	(105.050)
Totales	(2.086.728)	(1.620.977)

## 24. Costos financieros

Los costos financieros se detallan en el cuadro siguiente:

Concepto	01-01-2015 31-12-2015 MUS\$	01-01-2014 31-12-2014 MUS\$
Intereses por bonos	(335.847)	(286.810)
Intereses préstamos bancarios	(82.101)	(66.083)
Actualización de provisión indemnización años de servicio	(12.327)	(18.154)
Actualización de otras provisiones no corrientes	(60.629)	(64.171)
Otros	(33.943)	(29.453)
Total	(524.847)	(464.671)

Finance costs

- Finance costs associated and identified with each operating segment in particular are allotted directly.
- Finance costs of subsidiaries are distributed in proportion to the operating income of each operating segment.

Share in profit (losses) of Associates and joint ventures, which are accounted for using the equity method

- The share in profit or losses of associates and joint ventures identified for each individual operating segment is allotted directly.

Foreign currency conversion

- Foreign currency conversion identifiable with each individual operating segment is allotted directly.
- Foreign currency conversion of subsidiaries is distributed in proportion to the operating income of each operating segment.
- The remaining foreign currency conversion is distributed in relation to operating cash expenses of each operating segment.

Contribution to the Treasury of Chile Law No. 13.196

- The amount of the contribution is distributed and accounted for in relation to values invoiced and accounted for in the copper and sub-product exports of each operating segment, subject to taxation.

Income tax income (expenses)

- First category income tax (corporate), of D.L. 2.398 and specific mining tax are distributed based on the pre-tax income of each operating segment, considering for this purpose the income and expenses distribution criteria of the Head Office and subsidiaries mentioned above.
- Other tax expenses are distributed in proportion to the first category income tax, specific mining tax and D.L. 2.398 allotted to each operating segment.

Losses due to impairment of value

- Losses due to impairment of value of the investment in Anglo American Sur S. A. recognized as of December 31, 2015, is not distributed to operating segments, being assigned to Head Office.

b. Transactions between segments

Transactions between segments are made up mainly by products processing services (or maquilas), which are recognized as revenue for the segment that makes maquilas and as the cost of sales for the segment that receives the service. Such recognition is performed in the period in which these services are provided, as well as disposal of both factors on corporate financial statements.

c. Cash flow from segments

The operating segments defined by the Corporation, maintain a cash management which refers mainly to operational activities that need to be covered periodically with fixed funds constituted in each of these segments and whose amounts are not significant in the context of the category corporate balances cash and cash equivalents.

Conversely, activities such as obtaining financing, investment and payment of relevant duties are mainly based at the Head Office.

d. Impairment

The operating segments of Division Ventanas and Division Salvador present in its income statement an impairment of value of ThUS\$54,047 and ThUS\$310,530, before taxes, for the period 2015. This corresponds to the impairment of asset of Property, Plant and Equipment assigned to those Divisions, in their capacity as CGU.

There were no reversals of impairment made during the financial period ended December 31, 2015 and 2014, respectively.

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)

The following tables detail the financial information organized by operating segments:

from 01/01/2015 to 12/31/2015											
Segment	Chuquicamata ThUS\$	R. Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente MUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Total Segments ThUS\$	Subsidiaries, associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
Revenue from sales of own copper	1,647,849	1,614,728	318,001	957,522	2,246,131	161,432	662,832	1,113,169			
Revenue from sales of third-party copper	36,497	-	2,458	-	-	74,461	-	448,675	562,091	1,477,070	2,039,161
Revenue from sales of molybdenum	157,529	14,415	10,400	100,396	109,808	-	-	-	392,548	(961)	391,587
Revenue from sales of other products	91,255	-	48,000	4,745	102,379	200,522	1,004	90,384	538,289		538,289
Revenue from futures market	1,272	1,349	693	(1,025)	(5,375)	3,530	742	759	1,945	630	2,575
Revenue between segments	222,191	-	80,439	644	142	99,702	-	-	403,118	(403,118)	-
<b>Revenue</b>	<b>2,156,593</b>	<b>1,630,492</b>	<b>459,991</b>	<b>1,062,282</b>	<b>2,453,085</b>	<b>539,647</b>	<b>664,578</b>	<b>1,652,987</b>	<b>10,619,655</b>	<b>1,073,837</b>	<b>11,693,492</b>
Cost of sales of own copper	(1,513,500)	(1,239,743)	(458,986)	(920,584)	(1,449,409)	(159,901)	(566,186)	(1,082,526)	(7,390,835)	(5,352)	(7,396,187)
Cost of sales of copper third-party copper	(35,589)	-	(3,115)	-	-	(75,374)	-	(471,060)	(585,138)	(1,448,544)	(2,033,682)
Cost of sales of molybdenum	(67,674)	(21,040)	(12,305)	(33,014)	(40,113)	-	-	-	(174,146)	295	(173,851)
Cost of sales of other products	(19,807)	-	(36,700)	(60)	(66,040)	(185,870)	(1,035)	(3,573)	(313,085)		(313,085)
Cost of sales between segments	(336,168)	40,607	(44,196)	3,648	17,505	(97,448)	-	12,934	(403,118)	403,118	-
<b>Cost of sales</b>	<b>(1,972,738)</b>	<b>(1,220,176)</b>	<b>(555,302)</b>	<b>(950,010)</b>	<b>(1,538,057)</b>	<b>(518,593)</b>	<b>(567,221)</b>	<b>(1,544,225)</b>	<b>(8,866,322)</b>	<b>(1,050,483)</b>	<b>(9,916,805)</b>
<b>Gross profit</b>	<b>183,855</b>	<b>410,316</b>	<b>(95,311)</b>	<b>112,272</b>	<b>915,028</b>	<b>21,054</b>	<b>97,357</b>	<b>108,762</b>	<b>1,753,333</b>	<b>23,354</b>	<b>1,776,687</b>
Other income, by function	15,497	6,927	16,654	14,132	10,633	1,927	2,467	3,885	72,122	80,767	152,889
Distribution costs	(2,007)	(119)	(312)	(407)	(612)	(782)	-	(904)	(5,143)	(7,292)	(12,435)
Administrative expenses	(48,831)	(16,228)	(7,438)	(25,411)	(61,264)	(7,974)	(27,454)	(29,136)	(223,736)	(139,758)	(363,494)
Other expenses, by function	(122,021)	(16,655)	(514,001)	(177,478)	(62,443)	(64,261)	(14,123)	(34,798)	(1,005,780)	(216,151)	(1,221,931)
Law No. 13.196	(179,769)	(158,320)	(34,362)	(95,559)	(195,302)	(29,002)	(64,260)	(108,223)	(864,797)		(864,797)
Other gains (losses)	-	-	-	-	-	-	-	-	-	20,885	20,885
Finance income	1,580	515	401	233	1,985	279	132	499	5,624	11,574	17,198
Finance costs	(115,587)	(31,320)	(12,266)	(92,550)	(142,123)	(6,873)	(10,639)	(51,281)	(462,639)	(62,208)	(524,847)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	14,586	30,102	86	(2,868)	30,380	-	-	-	72,286	(2,573,938)	(2,501,652)
Exchange differences	155,119	66,451	61,103	46,545	128,047	12,362	19,251	21,227	510,105	(44,785)	465,320
<b>Profit (loss) before taxes</b>	<b>(97,578)</b>	<b>291,669</b>	<b>(585,446)</b>	<b>(221,091)</b>	<b>624,329</b>	<b>(73,270)</b>	<b>2,731</b>	<b>(89,969)</b>	<b>(148,625)</b>	<b>(2,907,552)</b>	<b>(3,056,177)</b>
<b>Income tax expenses</b>	<b>62,450</b>	<b>(186,668)</b>	<b>374,685</b>	<b>141,498</b>	<b>(399,571)</b>	<b>46,893</b>	<b>(1,748)</b>	<b>57,580</b>	<b>95,120</b>	<b>633,278</b>	<b>728,398</b>
<b>Profit (loss)</b>	<b>(35,128)</b>	<b>105,001</b>	<b>(210,761)</b>	<b>(79,593)</b>	<b>224,758</b>	<b>(26,377)</b>	<b>983</b>	<b>(32,389)</b>	<b>(53,505)</b>	<b>(2,274,274)</b>	<b>(2,327,779)</b>

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)

from 01-01-2014 to 12-31-2014											
Segment	Chuquicamata ThUS\$	R. Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente MUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Total Segments ThUS\$	Subsidiaries, associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
Revenue from sales of own copper	2,153,944	2,087,070	642,120	1,395,840	2,934,752	76,652	830,038	635,489	10,755,905	(35,104)	10,720,801
Revenue from sales of third-party copper	-	-	-	1,372	-	136,373	-	-	137,745	1,720,885	1,858,630
Revenue from sales of molybdenum	281,686	27,204	18,168	178,469	164,159	-	-	-	669,686	-	669,686
Revenue from sales of other products	121,106	-	88,270	8,113	103,012	206,776	-	37,691	564,968	-	564,968
Revenue from futures market	2,383	2,056	315	43	546	3,970	2,515	493	12,321	271	12,592
Revenue between segments	121,016	-	49,856	195	6,840	76,877	-	-	254,784	(254,784)	-
Revenue	2,680,135	2,116,330	798,729	1,584,032	3,209,309	500,648	832,553	673,673	12,395,409	1,431,268	13,826,677
Cost of sales of own copper	(1,542,468)	(1,428,198)	(738,202)	(1,045,940)	(1,619,459)	(78,226)	(647,617)	(553,846)	(7,653,956)	(8,304)	(7,662,260)
Cost of sales of copper third-party copper	-	-	-	(323)	-	(142,530)	-	-	(142,853)	(1,709,386)	(1,852,239)
Cost of sales of molybdenum	(77,854)	(26,014)	(11,292)	(41,367)	(37,805)	-	-	-	(194,332)	-	(194,332)
Cost of sales of other products	(8,505)	-	(52,479)	(85)	(96,318)	(244,001)	-	(1,193)	(402,581)	-	(402,581)
Cost of sales between segments	(230,965)	63,210	(41,325)	14,515	22,387	(97,407)	-	14,801	(254,784)	254,784	-
Cost of sales	(1,859,792)	(1,391,002)	(843,298)	(1,073,200)	(1,731,195)	(562,164)	(647,617)	(540,238)	(8,648,506)	(1,462,906)	(10,111,412)
Gross profit	820,343	725,328	(44,569)	510,832	1,478,114	(61,516)	184,936	133,435	3,746,903	(31,638)	3,715,265
Other income, by function	16,149	14,413	14,472	5,753	17,134	417	3,224	(1,496)	70,066	28,280	98,346
Distribution costs	(420)	(37)	(266)	(280)	(358)	(556)	-	(60)	(1,977)	(7,366)	(9,343)
Administrative expenses	(57,987)	(23,809)	(17,241)	(35,043)	(77,758)	(10,901)	(29,182)	(29,987)	(281,908)	(169,214)	(451,122)
Other expenses, by function	(103,328)	3,931	(29,852)	(28,244)	(224,847)	(2,120)	(19,142)	(29,313)	(432,915)	(106,803)	(539,718)
Law No. 13.196	(241,493)	(210,466)	(70,988)	(139,870)	(260,036)	(19,597)	(82,711)	(56,098)	(1,081,259)	-	(1,081,259)
Other gains (losses)	-	-	-	-	-	-	-	-	-	37,682	37,682
Finance income	2,336	787	796	326	2,099	80	90	223	6,737	13,007	19,744
Finance costs	(106,783)	(28,916)	(9,253)	(64,395)	(136,999)	(8,143)	(8,031)	(50,261)	(412,781)	(51,890)	(464,671)
Share in the profit (loss) of associates and joint ventures accounted by the equity method	(515)	-	313	(3,092)	(11)	-	-	-	(3,305)	251,299	247,994
Exchange differences	127,385	40,527	26,063	34,741	133,429	13,587	12,901	16,226	404,859	(26,040)	378,819
Profit (loss) before taxes	455,687	521,758	(130,525)	280,728	930,767	(88,749)	62,085	(17,331)	2,014,420	(62,683)	1,951,737
Income tax expenses	(252,939)	(285,878)	93,451	(150,065)	(471,143)	(49,220)	(35,048)	(155,433)	(1,306,275)	65,452	(1,240,823)
Profit (loss)	202,748	235,880	(37,074)	130,663	459,624	(137,969)	27,037	(172,764)	708,145	2,769	710,914

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

The assets and liabilities related to each operating segment, including the Corporation’s head office as of December 31, 2015 and 2014 are detailed in the following tables:

12-31-2015										
Category	Chuquicamata ThUS\$	R. Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente MUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Subsidiaries, associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
Current assets	850,220	628,448	227,828	318,103	710,726	143,119	254,985	517,588	2,375,011	6,026,028
Non-current assets	4,734,984	2,081,427	680,660	3,879,018	5,359,301	289,947	1,325,783	3,683,540	27,385,954	27,385,954
Current liabilities	558,521	134,687	242,124	195,320	524,188	78,811	115,695	104,712	1,907,058	3,861,116
Non-current liabilities	839,186	187,810	257,839	208,714	730,323	48,279	120,740	36,992	17,420,023	19,849,906

31-12-14										
Category	Chuquicamata ThUS\$	R. Tomic ThUS\$	Salvador ThUS\$	Andina ThUS\$	El Teniente MUS\$	Ventanas ThUS\$	G. Mistral ThUS\$	M. Hales ThUS\$	Subsidiaries, associates and Head Office, net ThUS\$	Total Consolidated ThUS\$
Current assets	965,849	697,884	335,594	424,987	828,368	138,138	432,040	581,367	1,584,733	5,988,960
Non-current assets	4,211,281	1,846,975	957,133	3,965,064	4,718,564	304,787	1,196,707	3,879,274	8,187,821	29,267,606
Current liabilities	569,254	172,483	202,050	223,530	485,623	85,698	116,499	162,208	1,558,491	3,575,835
Non-current liabilities	1,006,128	225,616	332,181	264,276	821,232	55,028	75,896	45,793	17,329,069	20,155,219

Revenue classified by geographical area is detailed as follows:

Revenue per geographical areas	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Total revenue from domestic customers	769,769	1,181,592
Total revenue from foreign customer	10,923,723	12,645,085
Total	11,693,492	13,826,677

Revenue per geographical areas	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
China	2,875,992	1,986,149
Rest of Asia	2,162,099	2,242,853
Europe	1,362,513	3,017,196
America	1,874,217	2,185,496
Other	3,418,671	4,394,983
Total	11,693,492	13,826,677

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

Principal customers	Country	01-01-2015 12-31-2015 ThUS\$
Trafigura Pte Ltd.	Singapore	455,974
Southwire Company	USA	446,484
Glencore International Ag.	Switzerland	398,075
Nexans France	France	349,234
Ls-Nikko Copper Inc	South Korea	330,906
Maïke Metals International Ltd	China	323,851
Louis Dreyfus Commodities Meta	Switzerland	285,443
Mitsui & Co., Ltd.	Japan	252,996
Ocean Partners Uk Limited	UK	215,177
Mri Trading Ag	Switzerland	185,289
<b>Total</b>		<b>3,243,430</b>

26. Foreign exchange differences

According to Decree Law 1.350, the Corporation maintains its accounting records in United States dollars (US\$), recording transactions in currencies other than U.S. dollars at the exchange rate current at the date of each transaction and subsequently updating them, when necessary, according to the exchange rate determined by the Superintendency of Securities and Insurance as of closing report for each of the financial statements. This is consistent with the definition of Functional Currency described in Note No. 2 c, included in these Financial Statements.

The following table summarizes the foreign exchange differences included in the Consolidated Statements of Comprehensive Income.

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

Gain (loss) from foreign exchange differences recognized in income	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Gain from foreign exchange differences	629,166	528,603
Loss from foreign exchange differences	(163,846)	(149,784)
<b>Total exchange difference, net</b>	<b>465,320</b>	<b>378,819</b>

27. Statement of cash flows

The following table shows the items that comprise other collections and payments from operating activities in the Statement of Cash Flows:

Other collections from operating activities	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
VAT Refund	1,346,761	1,395,278
Other	428,345	260,485
<b>Total</b>	<b>1,775,106</b>	<b>1,655,763</b>

Other payments from operating activities	01-01-2015 12-31-2015 ThUS\$	01-01-2014 12-31-2014 ThUS\$
Contribution to the Chilean Treasury (Law No. 13.196)	(866,507)	(989,032)
Finance hedge and sales	35,096	12,731
VAT and other similar taxes paid	(1,143,972)	(1,275,419)
<b>Total</b>	<b>(1,975,383)</b>	<b>(2,251,720)</b>



## 28. Financial risk management, objectives and policies

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

The risks to which Codelco is exposed are detailed as follows, along with a brief description of the management procedures that are carried out in each case.

### a. Financial risks

- **Exchange rate risk:**

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

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

The majority of transactions in currencies other than US\$ are denominated in Chilean pesos. Also, there is another portion in Euro, which corresponds mainly to a long-term loan issued through the international market, which exchange rate risk is mitigated with hedging instruments.

Taking the financial assets and liabilities as of December 31, 2015 as the base, a fluctuation (positive or negative) of 10 Chilean pesos against the U.S. dollar (keeping the other variables constant), could affect profits before taxes by US\$38 million of gains or losses, respectively. This result is obtained by identifying the principle areas affected by exchange rate, including assets and financial liabilities, in order to measure the impact on income that a variation of +/- 10 Chilean pesos would have to US\$, with respect to the real exchange rate as of the date of this financial statement.

Codelco has signed deposits in national currency to cover the effects of exchange rate fluctuations between the dollar and the Chilean peso due to the obligations of the Corporation held in Chilean pesos.

As of December 31, 2015 and 2014, Codelco does not have any balances of these deposits.

- **Interest rate risk:**

This risk is generated by interest rate fluctuations in Codelco's investment and financing activities. This movement can affect future cash flows or the market value of fixed rate financial instruments.

These rate variations refer to U.S. dollar variations, mostly with respect to the LIBOR rate. To manage this risk, Codelco maintains an adequate combination of fixed and variable rate debt, which is complemented by the possibility of using interest-rate derivatives to meet the strategic guidelines defined by Codelco's Corporate Finance Department.

It is estimated that, on the basis of net debt as of December 31, 2015, a 1% change in interest rates on the financial liabilities subject to variable interest rates would mean approximately a US\$33 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, 2015, amount to ThUS\$12,074,305 and ThUS\$2,756,773, respectively.

### b. Market risks.

- **Commodity price risk:**

As a result of its commercial operations and activities, the Corporation's income is mainly exposed to the volatility of copper prices and certain sub-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average market price for specified future periods. The host contract is the sale of metals contained in

the concentrate or cathode at the provisional invoice price, and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. At the reporting date, the provisionally priced metal sales are marked-to-market, with adjustments (both gains and losses) being recorded in revenues in the consolidated statements of comprehensive income. Forward prices at the period-end are used for copper sales, while period-end average prices are used for molybdenum concentrate sales due to the absence of assets futures market.

At December 31, 2015, if the future price of copper varied by + / - 5% (with the other variables constant), the result would vary + / - US\$160 million before taxes as a result of setting the mark to market of sales revenue to provisional prices in effect at December 31, 2015 (MTMF 675). 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 estimateed regarding what the final settlement price will be if there is a difference of + / - 5% with respect to the future price known to date to this period.

In order to protect its cash flow and adjust it, where necessary, its sales contracts to its trade policy, the Corporation has operations in futures markets. At the date of presentation of the financial statements, these contracts are adjusted to fair value, recording this effect, the settlement date of the hedging transactions as part of net product sales.

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

At December 31, 2015, a variation of U.S. ¢ 1 in the price per pound of copper, considering derivatives contracted by the Corporation, involves a change in income or payments for existing contracts (exposures) of ThUS\$16 before taxes. This calculation is obtained from a simulation curves of future copper

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)

prices, which are used to assess the subscribed derivative instruments by the Corporation; estimations would vary the exposure of these instruments if there is an increase / U.S. ¢ 1 decrease in the price per pound of copper.

No hedging transactions with the specific aim to mitigate the price risk caused by fluctuations in prices of production inputs.

c. Liquidity risk

The Corporation ensures that it has sufficient resources, such as pre-approved credit lines (including refinancing), in order to meet short-term requirements, after considering the necessary working capital for its operations and any other commitments it has.

In this sense, Codelco Chile maintains resources at its disposal sufficient to meet its obligations, whether in cash, liquid financial instruments or credit facilities.

In addition, the Finance Department constantly monitors the Corporation's cash flow projections based on short and long term projections and available financing alternatives. In addition, the Corporation estimates that it has enough room to increase the level of borrowing for the normal requirements of its operations and investments established in its development plan.

In this context, according to current existing commitments with creditors, the cash requirements to cover financial liabilities classified by maturity and presented in the statement of financial position are detailed as follows:

Maturity of financial liabilities as of 12/31/2015	Less than one year ThUS\$	Between one and five years ThUS\$	More than five years ThUS\$
Loans from financial institutions	995,891	1,649,716	861,938
Bonds	146,923	1,585,218	9,591,392
Finance leases	19,173	66,778	32,623
Derivatives	107	-	162,437
Other financial liabilities	4,116	76,829	-
Total	1,166,210	3,378,541	10,648,390

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 uncollectibility of client debt balances is minimal. This is complemented by the familiarity the Corporation has with its clients and the length of time it has operated with them. Therefore, the credit risk of these transactions is not significant.

The indications with respect to the payment conditions to the Corporation are detailed in every sales contract and the negotiation management is in charge of the Vice Presidency of Commercialization.

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

The maximum credit risk exposure as of December 31, 2015 is represented by the financial asset items presented in the Corporation's Statement of Financial Position.

The Corporation's accounts receivable do not include customers with balances that could be classified as a significant concentration of debt and would represent a material exposure for Codelco. This exposure is distributed among a large number of clients and other counterparties.

The client items include allowances, which are not significant, designed to cover possible insolvencies. These provisions are determined based on review of the debt balances and the clients' characteristics, to cover possible insolvencies.

Explanatory note 2 in "Trade and other receivables" presents overdue balances that have not been impaired.

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

As of December 31, 2015 and 2014, there are no receivable balances that have been renegotiated.

Codelco works with major banks, which have high national and international ratings, and continually assesses them; therefore, the risk that could affect the availability of the Corporation's funds and financial instruments is not significant.

Also, in some cases, to minimize credit risk, the Corporation has contracted credit insurance policies through which it transfers to third parties the commercial risk associated with some aspects of its business.

During the period January through December 2015 and 2014, no assets have been obtained as a result of the execution of guarantees contracted to insure the collection of third party debt.

Personnel loans are mainly generated by mortgage loans, according to programs included in collective agreements, which are guaranteed by housing mortgages which are paid for through payroll discounts.

29. Derivatives contracts

As stated in the Board of Directors' policy, ratified on March 27, 2009, the Corporation has operations to hedge cash flows, to minimize the risk of foreign exchange rate variations and sales price variations, detailed as follows:

a. Exchange rate hedges

The Corporation has taken measures to protect itself from exchange rate variations, whose negative net deferred tax exposure amounts to ThUS\$7,416.

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

December 31, 2015									
Hedge item	Bank	Type of derivative contract	Maturity	Currency	Amount ThUS\$	Financial obligation: hedging instrument ThUS\$	Exposure ThUS\$	Asset ThUS\$	Liability ThUS\$
Bond UF Maturity 2025	Credit Suisse (USA)	Swap	4/1/2025	US\$	249,015	208,519	30,764	312,993	(282,229)
Bond EUR Maturity 2024	Santander (Chile)	Swap	7/9/2024	US\$	327,225	409,650	(88,726)	386,603	(475,329)
Bond EUR Maturity 2024	Deutsche Bank (UK)	Swap	7/9/2024	US\$	327,225	409,680	(86,200)	386,947	(473,147)
Total					903,465	1,027,849	(144,162)	1,086,543	(1,230,705)

As of December 31, 2015 the balance for cash deposit guarantees amount to ThUS\$13,505.

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

**b. Cash flows and commercial policy adjustment hedging contracts**

The Corporation performs transactions in the market of metal derivatives, recording their results at maturity. These results are added to or deduced from sales revenue. This addition or deduction is made because sales revenue incorporates the positive or negative effect of market prices. At December 31, 2015, these operations generated a higher net realized income of ThUS\$1,920.

**b.1. Commercial operations of current copper contracts.**

The purpose of these contracts is to adjust the price of shipments to the price defined in the Corporation's related policy, defined in accordance with the London Metal Exchange (LME). As of December 31, 2015, the Corporation performed derivative market transactions of copper that represent 228,740 metric tons of fine copper. These hedging operations are part of the Corporation's commercial policy.

The current contracts as of December 31, 2015 presenting a positive exposure of ThUS\$661 and their final result will only be known at their maturity, offsetting the hedging transactions with revenue from the sale of the hedged products.

The transactions completed between January 1 and December 31, 2015 generated a net negative effect on net income of ThUS\$1,561, which is deducted from the amounts paid for purchase contracts and added to the values received for sales contracts of the products affected by these pricing transactions.

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

As of December 31, 2015 the Corporation maintains contracts for derivatives the sale of gold for MOZT 41.2 and silver for MOZT 1,434.2.

The contracts outstanding at December 31, 2015 show a positive exposure of ThUS\$994, The final result will only be known at the expiration of such operations, after offsetting between hedging and income from the sale of the goods.

The transactions completed between January 1 and December 31, 2015 generated a positive effect on net income of ThUS\$3,481, which are added to the amounts received from the sales contracts and the sales of products related to these transactions. These hedging transactions mature in January 2016.

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

The Corporation does not hold actual transactions at December 31, 2015, resulting from these operations, which allowed protecting future cash flows, by way of ensuring the sales prices levels of production.

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

December 31, 2015 ThUS\$	Maturity date						Total
	2016	2017	2018	2019	2020	Outcoming	
Flex Com Copper (Asset)	1,452	-	-	-	-	-	1,452
Flex Com Copper (Liability)	(107)	(684)	-	-	-	-	(791)
Flex Com Gold/Silver	994	-	-	-	-	-	994
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	2,339	(684)	-	-	-	-	1,655

December 31, 2014 ThUS\$	Maturity date						Total
	2015	2016	2017	2018	2019	Outcoming	
Flex Com Copper (Asset)	12,595	1,766	46	-	-	-	14,407
Flex Com Copper (Liability)	(743)	(26)	-	-	-	-	(769)
Flex Com Gold/Silver	1,856	-	-	-	-	-	1,856
Price setting	-	-	-	-	-	-	-
Metal options	-	-	-	-	-	-	-
Total	13,708	1,740	46	-	-	-	15,494

December 31, 2015 ThUS\$	Maturity date						Total
	2016	2017	2018	2019	2020	Outcoming	
Copper Futures [MT]	199.64	29.10	-	-	-	-	228.7
Gold/Silver Futures [ThOZ]	1,475.45	-	-	-	-	-	1,475.5
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

December 31, 2014 ThUS\$	Maturity date						Total
	2015	2016	2017	2018	2019	Outcoming	
Copper Futures [MT]	228.6	55.9	-	-	-	-	287.5
Gold/Silver Futures [ThOZ]	1,853.9	-	-	-	-	-	1,853.9
Copper price setting [MT]	-	-	-	-	-	-	-
Copper Options [MT]	-	-	-	-	-	-	-

### 30. Contingencies and restrictions

#### a. Litigations and contingencies

There are various lawsuits and legal actions initiated by or against the Corporation, which derive from its operations and the industry in which it operates. In general, these are civil, tax, labor and mining litigations, all related to the Corporation's activities.

In the opinion of Management and its legal advisors, the lawsuits in which the Corporation is being sued and could have negative results do not represent significant loss contingencies or cash flows. Codelco defends its rights and employs all corresponding relevant legal instances, resources and procedures.

The most significant lawsuits that involve Codelco are related to the following matters:

- Tax Lawsuits: There are several tax lawsuits due to Internal Revenue Service tax assessments, for which the Corporation has filed the corresponding opposition.
- Labor Lawsuits: Labor lawsuits filed by workers of the Andina Division against the Corporation, relating to occupational illness (silicosis).
- Mining and Other Lawsuits derived from operations: The Corporation has been participating and will probably continue to participate as a claimant and defendant in certain lawsuits relating to its operations and mining activities through which it seeks to exercise or oppose certain actions or exceptions with regard to certain mining concessions that have been established or are pending constitution, and its other activities. These processes do not currently have a fixed amount and do not essentially affect the development of Codelco.

A case by case analysis of these lawsuits has shown that there are a total of 437 cases that have a clearly estimated value. It is estimated that 244 of these, which represent 55.84% of the total and which amount to ThUS\$25,194, could have a negative impact on the Corporation. There are also 74 lawsuits, representing

16.93% of the total and which amount to ThUS\$7,000, about which there is no certainty that the outcome would be unfavorable for Codelco. For the 119 remaining cases, which amount to ThUS\$9,762, the Corporation's legal advisors believe that an unfavorable outcome is unlikely. In addition, there are 102 lawsuits for undetermined amounts. It is believed that the result of 56 of these could be unfavorable to Codelco.

In connection with the long term sale contract which Codelco held with its associated company Copper Partners Investment Company Limited ("Cupic"), the Internal Revenue Service ("IRS") has issued to the Corporation: (i) for the fiscal year 2006 and 2007, the Settlements No. 1 and No. 2, and the Assistant Director-Control (SDF) Ex. Resolution No.1, all of them issued on July 30, 2010, (ii) for the fiscal year 2008 and 2009, the Settlements No. 45, No. 46 and No. 47, all of them issued on June 29, 2012, (iii) for the fiscal year 2010 and 2011, the Settlements No. 7 and No. 8, both of them issued on September 27, 2014, (iv) for the fiscal year 2012, the Settlements No. 92 and No. 93, both of them issued on June 30, 2015. In addition, the IRS issued payment vouchers No. 478211, No. 478143 and No. 478179, all of them issued on June 12, 2015 which is associated with settlements No. 45, No. 46 and No. 47, previously mentioned.

The previously mentioned settlements were contested by the Corporation through several administrative and jurisdictional ways. As a part of such procedures, the Corporation and the IRS agreed to make certain adjustments to the tax basis. At August 31, 2015, the IRS notified to the Corporation the Exent Resolutions No.53247/2015; No.25058/2015; SDF No.3496/2015, which were issued taking into account certain legal aspects, background and information provided by the Corporation to the IRS during the tax audit period. The Resolutions provide evidence of the adjustment to the tax basis and cancel the Liquidations previously mentioned. Instead, the IRS issued the tax collection No.531137; 531125; 531117; 531103, amounting to ThUS\$148,935, payed on August 31, 2015.

(Composition of the taxes calculated: ThUS\$110,000 for Specific Tax for Mining, ThUS\$16,000 for First Category Tax, ThUS\$23,000 for Specific Tax for Public Companies 40%). Such agreement has enabled the calculated and collected differences due to this same concept is foreseen for the years 2012, 2013 and 2014. Finally, through Resolution No.17020000038 issued on September 8, 2015 and Exempt Resolution DGC 17600 No.118/2015, the IRS cancels the collections No.478211, 478143 and 478179.

For litigation costs and potential loss, the necessary provisions exist, which are recorded as contingency provisions.

**b. Other Commitments.**

- i. On February 29, 2010, the Board agreed to continue mining operations of the Salvador Division until 2016, and if market and operating conditions are maintained, until 2021, both extensions are subject to the condition that management improvements and cost reduction commitments made by the Division are met, these commitments were filed at the Board of Directors in August 2010, and the extension was approved.
- ii. On May 31, 2005, Codelco, through its subsidiary Codelco International Ltd. signed an agreement with Minmetals to form a company, Copper Partners Investment Company Ltd., in which both companies have an equal equity interest. A 15-year copper cathode sales contract to that associated company was agreed upon, as well as a purchase contract from Minmetals to the latter for the same period and for equal monthly shipments to complete a total of 836,250 metric tons. Each shipment shall be paid by the buyer at a price formed by a fixed re-adjustable component plus a variable component, which depends on current copper prices at the time of shipment.

During the first quarter of 2006 and on the basis of the negotiated financial terms, financing contracts were formalized with the China Development Bank allowing Copper Partners Investment Company Ltd. to make the US\$550 million advance payment to Codelco in March 2006.

As of December 31, 2015, the contract is operational, and monthly shipments began in June 2006.

With regard to financial obligations incurred by the associate Copper Partners Investment Company Ltd. with the China Development Bank, Codelco Chile and Codelco International Ltd. must meet certain commitments, mainly relating to the delivery of financial information. In addition, Codelco Chile must maintain 51% ownership of Codelco International Limited.

According to the Sponsor Agreement, dated March 8, 2006, the Codelco International Ltd. subsidiary gave its participation in Copper Partners Investment Company Limited as a guarantee to the China Development Bank.

Subsequently, on March 14, 2012, Copper Partners Investment Company Ltd. paid off its debt to the abovementioned bank. As of December 31, 2015, Codelco does not hold any indirect guarantee regarding its participation in this associated company.

- iii. Regarding the financing agreement signed on August 23, 2012, between the subsidiary, Gacru Inversiones SpA and Mitsui & Co. Ltd. for the acquisition of the 24.5% stake in Anglo American Sur S.A, which was subsequently amended on October 31, 2012, includes a pledge over the shares that the subsidiary has on Acrux Inversiones SpA (shared participation with Mitsui and minority shareholder in Anglo American Sur S.A.), in order to ensure compliance with the obligations that the financial agreement contemplates.

This pledge extends to the right to collect and receive from Acrux, dividends which have been agreed in the corresponding meetings of shareholders of the company and any other distributions paid or payable to Gacru respect of the pledged shares.

iv. Law 19.993 dated December 17, 2004, which authorized the purchase of the Fundación y Refinería Las Ventanas assets from ENAMI, established that the Corporation must ensure that the smelting and refining capacity required is maintained, without any restriction and limitation, for treating the products of the small and medium mining sector sent by ENAMI, under the form of toll production mode or another form agreed upon by the parties.

v. Obligations with the public for bond issues means that the Corporation must meet certain restrictions related to limits on pledges and leaseback transactions on its principal assets and on its ownership interest in subsidiaries.

The Corporation, at December 31, 2015 and 2014, has complied with these conditions.

vi. On January 20, 2010, the Corporation signed two energy supply contracts with Colbún S.A., which includes energy and power purchases for a total of 351 MW. The contract provides a discount for that energy consumption due to lower demand from Codelco's SIC divisions with respect to the amount of contracted power. The discount is equivalent to the value of the sale of that energy on the spot market.

In addition, through a supplementary agreement, Codelco has ensured the supply by Colbún of 159 MW, adapted to Codelco's long-term energy and power requirements from the SIC of approximately 510 MW.

This contract is based on energy production from Colbún's Santa María thermal power station, which is currently under construction. This plant is coal-fired, and therefore the electric energy tariff rate applied for the energy supplied to Codelco is linked to the price of coal.

Through these contracts, which operate through take or pay, the Corporation agrees to pay for the contracted energy and Colbún undertakes to return at market price the energy not consumed by Codelco.

These contracts have maturity date in 2027 and 2045.

vii. On November 6, 2009, Codelco signed the following long-term electric energy supply contracts with ELECTROANDINA S.A. (associate until January 2011), with a maturity in 2017:

- This replaces the one signed on November 22, 1995, for the supply of electricity to the Chuquicamata work center, for a 15-year term beginning in January 2010 for between 200 and 280 MW in power and all associated electric energy. The approximate cost of the contract is US\$1,380 million for the whole period.
- Modification of the contract dated December 21, 1995 for the Radomiro Tomic work center, for a maximum power of 110 MW, in which new prices are established, for the power and energy contemplated in the contract as well as their new adjustment formulas from January 2010.

viii. On November 11, 2011, Law No. 20.551 was published in the Official Journal, which regulates the tasks and closure of mining facilities. Additionally, on November 22, 2012, the Decreto Supremo No. 41 of the Ministerio de Minería, which approves the Regulations of this Law, was published in the Diario Oficial.

This law requires the Corporation, among other requirements, to provide financial guarantees to the State to ensure the implementation of closure plans. It also establishes the obligation to make contributions to a fund which aims to cover the costs of post-closure activities.



The Corporation, in accordance with the mentioned regulation, in October 2014, provided to SERNAGEOMIN the Mine Closure Plan (ARO) for all of the Codelco operating divisions, which were developed in accordance with the provisions of the Act.

Once said plans were approved by SERNAGEOMIN, in the month of September 2015, Codelco created guarantees for the initial 20% of the obligation under the regulations of this Code, amounting US\$ 700 million according to the estimations. The remaining 80% should be adjusted proportionately each year over the remaining period of fourteen years. The guarantee will be determined in present value of all actions and measures within the mine closure plan.

The mine closure plans delivered to SERNAGEOMIN were developed by invoking the transitional regime of the Act, which was specified for the affected mining companies under the general application procedure (extraction capacity > 10,000 tons per month), and which, at the date of enactment of the Law, will abide in operation and account with a mine closure plan previously approved under Mine Safety Regulations Supreme Decree No. 132.

According to the legal provisions of the transitional regime, the closure plans correspond to the valorization of the recovery plans and closure measures that were previously approved, integrating also those closure and post closure commitments established in the Resolutions of Environmental Qualification (RCA's), and favorable to each division as well as the closure commitments acquired in the sector permits issued by SERNAGEOMIN.

The Corporation considers that the accounting liability record caused by this obligation, differs from the law's requirement, mainly by differences concerning the horizon that is considered for the projection of flows, in which the law requires the determination of the obligations in terms of mineral reserves, while

the financial-accounting approach incorporates some of its mineral resources. Therefore, the discount rate established by law, may differ from that used by the Corporation under the criteria set out in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and described in Note 2, letter o) of Main Accounting Policies.

- ix. On May 24, 2012, the Corporation has signed with Japan Bank for International Cooperation and Bank of Tokyo-Mitsubishi UFJ Ltd. a financing contract for up to US\$ 320 million for the development, construction and operation of a plant metal processing in the second region of Chile, of which at December 31, 2015, have been drawn the totality of the funds.
- x. On August 24, 2012, Codelco through its subsidiary Inversiones Mineras Nueva Acrux SpA (Nueva Acrux) (which minority shareholder is Mitsui), signed a contract with Anglo American Sur S.A. Under this contract, Codelco agreed to sell a portion of its annual copper production to the mentioned subsidiary, who in turn agrees to purchase such production.

Such annual portion is determined by the share of Codelco's indirect subsidiary, Inversiones Mineras Becrux SpA (also shared ownership with Mitsui), maintained for the shares of Anglo American Sur S.A.

In turn, Nueva Acrux agrees to sell to Mitsui, the products purchased under the agreement described in the preceding paragraphs.

The term of the contract will occur when the shareholders agreement of Anglo American Sur S.A ends or other events related to the completion of mining activities of the company take place.

31. Guarantees

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

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

Direct Guarantees provided to Financial Institutions					
Creditor of the Guarantee	Type of Guarantee	12-31-2015			12-31-2014 ThUS\$
		Currency	Maturity	ThUS\$	
Directorate-General for the Merchant Marine and Maritime Territory	Environmental	CLP	Mar-16	1,519	-
Department of Public Works, General Office of Waters	Building project	UF	Jul-16	24,201	-
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	-
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	-
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	-
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	-
Department of Public Works, General Office of Waters	Building project	UF	Oct-16	37,435	-
Oriente Copper Netherlands B.V.	Pledge on shares	USD	Nov-32	877,813	877,813
Sernageomin	Environmental	UF	Mar-16	1,081	-
Sernageomin	Environmental	UF	Jun-16	26,700	-
Sernageomin	Environmental	UF	Jun-16	3,660	-
Sernageomin	Environmental	USD	May-16	30,600	-
Sernageomin	Environmental	USD	May-16	4,450	-
Sernageomin	Environmental	USD	May-16	10,500	-
Total				1,167,699	877,813

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	12/31/2015 ThUS\$	12/31/2014 ThUS\$
Andina	36,526	41,819
Chuquicamata	44,284	49,045
Head Office	404,825	473,072
Radomiro Tomic	7,088	6,377
Salvador	47,592	39,946
Ministro Hales	5	1,289
El Teniente	47,505	51,983
Ventanas	10,575	6,489
Gabriela Mistral	1,474	877
Total	599,874	670,897

32. Balances in foreign currency

a. Assets by Type of Currency

Category	12-31-2015 ThUS\$	12-31-2014 ThUS\$
<b>Liquid assets</b>	<b>1,757,920</b>	<b>1,342,364</b>
US Dollars	1,702,657	1,184,792
Euros	3,600	4,265
Other currencies	4,772	4,261
Non-indexed Ch\$	46,443	134,818
U.F.	448	14,228
<b>Cash and cash equivalents</b>	<b>1,747,718</b>	<b>1,310,616</b>
US Dollars	1,694,053	1,167,009
Euros	3,339	3,974
Other currencies	4,772	4,261
Non-indexed Ch\$	45,230	133,276
U.F.	324	2,096
<b>Other current financial assets</b>	<b>10,202</b>	<b>31,748</b>
US Dollars	8,604	17,783
Euros	261	291
Other currencies	-	-
Non-indexed Ch\$	1,213	1,542
U.F.	124	12,132
<b>Short and long term receivables</b>	<b>1,983,213</b>	<b>2,312,169</b>
US Dollars	1,266,467	1,616,831
Euros	110,671	106,783
Other currencies	619	699
Non-indexed Ch\$	591,331	578,803
U.F.	14,125	9,053
<b>Trade and other receivables</b>	<b>1,876,863</b>	<b>2,177,782</b>
US Dollars	1,245,186	1,607,119
Euros	110,411	106,206
Other currencies	468	579
Non-indexed Ch\$	506,673	454,825
U.F.	14,125	9,053

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

Category	12-31-2015 ThUS\$	12-31-2014 ThUS\$
<b>Rights receivables, non-current</b>	<b>85,069</b>	<b>124,675</b>
US Dollars	-	-
Euros	260	577
Other currencies	151	120
Non-indexed Ch\$	84,658	123,978
U.F.	-	-
<b>Due from related companies, current</b>	<b>21,057</b>	<b>9,488</b>
US Dollars	21,057	9,488
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
<b>Due from related companies, non-current</b>	<b>224</b>	<b>224</b>
US Dollars	224	224
Euros	-	-
Other currencies	-	-
Non-indexed Ch\$	-	-
U.F.	-	-
<b>Rest of assets</b>	<b>29,702,710</b>	<b>31,602,033</b>
US Dollars	26,667,674	27,979,313
Euros	407,102	455,316
Other currencies	31,452	31,094
Non-indexed Ch\$	2,335,087	2,453,819
U.F.	261,395	682,491
<b>Total assets</b>	<b>33,443,843</b>	<b>35,256,566</b>
US Dollars	29,636,798	30,780,936
Euros	521,373	566,364
Other currencies	36,843	36,054
Non-indexed Ch\$	2,972,861	3,167,440
U.F.	275,968	705,772

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

b. Liabilities by type of currency

Current liability by currency	12-31-2015		12-31-2014	
	Up to 90 days ThUS\$	90 days to 1 year ThUS\$	Up to 90 days ThUS\$	90 days to 1 year ThUS\$
Current liabilities	3,024,701	836,415	2,744,429	831,406
US Dollars	2,777,170	780,581	2,086,579	811,819
Euros	53,949	-	97,965	-
Other currencies	791	-	1,223	-
Non-indexed Ch\$	185,515	51,688	552,007	14,253
U.F.	7,276	4,146	6,655	5,334
<b>Other current financial liabilities</b>	<b>380,929</b>	<b>785,281</b>	<b>166,541</b>	<b>819,627</b>
US Dollars	346,797	780,581	88,646	811,819
Euros	28,988	-	69,363	-
Other currencies	-	-	-	-
Non-indexed Ch\$	953	554	4,345	3,330
U.F.	4,191	4,146	4,187	4,478
<b>Bank loans</b>	<b>274,621</b>	<b>721,270</b>	<b>62,630</b>	<b>765,924</b>
US Dollars	252,029	721,270	1,165	763,638
Euros	21,946	-	61,465	-
Other currencies	-	-	-	-
Non-indexed Ch\$	389	-	-	1,709
U.F.	257	-	-	577
<b>Obligations</b>	<b>94,601</b>	<b>52,322</b>	<b>84,330</b>	<b>38,222</b>
US Dollars	85,041	52,322	73,588	38,222
Euros	7,042	-	7,898	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	-	-
U.F.	2,518	-	2,844	-
<b>Finance lease</b>	<b>7,591</b>	<b>11,582</b>	<b>5,240</b>	<b>15,481</b>
US Dollars	5,611	6,882	3,380	9,959
Euros	-	-	-	-
Other currency	-	-	-	-
Non-indexed Ch\$	564	554	517	1,621
U.F.	1,416	4,146	1,343	3,901
<b>Others</b>	<b>4,116</b>	<b>107</b>	<b>14,341</b>	<b>-</b>
US Dollars	4,116	107	10,513	-
Euros	-	-	-	-
Other currencies	-	-	-	-
Non-indexed Ch\$	-	-	3,828	-
U.F.	-	-	-	-
<b>Other current liabilities</b>	<b>2,643,772</b>	<b>51,134</b>	<b>2,577,888</b>	<b>11,779</b>
US Dollars	2,430,373	-	1,997,933	-
Euros	24,961	-	28,602	-
Other currencies	791	-	1,223	-
Non-indexed Ch\$	184,562	51,134	547,662	10,923
U.F.	3,085	-	2,468	856

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

Non-current liability by currency	12-31-2015				12-31-2014			
	1 to 3 years ThUS\$	3 to 5 years ThUS\$	5 to 10 years ThUS\$	más de years ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	5 to 10 years ThUS\$	More than 10 years ThUS\$
<b>Non-Current liabilities</b>	<b>5,166,906</b>	<b>2,192,826</b>	<b>6,624,924</b>	<b>5,865,250</b>	<b>8,350,793</b>	<b>2,239,020</b>	<b>4,940,940</b>	<b>4,624,466</b>
US Dollars	4,939,294	2,064,443	6,102,871	4,296,046	7,349,081	2,228,878	4,202,051	4,326,013
Euros	-	-	(11,213)	-	-	-	716,070	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	199,063	119,227	253,221	1,055,716	965,152	-	1,062	-
U.F.	28,549	9,156	280,045	513,488	36,560	10,142	21,757	298,453
<b>Other non-current financial liabilities</b>	<b>1,304,942</b>	<b>2,073,599</b>	<b>6,371,703</b>	<b>4,276,687</b>	<b>1,147,878</b>	<b>2,239,020</b>	<b>4,939,878</b>	<b>4,624,466</b>
US Dollars	1,292,189	2,064,443	6,102,871	4,276,687	1,136,183	2,228,878	4,202,051	4,326,013
Euros	-	-	(11,213)	-	-	-	716,070	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	1,413	-	-	-	1,856	-	-	-
U.F.	11,340	9,156	280,045	-	9,839	10,142	21,757	298,453
<b>Bank loans</b>	<b>1,196,308</b>	<b>453,408</b>	<b>196,696</b>	<b>665,242</b>	<b>947,158</b>	<b>1,621,224</b>	<b>83,498</b>	<b>715,877</b>
US Dollars	1,196,308	452,783	196,696	665,242	947,158	1,620,232	83,498	715,877
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	625	-	-	-	992	-	-
<b>Obligations</b>	<b>-</b>	<b>1,585,218</b>	<b>5,979,947</b>	<b>3,611,445</b>	<b>-</b>	<b>594,093</b>	<b>4,813,950</b>	<b>3,908,589</b>
US Dollars	-	1,585,218	5,072,052	3,611,445	-	594,093	4,097,880	3,610,136
Euros	-	-	643,237	-	-	-	716,070	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	-	-	-	-	-	-	-	-
U.F.	-	-	264,658	-	-	-	-	298,453
<b>Finance Lease</b>	<b>31,805</b>	<b>34,973</b>	<b>32,623</b>	<b>-</b>	<b>30,184</b>	<b>23,703</b>	<b>42,430</b>	<b>-</b>
US Dollars	19,729	26,442	17,236	-	18,489	14,553	20,673	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	736	-	-	-	1,856	-	-	-
U.F.	11,340	8,531	15,387	-	9,839	9,150	21,757	-
<b>Others</b>	<b>76,829</b>	<b>-</b>	<b>162,437</b>	<b>-</b>	<b>170,536</b>	<b>-</b>	<b>-</b>	<b>-</b>
US Dollars	76,152	-	816,887	-	170,536	-	-	-
Euros	-	-	(654,450)	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	677	-	-	-	-	-	-	-
U.F.	-	-	-	-	-	-	-	-
<b>Other liabilities non-current</b>	<b>3,861,964</b>	<b>119,227</b>	<b>253,221</b>	<b>1,588,563</b>	<b>7,202,915</b>	<b>-</b>	<b>1,062</b>	<b>-</b>
US Dollars	3,647,105	-	-	19,359	6,212,898	-	-	-
Euros	-	-	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
Non-indexed Ch\$	197,650	119,227	253,221	1,055,716	963,296	-	1,062	-
U.F.	17,209	-	-	513,488	26,721	-	-	-

33. Sanctions

As of December 31, 2015 and 2014, neither Codelco Chile nor its Directors and Managers have been sanctioned by the Superintendency of Securities and Insurance or any other administrative authorities.

34. Subsequent events

- On February 26, 2016, it was reported as an essential fact that, because of the copper concentrate spill occurred on February 25, 2016 in the sector of Saladillo, Fifth Region, Division Codelco Andina made every effort to overcome this environmental incident, focusing the work on continuing the monitoring of the water quality and restore the normality of the copper concentrate driving system from the concentrator to the filtration plant. In this sense, all the operations of concentrate driving was suspended
- On February 29, 2016, it was reported as an essential fact that SERNAGEOMIN allowed the restoration of copper concentrate driving operations at Division Andina, communicated on February 26.

The Corporations management is not aware of any significant events of a financial or other nature that would affect these statements occurring between January 1, 2016 and the date of issuance of these financial statements (March 23, 2016) that may affect them.

35. Environmental Expenditures

Each of Codelco's operations is subject to national, regional and local regulations related to protection of the environment and natural resources, including standards relating to water, air, noise and disposal and transportation of dangerous residues, among others. Chile has introduced environmental regulations that have companies, including Codelco, to carry out programs to reduce, control or eliminate relevant environmental impacts. Codelco has executed and shall continue to execute a series of environmental projects to comply with these regulations.

Pursuant to the Letter of Values approved in 2010, Codelco is governed by a series of internal policies and regulations that frame its commitment to the environment, including the Sustainable Development Policy (2003) and the Corporate Security, Occupational Health and Environmental Management Policy (2007).

The environmental management systems of the divisions and the Head Office, structure their efforts in order to comply with the commitments assumed by the corporation's environmental policies, incorporating planning, operating, verifying and reviewing elements. As of December 31, 2015, they have received ISO 14001 certification for the environmental management of Chuquicamata, Radomiro Tomic, Andina, Salvador, El Teniente, Ventanas, Gabriela Mistral and the Head Office.

To comply with the Circular N°1.901 of 2008 of the Chilean Superintendency of Securities and Insurance, the details of the Corporation's main expenditures related to the environment during the period from January, 1 to December 31, 2015 and 2014, and the projected future expenses are stated below.

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

Entity	Project Name	Disbursements 12/31/2015				12/31/2014	Future committed disbursements	
		Project status	Amount ThUS\$	Asset/ Expenditure	Asset / Expenditure Item	Amount ThUS\$	Amount ThUS\$	Estimated Date
	<b>Chuquicamata</b>		<b>108,270</b>			<b>83,579</b>	<b>448,835</b>	
Codelco Chile	Talambre dam extension, 7th stage	Finished	-	Asset	P, P & E	8,057	-	-
Codelco Chile	Talambre dam capacity extension, 8th stage	In Process	19,774	Asset	P, P & E	2,535	348,332	2020
Codelco Chile	Emergency restoration system dust control crushing plant 2° / 3°	In Process	1,080	Asset	P, P & E	3,151	11,417	2017
Codelco Chile	Replacement of circulation pot 1A and 2A	In Process	14,083	Asset	P, P & E	878	15,957	2018
Codelco Chile	Acid plants	In Process	48,141	Expenditure	Administrative expenses	42,307	45,400	2016
Codelco Chile	Solid waste	In Process	2,360	Expenditure	Administrative expenses	2,930	2,071	2016
Codelco Chile	Tailings	In Process	21,848	Expenditure	Administrative expenses	22,518	24,663	2016
Codelco Chile	Water treatment plant	In Process	301	Expenditure	Administrative expenses	410	334	2016
Codelco Chile	Environmental monitoring	In Process	683	Expenditure	Administrative expenses	793	661	2016
	<b>Salvador</b>		<b>91,438</b>			<b>58,612</b>	<b>264,606</b>	
Codelco Chile	Powder Concentrate area capacity extension	Finished	-	Asset	P, P & E	3,270	-	-
Codelco Chile	Construction north wall camber 2nd stage	Finished	-	Asset	P, P & E	2,194	-	-
Codelco Chile	Improvement of integrated gas collection process	In Process	53,804	Asset	P, P & E	7,656	213,397	2018
Codelco Chile	Construction of sanitary filling	In Process	-	Asset	P, P & E	709	-	-
Codelco Chile	Environmental improvement to Puerto Barquito	In Process	1,630	Asset	P, P & E	-	-	-
Codelco Chile	Tailings	In Process	2,621	Expenditure	Administrative expenses	5,251	6,722	2016
Codelco Chile	Acid plants	In Process	31,473	Expenditure	Administrative expenses	37,327	41,511	2016
Codelco Chile	Solid waste	In Process	1,256	Expenditure	Administrative expenses	1,165	1,826	2016
Codelco Chile	Water treatment plant	In Process	654	Expenditure	Administrative expenses	1,040	1,150	2016
	<b>Andina</b>		<b>159,523</b>			<b>184,436</b>	<b>261,041</b>	
Codelco Chile	Construction of water trap for east ballast deposit	In Process	4,691	Asset	P, P & E	5,308	-	-
Codelco Chile	Drain water treatment	Finished	-	Asset	P, P & E	554	-	-
Codelco Chile	Drain internal water treatment E1	Finished	-	Asset	P, P & E	2,646	-	-
Codelco Chile	Drainage water treatment	Finished	-	Asset	P, P & E	46,799	-	-
Codelco Chile	Water Normative Phase 2	In Process	7,633	Asset	P, P & E	17,138	10,718	2018
Codelco Chile	Building evacuation and capturing towers, Ovejería	In Process	3,497	Asset	P, P & E	11,669	303	2016
Codelco Chile	Improvement to irrigation	In Process	3,290	Asset	P, P & E	4,082	-	-
Codelco Chile	Improvements to line wall sand	In Process	220	Asset	P, P & E	2,052	-	-
Codelco Chile	Construction site emergency plan	Finished	-	Asset	P, P & E	877	-	-
Codelco Chile	Rebuilding of bypass cameras	In Process	-	Asset	P, P & E	561	-	-
Codelco Chile	Construction site emergency plan	In Process	18,696	Asset	P, P & E	15,526	178	2016
Codelco Chile	Logistics farm dam Ovejería	Finished	-	Asset	P, P & E	12,569	-	-
Codelco Chile	Construction adduction Los Leones	In Process	3,764	Asset	P, P & E	352	75	2016
Codelco Chile	Well construction container spill	In Process	561	Asset	P, P & E	10	-	-
Codelco Chile	Drainage water treatment DLN	In Process	11,842	Asset	P, P & E	879	28,558	2017
Codelco Chile	Cota 640 tranque	In Process	15,276	Asset	P, P & E	3,680	124,979	2017
Codelco Chile	Improved water internal tip E2	In Process	5,172	Asset	P, P & E	19	12,661	2018
Codelco Chile	Replacement liena Ovejería tailings	In Process	6,284	Asset	P, P & E	18	529	2016
Codelco Chile	Improvement of power supply	In Process	254	Asset	P, P & E	-	1,222	2016
Codelco Chile	Early acquisition for water rights and lands	In Process	7,538	Asset	P, P & E	-	376	2016
Codelco Chile	Rio Blanco trap	In Process	641	Asset	P, P & E	-	6,686	2017
Codelco Chile	Solid waste	In Process	1,935	Expenditure	Administrative expenses	2,279	2,236	2016
Codelco Chile	Water treatment plant	In Process	3,532	Expenditure	Administrative expenses	4,295	4,247	2016
Codelco Chile	Trailings	In Process	61,968	Expenditure	Administrative expenses	51,937	64,620	2016
Codelco Chile	Acid drainage	In Process	2,729	Expenditure	Administrative expenses	1,186	3,653	2016
<b>Subtotal</b>			<b>359,231</b>			<b>326,627</b>	<b>974,482</b>	

Notes to the consolidated financial statements

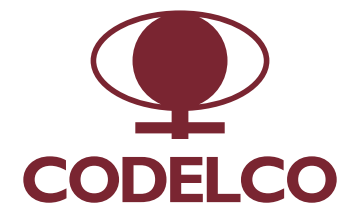
(In thousands of US dollars of the United States of America, except as indicated in other currency or unit)

Entity	Project Name	Disbursements 12/31/2015				12/31/2014	Future committed disbursements	
		Project status	Amount ThUS\$	Asset/ Expenditure	Asset / Expenditure Item	Amount ThUS\$	Amount ThUS\$	Estimated Date
	<b>El Teniente</b>		<b>193,207</b>			<b>185,289</b>	<b>231,387</b>	
Codelco Chile	Construction of 7th phase of Carén	In Process	1,697	Asset	P, P & E	-	3,329	2015
Codelco Chile	Network Monitoring System	In Process	250	Asset	P, P & E	-	337	2015
Codelco Chile	Construction of 6th phase of Carén	In Process	28,213	Asset	P, P & E	7,682	81,619	2017
Codelco Chile	Installation of Powder control	In Process	172	Asset	P, P & E	-	-	2015
Codelco Chile	Flowmeter Acquisitions	In Process	124	Asset	P, P & E	-	-	2015
Codelco Chile	Environmental reconstruction of courts	In Process	1,557	Asset	P, P & E	4,294	-	-
Codelco Chile	Emergency reservoir construction	In Process	2,099	Asset	P, P & E	1,202	-	2015
Codelco Chile	Reinforcement structure and other critical sectors	In Process	701	Asset	P, P & E	89	-	2015
Codelco Chile	Scale and bridges replacement	In Process	122	Asset	P, P & E	-	166	2016
Codelco Chile	Coya module acquisition	In Process	4	Asset	P, P & E	-	466	2016
Codelco Chile	Acid plants	In Process	68,748	Expenditure	Administrative expenses	73,693	66,666	2016
Codelco Chile	Solid waste	In Process	3,474	Expenditure	Administrative expenses	3,507	3,403	2016
Codelco Chile	Water treatment plant	In Process	14,423	Expenditure	Administrative expenses	19,240	13,475	2016
Codelco Chile	Tailings	In Process	71,623	Expenditure	Administrative expenses	75,582	61,926	2016
	<b>Gabriela Mistral</b>		<b>17,072</b>			<b>2,790</b>	<b>31,308</b>	
Codelco Chile	Installation of gravel dump	In Process	14,243	Asset	P, P & E	-	-	
Codelco Chile	Environmental monitoring	In Process	140	Expenditure	Administrative expenses	-	28,039	2017
Codelco Chile	Solid waste	In Process	1,532	Expenditure	Administrative expenses	1,419	1,248	2016
Codelco Chile	Water treatment plant	In Process	1,157	Expenditure	Administrative expenses	1,325	773	2016
	<b>Ventanas</b>		<b>59,683</b>			<b>51,464</b>	<b>90,456</b>	
Codelco Chile	Captación de gases segunda	In Process	14,236	Asset	P, P & E	7,252	23,738	2017
Codelco Chile	Captación de gases sangría	In Process	6,921	Asset	P, P & E	8,639	2,835	2017
Codelco Chile	Tratamiento de gases de cola	In Process	6,356	Asset	P, P & E	4,538	1,194	2017
Codelco Chile	Conversión gas natural quemador	In Process	397	Asset	P, P & E	12	-	-
Codelco Chile	Normalización inst. medición norma	In Process	48	Asset	P, P & E	384	-	-
Codelco Chile	Eliminación humos visibles raf	In Process	3,263	Asset	P, P & E	29	16,264	2017
Codelco Chile	Tratamiento de gases fugitivos	In Process	1,524	Asset	P, P & E	56	13,465	2017
Codelco Chile	Reparación intercambiador	In Process	517	Asset	P, P & E	-	145	2017
Codelco Chile	Instalación Paño 6	In Process	22	Asset	P, P & E	-	3,056	2017
Codelco Chile	Plantas de ácido	In Process	18,687	Expenditure	Administrative expenses	22,353	19,052	2016
Codelco Chile	Residuos sólidos	In Process	1,430	Expenditure	Administrative expenses	1,631	1,793	2016
Codelco Chile	Monitoreo ambiental	In Process	1,542	Expenditure	Administrative expenses	1,513	1,576	2016
Codelco Chile	Planta de tratamiento de efluentes	In Process	4,740	Expenditure	Administrative expenses	5,057	7,338	2016
	<b>Radomiro Tomic</b>		<b>2,001</b>			<b>3,956</b>	<b>3,185</b>	
Codelco Chile	Solid waste	In Process	989	Expenditure	Administrative expenses	1,757	1,374	2016
Codelco Chile	Environmental monitoring	In Process	-	Expenditure	Administrative expenses	2,199	1,811	2016
Codelco Chile	Effluent treatment plant	In Process	1,012	Expenditure	Administrative expenses	-	-	
	<b>Ministro Hales</b>		<b>3,875</b>			<b>321</b>	<b>10,180</b>	
Codelco Chile	Mounting system acquisition and washing	In Process	496	Asset	P, P & E	320	-	-
Codelco Chile	Improving accessibility and integration villas	In Process	2,579	Asset	P, P & E	-	10,180	2016
Codelco Chile	Acquisition sprinkler truck	In Process	22	Asset	P, P & E	1	-	2016
Codelco Chile	Installation of bag-filling machine of silica	In Process	308	Asset	P, P & E	-	-	2015
Codelco Chile	Extension of building for filter plant	In Process	470	Asset	P, P & E	-	-	2015
	<b>Ecometales Limited</b>		<b>207</b>			<b>416</b>	<b>268</b>	
Ecometales Limited	Smelting plant of foundry dust	In Process	207	Expenditure	Administrative expenses	416	268	2015
Subtotal			276,045			244,236	366,784	
Total			635,276			570,863	1,341,266	



# Ratio Analysis of the Consolidated Financial Statements

As of December 31, 2015



# Ratio Analysis of the Consolidated Financial Statements

As of December 31, 2015

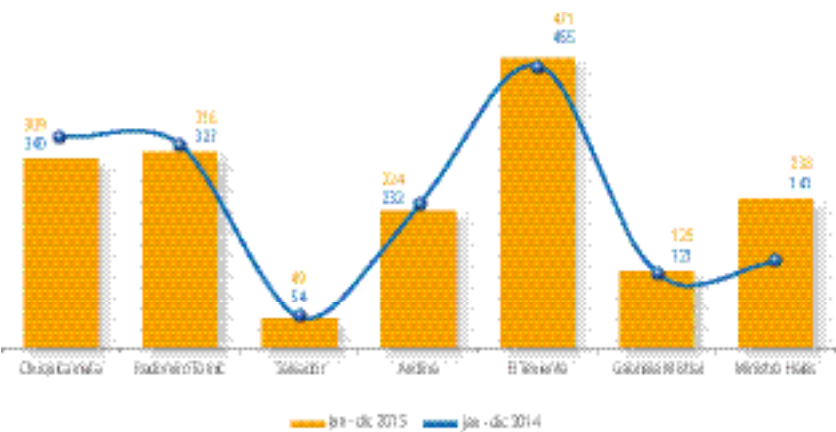
The purpose of this document is to provide the analysis of the Consolidated Financial Statements of Corporación Nacional del Cobre de Chile (Codelco) for the year 2015 and its comparison with the year 2014.

This report is to be understood as a supplement to the consolidated financial statements and its notes and should be read together with such information to obtain a more complete conclusion on the topics recorded therein.

## I. ANALYSIS OF RESULTS OF OPERATIONS

### 1. Production

Production january - december in THFMT.



Graphic 1: Plant production of FMT.

As of December 31, 2015, the total production of fine copper of Codelco Chile, from its operating divisions, amounted to ThFMT 1,732, representing an increase in production of 3.6% compared to the production generated in 2014.

At divisional level, such aggregated behavior variation is mainly due to the increase in the production of the Divisions Ministro Hales (68.8%), El Teniente (3.3%) and Gabriela Mistral (3.33%) whose aggregate increased contribution (ThFMT 116) exceeds the drops in production at the Divisions Chiquicamata (-9.1%), El Salvador (-9.3%), Andina (-3.7%) and Radomiro Tomic (-3.4%), which represented a decrease in production of ThFMT 56 compared to the prior year.

Note that such aggregate production behavior represents a constant management effort addressing different factors presented in mining operations in particular with respect to divisions with older deposits (i.e., a decline in ore grades, higher rock hardness, greater depth of deposits, among others). We seek that such factors be permanently offset by management actions and/or improvements in the factorial productivity of resources used and the contribution in operations made by the new deposits (as in the case of the Ministro Hales division).

### 2. Physical sales volume

Sales, expressed in fine metric tons of own and third party copper and molybdenum are detailed as follows:

Deliveries	12-31-2015 FMT	12-31-2014 FMT	Variation FMT	Variation %
Own copper	1,681,213	1,623,661	57,552	3.5%
Own copper, third party minerals	92,470	64,046	28,424	44.4%
Sales of own copper, own and third party minerals	1,773,683	1,687,707	85,976	5.1%
Copper acquired from third parties	445,967	294,966	151,001	51.2%
Total own and third party copper sales	2,219,650	1,982,673	236,977	12.0%
Own molybdenum	26,029	26,670	-641	-2.4%

Table 2: Total Physical Sales of Copper and Molybdenum.

Total physical sales of own copper (ThFMT 1,773.7) processed in Codelco's plants mainly from own minerals (94.8%) and to a lower proportion from third party minerals (5.2%), increased from 5.1% compared to the period from January and December 2014. With respect to this, total deliveries of own copper produced from mineral resources from Codelco's deposits reflected an increase of 3.5% (ThFMT +57.6), whereas own physical copper sales with minerals from third parties increased by 44.4%

Adding to this figure copper acquired from third parties, which increased by ThFMT 151 total sales volume amounted to ThFMT 2,219.7, which represents an increase of 12.0% compared to 2014 (variance of ThFMT 237)

In addition, during 2015 delivery volume of molybdenum decreased by 2.4% (ThFMT 0.6). Revenue from sales of such products is affected by the effect of the adverse variance in the price of molybdenum recorded in 2015 compared to 2014 (change of -41% average molybdenum price for the period between January and December 2015: US\$/Kg. 14.7 and for the period between January and December 2014: US\$/Kg. 25.1.

3. Profit for the period (expressed in millions of U.S. dollars, US\$ Millions)

Concept	12-31-2015 US\$ Millions	12-31-2014 US\$ Millions	Variation (%)
Revenue from sales of own copper	8,722	10,721	-19%
Revenue from sales of third party copper	2,039	1,859	10%
Revenue from sales of molybdenum	392	670	-41%
Revenue from sales of other products and services	538	565	-5%
Revenue from future market	2	13	-85%
<b>Total revenue</b>	<b>11,693</b>	<b>13,827</b>	<b>-15%</b>
Cost of own copper sold	-7,396	-7,662	-3%
Cost of third party copper sold	-2,034	-1,852	10%
Cost of molybdenum sold	-174	-194	-10%
Cost of other products and services sold	-313	-403	-22%
<b>Total cost of sales</b>	<b>-9,917</b>	<b>-10,111</b>	<b>-2%</b>
<b>Gross profit</b>	<b>1,776</b>	<b>3,716</b>	<b>-52%</b>
Other income and other expenses per function (without No. Law 13.196)	-1,069	-441	142%
Law No. 13.196	-865	-1,081	-20%
Distribution expenses	-12	-9	28%
Administrative expenses	-364	-451	-19%
Other gains (losses)	21	38	-44%
<b>(loses) gains from operating activities</b>	<b>-513</b>	<b>1,770</b>	<b>-129%</b>
Finance income	17	20	-14%
Finance costs	-525	-465	13%
Share of profit of associates and joint ventures accounted for using the equity method of accounting	-2,502	248	-1109%
Foreign currency translation differences	466	379	23%
(Loss) profit before taxes	-3,057	1,952	-257%
Income tax expense	728	-1,241	-159%
<b>(Loss) profit for the period</b>	<b>-2,328</b>	<b>711</b>	<b>-427%</b>
<b>Corporate (deficit) surplus (**)</b>	<b>-2,191</b>	<b>3,033</b>	<b>-172%</b>
EBIT (Earnings Before Interests and Taxes)	-2,531	2,416	-205%
"EBITDAL (Earnings Before Interests, Taxes, Depreciation, Amortization and Law No. 13.196) (* Excluding accounting adjustments for impairment and write-offs"	3,576	5,445	-34%
"Mining EBITDA Margin (* Excluding accounting adjustments for impairment and write-offs"	37%	45%	-18%

(\*\*) The Codelco surplus amounts to loss of US\$ 1,357 million.

Table 3: Consolidated profit or loss as of December 31, 2015 and 2014.

During the year ended December 31, 2015, results from Corporate Surplus amounted to consolidated loss of US\$ (2,328) million. Aspects which have an influence on the decrease in the results in corporate surplus associated with profit before income taxes, specific tax on mining activities and reserved law, compared to the prior year, are mainly: 1) the decrease in revenue from sales of own copper in an effect mainly caused by the adverse variance in copper price<sup>1</sup>; and 2) the lower result from investments in subsidiaries and affiliates, which considers the impairment loss from Anglo American Sur S.A. (US\$2,440 million; for Codelco the result from the interest of 20% in the company amounts to US\$1,654 million). In addition, this includes the adverse variance because of the net effect if other income (expenses) recorded in 2015 highlighting the recognition of impairment losses from the Divisions Salvador and Ventanas and other assets written-off.

<sup>1</sup> Average copper price in the LME in January-December 2015 and Jan-Dec 2014: ¢US/lb 249.2 and ¢US/lb 311.3, respectively (Variation: -20%).

In addition, gross profit as of December 31, 2015 amounted to US\$1,776 million, which is lower by US\$1,940 million than the amount recorded in 2014. This negative variation, as indicated above, is mainly explained by the decrease in sales revenue resulting from the lower price of copper<sup>1</sup>.

The variation in production costs for the periods indicated above is detailed below:

Cost category (US¢/lb)	Jan - Dec 2015	Jan - Dec 2014	Var (%)
Total costs	222.5	230.6	-4%
Net cost to cathode (C3) (*)	196.9	213.3	-8%
Direct cash cost (C1)	138.7	150.4	-8%

Table 4: Production costs as of December 31, 2015 and 2014.

This table above shows the variations in production costs for the periods compared. At total cost and net cost to cathode levels there were decreases of 4% and 8%, respectively. (The net cost to cathode ratio C3 (\*), is presented excluding accounting adjustments for impairment and assets written-off). At cash cost level (C1), the main industry indicator, reflects a decrease of 8% showing a consistent positive advance with the implementation of the containment and cost reduction plan conducted by the Corporation.

#### 4. Other income and expenses per function

Other income and expenses per function (which also add the reserved law) of 2015 amount to net expense of US\$ 1,934 million, which has increased by 27% compared to 2014. This adverse variation of US\$412 million is mainly explained by the recognition of items of property, plant and equipment written-off, investment projects, inventories written-off and impairment losses in cash-generating units Divisions Salvador and Ventanas, which partly exceed the lower expenses associated with collective negotiations recorded in 2015 (during 2014, the Company incurred greater expenses for payments associated with the end of collective negotiations at Divisions El Teniente and Gabriela Mistral); and the effect of the lower accrued expense associated with the Tax on Law No. 13.196.

As indicated above, the tax under Law No.13.196, which imposes a rate of 10% on the return from exports of own copper and by-products, recognized within the caption other expenses per function, decreased by US\$ 126 million compared with 2014 (as of December 31, 2015 and 2014 this amounted to US\$ 865 million and US\$ 1,081 million, respectively), which is naturally explained by lower sales revenue.

5. Surplus – profit (loss) before taxes and net profit (loss)

As of December 31, 2015, Codelco’s surplus before income tax and tax under Law No.13.196, amounted to a net loss US\$ -2,191 million, which is lower than the US\$ 3,033 million recorded in 2014. The negative variation of US\$ 5,244 million, as indicated above, is explained by a lower gross profit (adverse variation of US\$ 1,940 million), attributable to the lower sales revenue because of the effect of the variation in copper Price and lower results from investments, due to the effect of the impairment recorded in 2015 (impairment at Anglo American Sur S.A. of US\$2,440 million; which for Codelco amounts to US\$ 1,654 million related to 20% of interest in the Company, which adds to the negative (net) loss from other income and expenses mainly generated by the recognition of impairment losses at Divisions Salvador and Ventanas, plus other assets written-off.

Codelco’s surplus (deficit) (without considering the interest of minority partners is a loss of US\$1,357 million and if this figure does not consider the extraordinary effects of impairment and write-offs it would amount to US\$1,075 million.

In addition, the profit (loss) before income tax and specific tax on mining activities amounted to a loss of US\$-3,057 million, whereas net loss for the period was US\$ 2,328 million. In addition, this variation includes the effect resulting from the payment of income taxes and specific tax on mining activities (accounted for in June) for an overall amount of US\$149 million, related to an adjustment from prior years, the disbursement of which refers to the settlement with the Servicio de Impuestos Internos (the Chilean IRS) to resolve tax differences related to purchases and sales of copper by Codelco with its subsidiary Cupic.

Annualized return on assets and equity for the same period, without considering the tax burden, Law No.13.196, interest, depreciation and amortization, results in 1.07% and 3.38%, respectively.

II. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Caption	12-31-2015 US\$ Millions	12-31-2014 US\$ Millions	Variation %
Current assets	6,058	5,989	1.15%
Non-current assets	27,386	29,268	-6.43%
Total assets	33,444	35,257	-5.14%
Current liabilities	3,861	3,576	7.97%
Non-current liabilities	19,850	20,155	-1.51%
Total liabilities	23,711	23,731	-0.08%
Equity	9,733	11,526	-15.56%
Total liabilities and equity	33,444	35,257	-5.14%

Table 5: Consolidated statements of financial position as of December 31, 2015 and 2014.

From total assets as of December 31, 2015, items of current assets represent 18% and the remaining percentage relates to non-current assets where property, plant and equipment has the greater percentage (83%).

From total liabilities and equity as of December 31, 2015, current liabilities represents 12%. Non-current liabilities and equity represent 59% and 29%, respectively.

1. Assets

As of December 31, 2015, current assets amounted to US\$ 6,058 million, mainly composed of Inventories of US\$ 2,097 million (35%), Trade and other receivables of US\$ 1,877 million (31%), Cash and cash equivalents of US\$ 1,748 million (29%), Current tax assets of US\$ 270 (4%) million and the difference is composed of other current asset accounts.

Inventories decreased by US\$ 141 million compared to 2014 due to the lower physical amount of finished products mainly related to own copper.

Inventories for 2015 are detailed below:

Inventory	December 2015 US\$ Millions	December 2014 US\$ Millions	Variation D15/D14 US\$ Millions
Finished products	492	592	-100
Products in process	1,080	1,091	-11
Warehouse	474	461	13
<b>Total Inventories - Codelco</b>	<b>2,046</b>	<b>2,144</b>	<b>-98</b>
Consolidation of subsidiaries	51	94	-43
<b>Total Inventories</b>	<b>2,097</b>	<b>2,238</b>	<b>-141</b>

Table 6: Inventories as of December 31, 2015 and 2014.

The table below includes comments on the items of property, plant and equipment as of December 31, 2015:

Property, plant and equipment	12-31-2015 US\$ Millions	12-31-2014 US\$ Millions	Var. D15/D14
Construction in progress, gross	4,891	4,469	9.4%
Land, gross	133	126	5.6%
Buildings, gross	4,963	4,871	1.9%
Plant and equipment, gross	14,129	13,929	1.4%
Facilities and fixtures, gross	56	52	7.7%
Motor vehicles, gross	1,999	1,875	6.6%
Land improvements, gross	4,716	4,302	9.6%
Mining operations, gross	5,199	5,195	0.1%
Mine development, gross	3,864	3,121	23.8%
Other assets, gross	1,433	1,388	3.2%
<b>Total property, plant and equipment, gross</b>	<b>41,383</b>	<b>39,328</b>	<b>5.2%</b>
<b>Total accumulated depreciation</b>	<b>18,616</b>	<b>17,424</b>	<b>6.8%</b>
<b>NET VALUE</b>	<b>22,767</b>	<b>21,904</b>	<b>3.9%</b>

Table 7: Property, plant and equipment as of December 31, 2015 and 2014.

In net terms, there was an increase of US\$ 823 million representing a variance of 3.9% compared to December 31, 2014. Such variation in property, plant and equipment relates to the performance of the Corporation's investment program, which highlights the involvement in its structural projects (aiming at maintaining and/or replenishing, or increasing production capacity of the operating divisions).

## 2. Liabilities

As of December 31, 2015, current liabilities amounted to US\$ 3,861 million (US\$ 3,576 million as of December 31, 2014) and is composed of other current financial liabilities of US\$1,166 million (30%), trade and other payables of US\$ 1,307 million (34%), current provisions for employee benefits of US\$ 446 million (12%), other current provisions of US\$ 662 million (17%) plus other miscellaneous liabilities.

As of December 31, 2015, non-current liabilities amounted to US\$ 19,850 million (US\$ 20,155 million as of December 31, 2014), mainly composed of other non-current financial liabilities of US\$ 14,027 million (71%), deferred tax liabilities of US\$ 3,258 million (16%), other long-term provisions of US\$ 1,176 million (6%), non-current provisions for employee benefits of US\$ 1,228 million (6%), plus other non-current liabilities.

Other current and non-current financial liabilities within liabilities include financial obligations with banks, financial institutions and bonds payable issued both in the local and mainly the international markets.

During the 2015 period, the Corporation issued bonds of US\$ 2,000 million in international financial markets for a term of 10 years with an annual coupon of 4.5% and annual yield of 4.695%.

Movements in obligations with banks and financial institutions for the period between January 1 and December 31, 2015 relate to the payment of bank borrowings, transfers from the non-current to the current portion and accrual of financial interest and others.

Movements in bank borrowings	Current	Non-current
	US\$ Millions	
<b>Initial balance of bank borrowings</b>	<b>829</b>	<b>3.368</b>
Increases	162	191
Repayment of borrowings	-1,095	-
Transfer to the current portion	1,076	-1,076
Foreign currency translation difference, accrual of interests and others	24	7
<b>Total movements</b>	<b>167</b>	<b>-878</b>
<b>Closing balance of bank borrowings</b>	<b>996</b>	<b>2,490</b>

Table 8: Movements in bank borrowings as of December 31, 2015.

### 3. Equity

As of December 31, 2015, equity amounted to US\$ 9,733 million (11,526 as of December 31, 2014). The decrease in equity (net negative variation of US\$ 1,793 million) is mainly explained by the loss recognized for the period of US\$ 2,328 million -as indicated above - due to the effect of lower Revenue from sales, the lower results obtained from investments in subsidiaries and affiliates, (because of accounting for the impairment loss in Anglo American Sur S.A., which for Codelco, represents 20% on the interest in such company: US\$ 1,654 million), due to the recognition of impairment losses in the Divisions Salvador and Ventanas, and other assets written-off, because of the decrease recorded from other comprehensive income (loss) of US\$ 46 million; and the positive effect of other movements related to transfers and other changes in equity of US\$ 580 million, including the capital contribution of US\$ 600 million authorized on October 28, 2015.

### III. FINANCIAL RATIOS

Liquidity	12-31-2015	12-31-2014	Variation (%)
<b>Current liquidity:</b> Current assets/current liabilities	1.57	1.67	-6.0%
<b>Acid test:</b> (Current assets-inventories-prepayments) /current liabilities	1.02	1.04	-1.9%
Indebtedness	12-31-2015	12-31-2014	Variation (%)
<b>Indebtedness ratio:</b> Total liabilities/equity (times)	2.44	2.06	18.4%
<b>Short-term to total debt:</b> Current liabilities/total liabilities	0.16	0.15	6.7%
<b>Long-term debt to total debt:</b> Non-current liabilities/total liabilities	0.84	0.85	-1.2%
Hedges and profitability ratios	12-31-2015	12-31-2014	Variation (%)
Profit before taxes and interest / finance costs (times)	-4.82	5.20	-192.7%
Annualized return on assets before taxes %	-8.9%	5.7%	-256.4%
Annualized return on equity before taxes %	-28.8%	16.3%	-276.3%
Annualized return on operating assets before taxes %	-12.5%	8.1%	-253.6%
Activity ratios	12-31-2015	12-31-2014	Variation (%)
Accounts receivable turnover (times)	6.23	6.35	-1.9%
Collection recovery (based on 360 days)	57.8	56.7	1.9%
Inventory turnover (times)	4.02	3.99	0.8%
Inventory permanence (based on 360 days)	89.5	90.2	-0.8%
Assets	12-31-2015	12-31-2014	Variation (%)
<b>Total assets (millions of US\$)</b>	<b>33,444</b>	<b>35,257</b>	<b>-5.1%</b>

Table 9: Financial ratios.

As of December 31, 2015, the current liquidity ratio was 1.57 times, which is lower by 6% to 2014. Such decrease is explained by the fact that current liabilities (variation of US\$ 285 million; 7.97%) increased on a higher proportion compared to current assets (variation of US\$ 69 million; 1.15%). Such increase in current liabilities is mainly due to the positive variation in current financial liabilities because of transfers to the current portion of interest maturities because of the increase in other provisions from operating activities, which partly exceed the negative variation in trade payables, among other captions.

The increase in the percentage of the indebtedness ratio (variation of 18.4%) is mainly explained by the net negative variation in equity (-15.56%; US\$ (1,793) million compared to total liabilities, because of the lower profit or loss obtained during 2015.

IV. STATEMENT OF CASH FLOWS

As of December 31, 2015, net cash flows from operating activities for the year ended December 31, 2015 determined a positive movement in cash flows of US\$ 3,395 million, which is lower by greater US\$106 million compared to the same period of 2014; such negative variation is mainly explained by lower sales Revenue obtained by the Corporation, mainly because of the effect of copper Price and lower income from dividends received, which are significantly offset by a lower accrual of obligations and payments related to suppliers of goods and services (this aspect is also influenced by the positive effect for the Corporation of the variation in Exchange rate, which results in contractions on obligations payable in domestic currency associated with non-tradable goods and services), lower payments related to Law No. 13.196 and income taxes.

Cash flows from operating activities highlight the following items:

Concept	12-31-2015 US\$ Millions	12-31-2014 US\$ Millions
Cash receipts from sales of goods and rendering of services	12,134	14,153
Other cash receipts from operating activities	1,775	1,656
Cash payments to suppliers for the supply of goods and services	-6,830	-7,882
Finance hedges and sales	35	13
Dividends received	211	496
Cash payments for Law No. 13.196	-867	-989
Income taxes paid	-248	-579
Other cash payments from operating activities	-2,815	-3,367
Total cash flows generated from operating activities	3,395	3,501

Table 10: Cash flows from operating activities as of December 31, 2015 and 2014.

On the other hand, financing activities as of December 31, 2015 resulted in a positive flow of MUS\$1,338, reflecting a positive variation of MUS\$ 492 compared to the prior period. This variation corresponds to income because of the capital contribution of MUS\$ 600, the offset effect between bank borrowings and payments of bank borrowings and payment of dividends recognized in 2014.

As part of the cash flows from financing activities, we may highlight the following:

Concept	12-31-2015 US\$ Millions	12-31-2014 US\$ Millions
Proceeds from capital contributions	600	-
Total proceeds from bank borrowings	2,331	3,885
Repayment of bank borrowings	-1,043	-1,911
Interest paid	-550	-468
Dividends paid	-	-660
Total cash flows from financing activities	1,338	846

Table 11: Cash flows provided by financing activities as of December 31, 2015 and 2014.



Finally, investing activities generated a net negative cash flow of US\$ 4,282 million as of December 31, 2015, which represents an increase (net effect) of US\$ 464 million compared to December 31, 2014.

Considering cash flows indicated above and the initial cash balances as of December 31, 2015, Codelco obtained final cash and cash equivalents balance of US\$ 1,748 million, which is greater than the balance of US\$ 1,311 million determined at the end of the period from January and December 2014.

## V. MAIN DIFFERENCES BETWEEN THE CARRYING AMOUNT AND THE MARKET OR ECONOMIC VALUE OF CODELCO'S ASSETS

Codelco'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 value 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 of the valuation of Codelco's interest in Anglo American Sur S.A., which is regulated by the fair value concept in accordance with IFRS as it is an acquisition regulated by market parameters.

## VI. INFORMATION ON MARKET AND COMPETITION

Codelco is the World's biggest producer of mine copper with worldwide. During 2015, its production totaled ThFMT 1,891 (including the share of production in El Abra and Anglo American Sur), a record figure which represents 10% of the World's production and a 33% of the domestic production. In addition, Codelco has 7% the World's copper reserves, contained in world-class deposits and with a share of 10% is the second biggest producer of molybdenum.

Codelco has seven mining divisions: Radomiro Tomic, Chuquibambilla, Gabriela Mistral, Ministro Hales, Salvador, Andina and El Teniente. The Ventanas Division, with Smelter and Refinery facilities, is also added to these divisions.

In addition, Codelco has interest of 49% in Sociedad Contractual Minera El Abra and since 2012 is the owner of 20% of Anglo America Sur S.A. In addition, it has interest in different companies focused on technology exploration and development both in Chile and abroad.

Since the nationalization of copper in 1971 up to 2015, Codelco's deposits and operations have generated surpluses for nearly US\$ 105 thousand million, expressed in currency of 2015. Thanks to the high prices of copper, over 60% of this amount was generated over the period between 2004 and 2014, representing contributions equivalent to 12% to the Chilean Treasury of the Central Government's revenue during that period. During the last 12 years, Codelco has represented 18% of Chilean exports and its investments have exceeded by close to 46% of the total foreign investment in mining (Decree Law No. 600).

During 2015, Codelco generated consolidated deficit of US\$ 2,191 million. Such loss is mainly explained by accounting adjustments of impairment of assets, (impairment loss at Anglo American S.A., impairment loss at the Divisions Salvador and Ventanas and other assets written-off), amounting to US\$2,431 million.

With respect to the price of copper, this was an average of 249.2 p/lb representing a drop of 20% compared to the prior year. Causes for the lower price of copper are linked to the evolution in the world economy and the own copper market dynamics.

The impairment and change in the model in the Chinese economy and the downturn in other emerging countries, such as Russia and Brazil, the speculation as to the increase in interest rates in the United States and the significant strengthening of U.S. dollars are added. Such factors have affected all commodity markets. In addition, copper price has also been influenced by the speculation about the impact of lower oil prices and lower prices of other supplies and services on production costs. All this within a context where inventories in metal exchanges increased by 56% and in which certain analysts envision a possible increase in commercial stocks over the next few years. This set of items has translated into the impairment of expectations as to price future evolution.

For costs, during 2015, Codelco committed savings of US\$ 1,000 million through two types of actions: an increase in efficiency and productivity through optimizing consumption indicators, rationalizing contracts, maintenance management and the decrease in consulting services, studies, investments and others; leveraging on opportunities generated by the drop in the price of critical supplies, in particular, oil and the increase in the exchange rate.

At year-end, Codelco complied the cost containment plan goal by 120%, generating savings of US\$ 1,203 million. Because of this, the Corporation recorded cash cost C1 of 138.7 p/lb and net cost to cathode of 196.9 p/lb, without considering accounting adjustments for the impairment of assets or assets written-off, representing decreases of 8%, in both cases, with respect to 2014.

In addition to the generation of cash surpluses, Codelco contributes to the development of Chile through a number of clusters. Codelco permanently uses supplies and services for its productive operations, projects and investments. For such purposes, Codelco performs acquisition and contracting processes; and establishes collaborating relationships mainly with domestic supply contractor companies. During 2015, Codelco's consumption of goods and services amounted to US\$7,077 million.

Looking at the long-term, market foundations are foreseen as rewarding. The expected growth in China, India and other emerging economies, which are in the development stages, with more intense use of copper, and the emergence of new uses and applications of copper, support the future growth in consumption. For the supply side, the ageing and declining richness of the current deposits, the new environmental requirements and requirements for the relations with the communities, the greater capitalized expenditure and complexities of new projects, the absence of relevant tech breaks, and greater geopolitical risks of the new mining districts set up a challenging outlook.

Considering such outlook and its own challenges, Codelco has defined a strategy focused on the following:

- Control of costs and increase in production capacity in current operations.
- Brownfield expansions making the mining base more profitable.
- Growth beyond the current mining base.

Those focuses are supported by six strategic foundations:

- Strengthening corporate governance.
- Managing health and occupational safety.
- Operating in an operation which is environmentally friendly and takes care of the communities and territories.
- Strengthening the organization and management process.
- Incorporating and minimizing talent development.
- Creating value through innovation and new technologies.

The main developments achieved during 2015 in such aspects are presented below.

For corporate governance, Codelco's Board of Directors approved a transparency, probity and good governance package. Such actions regulate the business relations, institutional links and lobbying, as well as people management processes.

In addition, during 2015, the Corporation achieved reductions of 31% and 39% in the overall frequency and seriousness rates, reaching a number of 0.93 accidents with lost time by million of hours worked and 140 days lost and charge days by million of hours worked, respectively. Likewise, no fatal accidents were recorded and the Corporation invested US\$ 163 million in safety and occupational health initiatives. Such landmarks encourage the entire organization to maintain safe sites consistent with the new Policy and Management System for Safety, Health and Operational Risks (SHOR).

In the Environment and Communities area, Codelco has continued its progress towards the reduction of environmental vulnerabilities, as well as contributing to the development of communities near its operations. As such, during 2015, the investment in environmental initiatives exceeded US\$ 265 million. Notwithstanding the progress made and investments made, in September and after more than 2 years without serious or very serious environmental incidents, a serious incident occurred in the Salvador Division. Codelco started a stringent investigation after the incident, reporting to the authorities and the community. Within this context, the Corporation reasserts its goal of complying with world-class standards and ensuring environmental and social approval of its operations and projects.

The feminine involvement achieved in the headcount (8.9%) the highest in the domestic mining industry (7.3%) is among the highlights of results obtained in people management. Likewise, in the prior year the Corporation achieved the certification for the Gabriela Mistral Division in the Chilean Standard 3262 for Gender Diversity and Reconciliation of Family, Labor and Personal Life. Additionally, the Corporate made progress in implementing the Succession Management System, the update of the critical position structure, certification of labor competencies and staff training (coverage of 86%), among other aspects.

Codelco has continued its technology and innovation initiatives focused on three key objectives: resolving operational difficulties, transforming resources into reserves and breaks to achieve competitive advantages. In line with such objectives, in June 2015, Codelco entered into agreements with the Centro de Modelamiento Matemático (Center for Mathematical Modeling) of Universidad de Chile and Fundación Chile, which will allow introducing new technologies for investments, planning operations

and logistics. In addition, the Corporation announced the incorporation of a new subsidiary Codelco Tecnologías, which will manage, at consolidated level, the group of companies and institutions, with interest by the Corporation, engaged in science, technology and business development in mining.

Codelco looking for improving the profitability of its mining base is developing the most ambitious project portfolio in its history, highlighting in its breakdown the Mining Structural Projects: Ministro Hales project, the first of these initiatives was completed in 2013 and through the present date Chuquicamata Underground Mine, Transfer of Andina and New Mine Level at El Teniente, are currently under construction; RT Sulfuros II (Sulfides II), Andina Expansion Rajo Inca (Inca Open Pit) currently under environmental study or processing complete the portfolio.

The formalization of such set of projects requires significant investments. During 2015, Codelco made investments of US\$ 3,343 million, including projects, deferred expenses and contributions to companies. From such amount, 39% was destined to developing Mining Structural Projects

The financing of investments that ensure Codelco's leadership in the industry has been possible thanks to the support received from the Chilean Government and its credit rating. Within the framework of Codelco's capitalization Multiyear Law (2014-2018), during 2015, the Government authorized the withholding of profits of US\$ 225 million and additionally injected capital by US\$ 600 million. At the beginning of September 2015, Codelco successfully placed bonds of US\$ 2,000 million at a term of 10 years under conditions, which demonstrated the investors' trust in the Corporation's future .

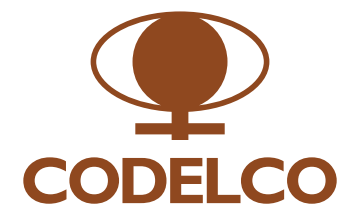
## VII. MARKET RISK ANALYSIS

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 28 and 29 to the Financial Statements.

# Divisional statements of income

As of December 31, 2015





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**Independent Auditor's Report**  
(Translation of a report originally issued in Spanish)

To the Shareholders and Directors of  
Corporación Nacional del Cobre de Chile:

We have audited the consolidated financial statements of the Corporación Nacional del Cobre de Chile (hereinafter, the financial statements), as of December 31, 2015 and for the year then ended, and have issued our report dated March 23, 2016, which includes an unqualified opinion of these financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statement of allocation of income and expenses of the head office and affiliated divisions is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the management and was derived from and is directly related to the accounting records and other underlying records used to prepare the financial statements.

The information has been subject to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparison and reconciliation of such information directly to the accounting records and other underlying records used to prepare financial statements, including these financial statements, as well as additional procedures in accordance with generally accepted auditing standards in Chile.

In our opinion, the information is fairly presented in all material respects in relation to the financial statements taken as a whole.



Oscar Galvez R.

Santiago, March 23, 2016

EY LTDA.

# Divisional statement of income

## Chuquicamata

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,649,124
Sale of copper bought from third parties	336,454
Income from sale of by-products and other	248,724
Income from transfers	222,191
TOTAL INCOME FROM ORDINARY ACTIVITIES	2,456,493
COST OF SALES	
Cost of sale of own copper	(1,514,587)
Cost of sale of copper bought from third parties	(329,753)
Cost of sale of by-products and other	(87,421)
Cost of sale from transfers	(336,168)
TOTAL COST OF SALES	(2,267,929)
GROSS INCOME	188,564
Other income by function	33,396
Distribution costs	(3,488)
Administrative expenses	(83,524)
Other expenses by function	(339,312)
Other gains (loss)	4,241
Finance income	4,543
Finance costs	(128,319)
Share of profit of associates and joint ventures accounted for using the equity method	(978)
Foreign exchange differences	143,438
PRE-TAX PROFIT (LOSS)	(181,439)
Income tax expenses	45,281
PROFIT (LOSS)	(136,158)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(125,995)
Profit (loss) attributable to non-controlling interests	(10,163)
PROFIT (LOSS)	(136,158)

# Divisional statement of income

## Radomiro Tomic

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,621,599
Sale of copper bought from third parties	226,783
Income from sale of by-products and other	14,370
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	1,862,752
COST OF SALES	
Cost of sale of own copper	(1,240,565)
Cost of sale of copper bought from third parties	(222,402)
Cost of sale of by-products and other	(20,995)
Cost of sale from transfers	40,607
TOTAL COST OF SALES	(1,443,355)
GROSS INCOME	419,397
Other income by function	17,227
Distribution costs	(1,239)
Administrative expenses	(34,844)
Other expenses by function	(189,496)
Other gains (loss)	3,207
Finance income	2,006
Finance costs	(40,825)
Share of profit of associates and joint ventures accounted for using the equity method	18,335
Foreign exchange differences	60,784
PRE-TAX PROFIT (LOSS)	254,552
Income tax expenses	(214,092)
PROFIT (LOSS)	40,460
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	48,143
Profit (loss) attributable to non-controlling interests	(7,683)
PROFIT (LOSS)	40,460

# Divisional statement of income

## Salvador

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	318,462
Sale of copper bought from third parties	66,437
Income from sale of by-products and other	58,387
Income from transfers	80,439
TOTAL INCOME FROM ORDINARY ACTIVITIES	523,725
COST OF SALES	
Cost of sale of own copper	(459,218)
Cost of sale of copper bought from third parties	(65,859)
Cost of sale of by-products and other	(48,992)
Cost of sale from transfers	(44,196)
TOTAL COST OF SALES	(618,265)
GROSS INCOME	(94,540)
Other income by function	27,175
Distribution costs	(627)
Administrative expenses	(16,419)
Other expenses by function	(606,384)
Other gains (loss)	905
Finance income	1,196
Finance costs	(15,008)
Share of profit of associates and joint ventures accounted for using the equity method	(3,234)
Foreign exchange differences	57,923
PRE-TAX PROFIT (LOSS)	(649,013)
Income tax expenses	437,976
PROFIT (LOSS)	(211,037)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(208,869)
Profit (loss) attributable to non-controlling interests	(2,168)
PROFIT (LOSS)	(211,037)



# Divisional statement of income

## Andina

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	955,648
Sale of copper bought from third parties	147,751
Income from sale of by-products and other	104,445
Income from transfers	644
TOTAL INCOME FROM ORDINARY ACTIVITIES	1,208,488
COST OF SALES	
Cost of sale of own copper	(921,119)
Cost of sale of copper bought from third parties	(144,898)
Cost of sale of by-products and other	(33,044)
Cost of sale from transfers	3,648
TOTAL COST OF SALES	(1,095,413)
GROSS INCOME	113,075
Other income by function	26,392
Distribution costs	(1,137)
Administrative expenses	(39,643)
Other expenses by function	(307,610)
Other gains (loss)	2,089
Finance income	1,423
Finance costs	(98,778)
Share of profit of associates and joint ventures accounted for using the equity method	(10,534)
Foreign exchange differences	41,929
PRE-TAX PROFIT (LOSS)	(272,794)
Income tax expenses	154,106
PROFIT (LOSS)	(118,688)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(113,682)
Profit (loss) attributable to non-controlling interests	(5,006)
PROFIT (LOSS)	(118,688)

# Divisional statement of income

## El Teniente

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	2,238,795
Sale of copper bought from third parties	341,196
Income from sale of by-products and other	212,119
Income from transfers	142
TOTAL INCOME FROM ORDINARY ACTIVITIES	2,792,252
COST OF SALES	
Cost of sale of own copper	(1,450,645)
Cost of sale of copper bought from third parties	(334,606)
Cost of sale of by-products and other	(106,085)
Cost of sale from transfers	17,505
TOTAL COST OF SALES	(1,873,831)
GROSS INCOME	918,421
Other income by function	26,180
Distribution costs	(2,297)
Administrative expenses	(91,243)
Other expenses by function	(293,516)
Other gains (loss)	4,824
Finance income	4,449
Finance costs	(156,459)
Share of profit of associates and joint ventures accounted for using the equity method	12,677
Foreign exchange differences	118,590
PRE-TAX PROFIT (LOSS)	541,626
Income tax expenses	(411,370)
PROFIT (LOSS)	130,256
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	141,817
Profit (loss) attributable to non-controlling interests	(11,561)
PROFIT (LOSS)	130,256

# Divisional statement of income

## Ventanas

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	161,001
Sale of copper bought from third parties	149,520
Income from sale of by-products and other	204,037
Income from transfers	99,702
TOTAL INCOME FROM ORDINARY ACTIVITIES	614,260
COST OF SALES	
Cost of sale of own copper	(160,173)
Cost of sale of copper bought from third parties	(148,983)
Cost of sale of by-products and other	(185,855)
Cost of sale from transfers	(97,448)
TOTAL COST OF SALES	(592,459)
GROSS INCOME	21,801
Other income by function	4,690
Distribution costs	(1,152)
Administrative expenses	(16,175)
Other expenses by function	(103,880)
Other gains (loss)	1,061
Finance income	987
Finance costs	(10,054)
Share of profit of associates and joint ventures accounted for using the equity method	(3,895)
Foreign exchange differences	9,574
PRE-TAX PROFIT (LOSS)	(97,043)
Income tax expenses	50,468
PROFIT (LOSS)	(46,575)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(44,032)
Profit (loss) attributable to non-controlling interests	(2,543)
PROFIT (LOSS)	(46,575)

# Divisional statement of income

## Gabriela Mistral

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	663.690
Sale of copper bought from third parties	92.433
Income from sale of by-products and other	986
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	757.109
COST OF SALES	
Cost of sale of own copper	(566.521)
Cost of sale of copper bought from third parties	(90.650)
Cost of sale of by-products and other	(1.017)
Cost of sale from transfers	-
TOTAL COST OF SALES	(658.188)
GROSS INCOME	98.921
Other income by function	6.282
Distribution costs	(456)
Administrative expenses	(36.450)
Other expenses by function	(84.849)
Other gains (loss)	1.307
Finance income	864
Finance costs	(14.533)
Share of profit of associates and joint ventures accounted for using the equity method	(4.795)
Foreign exchange differences	16.412
PRE-TAX PROFIT (LOSS)	(17.297)
Income tax expenses	(6.270)
PROFIT (LOSS)	(23.567)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(20.435)
Profit (loss) attributable to non-controlling interests	(3.132)
PROFIT (LOSS)	(23.567)

# Divisional statement of income

## Ministro Hales

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

INCOME FROM ORDINARY ACTIVITIES	
Income from sale of own copper	1,112,606
Sale of copper bought from third parties	678,587
Income from sale of by-products and other	90,338
Income from transfers	-
TOTAL INCOME FROM ORDINARY ACTIVITIES	1,881,531
COST OF SALES	
Cost of sale of own copper	(1,083,359)
Cost of sale of copper bought from third parties	(696,531)
Cost of sale of by-products and other	(3,527)
Income from transfers	12,934
TOTAL COST OF SALES	(1,770,483)
GROSS INCOME	111,048
Other income by function	11,547
Distribution costs	(2,039)
Administrative expenses	(45,196)
Other expenses by function	(161,681)
Other gains (loss)	3,251
Finance income	1,730
Finance costs	(60,871)
Share of profit of associates and joint ventures accounted for using the equity method	(11,929)
Foreign exchange differences	16,670
PRE-TAX PROFIT (LOSS)	(137,470)
Income tax expenses	26,377
PROFIT (LOSS)	(111,093)
PROFIT (LOSS) ATTRIBUTABLE TO	
Profit (loss) attributable to owners of the parent	(103,303)
Profit (loss) attributable to non-controlling interests	(7,790)
PROFIT (LOSS)	(111,093)

# Consolidated Divisional Statement of Income

For the year ending December 31, 2015  
Expressed in thousands of dollars - ThUS\$

	CHUQUICAMATA	R. TOMIC	SALVADOR	ANDINA	EL TENIENTE	VENTANAS	G. MISTRAL	M. HALES	H. OFFICE	CONSOLIDATED	ADJUSTMENTS	Total
<b>INCOME FROM ORDINARY ACTIVITIES</b>												
Income from sale of own copper	1,649,124	1,621,599	318,462	955,648	2,238,795	161,001	663,690	1,112,606	-	8,720,925	-	8,720,925
Sale of copper bought from third parties	336,454	226,783	66,437	147,751	341,196	149,520	92,433	678,587	-	2,039,161	-	2,039,161
Income from sale of by-products and other	248,724	14,370	58,387	104,445	212,119	204,037	986	90,338	-	933,406	-	933,406
Income from transfers	222,191	-	80,439	644	142	99,702	-	-	-	403,118	(403,118)	-
<b>TOTAL INCOME FROM ORDINARY ACTIVITIES</b>	<b>2,456,493</b>	<b>1,862,752</b>	<b>523,725</b>	<b>1,208,488</b>	<b>2,792,252</b>	<b>614,260</b>	<b>757,109</b>	<b>1,881,531</b>	<b>-</b>	<b>12,096,610</b>	<b>(403,118)</b>	<b>11,693,492</b>
<b>COST OF SALES</b>												
Cost of sale of own copper	(1,514,587)	(1,240,565)	(459,218)	(921,119)	(1,450,645)	(160,173)	(566,521)	(1,083,359)	-	(7,396,187)	-	(7,396,187)
Cost of sale of copper bought from third parties	(329,753)	(222,402)	(65,859)	(144,898)	(334,606)	(148,983)	(90,650)	(696,531)	-	(2,033,682)	-	(2,033,682)
Cost of sale of by-products and other	(87,421)	(20,995)	(48,992)	(33,044)	(106,085)	(185,855)	(1,017)	(3,527)	-	(486,936)	-	(486,936)
Income (Cost of sales) from transfers	(336,168)	40,607	(44,196)	3,648	17,505	(97,448)	-	12,934	-	(403,118)	403,118	-
<b>TOTAL COST OF SALES</b>	<b>(2,267,929)</b>	<b>(1,443,355)</b>	<b>(618,265)</b>	<b>(1,095,413)</b>	<b>(1,873,831)</b>	<b>(592,459)</b>	<b>(658,188)</b>	<b>(1,770,483)</b>	<b>-</b>	<b>(10,319,923)</b>	<b>403,118</b>	<b>(9,916,805)</b>
<b>GROSS INCOME</b>	<b>188,564</b>	<b>419,397</b>	<b>(94,540)</b>	<b>113,075</b>	<b>918,421</b>	<b>21,801</b>	<b>98,921</b>	<b>111,048</b>	<b>-</b>	<b>1,776,687</b>	<b>-</b>	<b>1,776,687</b>
Other income by function	33,396	17,227	27,175	26,392	26,180	4,690	6,282	11,547		152,889	-	152,889
Distribution costs	(3,488)	(1,239)	(627)	(1,137)	(2,297)	(1,152)	(456)	(2,039)		(12,435)	-	(12,435)
Administrative expenses	(83,524)	(34,844)	(16,419)	(39,643)	(91,243)	(16,175)	(36,450)	(45,196)		(363,494)	-	(363,494)
Other expenses by function	(339,312)	(189,496)	(606,384)	(307,610)	(293,516)	(103,880)	(84,849)	(161,681)		(2,086,728)	-	(2,086,728)
Other gains (loss)	4,241	3,207	905	2,089	4,824	1,061	1,307	3,251		20,885	-	20,885
Finance income	4,543	2,006	1,196	1,423	4,449	987	864	1,730		17,198	-	17,198
Finance costs	(128,319)	(40,825)	(15,008)	(98,778)	(156,459)	(10,054)	(14,533)	(60,871)		(524,847)	-	(524,847)
Share of profit of associates and joint ventures accounted for using the equity method	(978)	18,335	(3,234)	(10,534)	12,677	(3,895)	(4,795)	(11,929)	(2,497,299)	(2,501,652)	-	(2,501,652)
Foreign exchange differences	143,438	60,784	57,923	41,929	118,590	9,574	16,412	16,670		465,320	-	465,320
<b>PRE-TAX PROFIT (LOSS)</b>	<b>(181,439)</b>	<b>254,552</b>	<b>(649,013)</b>	<b>(272,794)</b>	<b>541,626</b>	<b>(97,043)</b>	<b>(17,297)</b>	<b>(137,470)</b>	<b>(2,497,299)</b>	<b>(3,056,177)</b>	<b>-</b>	<b>(3,056,177)</b>
Income tax expenses	45,281	(214,092)	437,976	154,106	(411,370)	50,468	(6,270)	26,377	645,922	728,398	-	728,398
<b>PROFIT (LOSS)</b>	<b>(136,158)</b>	<b>40,460</b>	<b>(211,037)</b>	<b>(118,688)</b>	<b>130,256</b>	<b>(46,575)</b>	<b>(23,567)</b>	<b>(111,093)</b>	<b>(1,851,377)</b>	<b>(2,327,779)</b>	<b>-</b>	<b>(2,327,779)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>												
Profit (loss) attributable to owners of the parent	(125,995)	48,143	(208,869)	(113,682)	141,817	(44,032)	(20,435)	(103,303)	(1,065,860)	(1,492,216)	-	(1,492,216)
Profit (loss) attributable to non-controlling interests	(10,163)	(7,683)	(2,168)	(5,006)	(11,561)	(2,543)	(3,132)	(7,790)	(785,517)	(835,563)	-	(835,563)
<b>PROFIT (LOSS)</b>	<b>(136,158)</b>	<b>40,460</b>	<b>(211,037)</b>	<b>(118,688)</b>	<b>130,256</b>	<b>(46,575)</b>	<b>(23,567)</b>	<b>(111,093)</b>	<b>(1,851,377)</b>	<b>(2,327,779)</b>		<b>(2,327,779)</b>

GUIDELINES FOR THE PREPARATION OF DIVISIONAL  
STATEMENTS OF INCOME

Divisional statements of income are prepared in compliance with the Corporation’s statutes, in accordance with the International Financial Reporting Standards and the following internal guidelines:

Note 1

Interdivisional transfers. The interdivisional transfer of products and services is carried out and recorded at negotiated prices similar to those 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 attributable to divisional income from transfers to other divisions

Note 2

Assignment of Corporate Income and Expenses. The income and expenses controlled by the Head Office and affiliates are added to the income and expenses of the divisions, according to current guidelines established for the period, as shown in the Statement of Assignment 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 10% upon returns in foreign currency for the sale of its copper production abroad, including by-products, and its distribution by Division is:

Division	ThUS\$
Chuquicamata	179,769
Radomiro Tomic	158,320
Salvador	34,362
Andina	95,559
El Teniente	195,302
Ventanas	29,002
Gabriela Mistral	64,260
Ministro Hales	108,223
Total Law No. 13,196	864,797



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**Independent Auditor's Report**  
(Translation of a report originally issued in Spanish)

To the Shareholders and Directors of  
Corporación Nacional del Cobre de Chile:

We have audited the consolidated financial statements of the Corporación Nacional del Cobre de Chile (hereinafter, the financial statements), as of December 31, 2015 and for the year then ended, and have issued our report dated March 23, 2016, which includes an unqualified opinion of these financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The statements of divisional allocation of income are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the management and was derived from and is directly related to the accounting records and other underlying records used to prepare the financial statements.

The information has been subject to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparison and reconciliation of such information directly to the accounting records and other underlying records used to prepare financial statements, including these financial statements, as well as additional procedures in accordance with generally accepted auditing standards in Chile.

In our opinion, the information is fairly presented in all material respects in relation to the financial statements taken as a whole.



Oscar Salvez R.

Santiago, March 23, 2016

EY LTDA.



# Statement of assignment of income and expenses controlled by Head Office and affiliates to the Division

Corresponding to the period between January 1 and December 31, 2015  
Expressed in thousands of U.S. dollars - ThUS\$

	TOTAL ThUS\$	CHUQUICAMATA ThUS\$	R. TOMIC ThUS\$	SALVADOR ThUS\$	ANDINA ThUS\$	EL TENIENTE ThUS\$	VENTANAS ThUS\$	G. MISTRAL ThUS\$	M. HALES ThUS\$	HEAD OFFICE ThUS\$
Sales operations Head Office and affiliates	1,468,035	298,123	225,395	63,587	146,847	339,110	74,600	91,868	228,505	-
Sales costs Head Office and affiliates	(1,453,601)	(295,191)	(223,179)	(62,963)	(145,403)	(335,774)	(73,866)	(90,967)	(226,258)	-
Adjustment for unrealized affiliate sales	8,920	1,777	6,865	147	(641)	57	13	663	39	-
Other income by function	80,767	17,899	10,300	10,521	12,260	15,547	2,763	3,815	7,662	-
Distribution costs	(7,292)	(1,481)	(1,120)	(315)	(730)	(1,685)	(370)	(456)	(1,135)	-
Administrative expenses	(139,758)	(34,693)	(18,616)	(8,981)	(14,232)	(29,979)	(8,201)	(8,996)	(16,060)	-
Other expenses by function	(216,151)	(37,522)	(14,521)	(58,021)	(34,573)	(35,772)	(10,617)	(6,466)	(18,659)	-
Other gains (loss)	20,885	4,241	3,207	905	2,089	4,824	1,061	1,307	3,251	-
Finance income	11,574	2,963	1,491	795	1,190	2,464	708	732	1,231	-
Finance costs	(62,208)	(12,732)	(9,505)	(2,742)	(6,228)	(14,336)	(3,181)	(3,894)	(9,590)	-
Share of profit of associates and joint ventures accounted for using the equity method	(2,573,938)	(15,564)	(11,767)	(3,320)	(7,666)	(17,703)	(3,895)	(4,795)	(11,929)	(2,497,299)
Foreign exchange differences	(44,785)	(11,681)	(5,667)	(3,180)	(4,616)	(9,457)	(2,788)	(2,839)	(4,557)	-
Chilean tax contribution Law No. 13196	(864,797)	(179,769)	(158,320)	(34,362)	(95,559)	(195,301)	(29,002)	(64,260)	(108,224)	-
Income taxes	728,398	45,281	(214,092)	437,976	154,106	(411,370)	50,468	(6,270)	26,377	645,922
TOTAL	(3,043,951)	(218,349)	(409,529)	340,047	6,844	(689,375)	(2,307)	(90,558)	(129,347)	(1,851,377)
Profit (loss) attributable to owners of the parent	(835,563)	(10,163)	(7,683)	(2,168)	(5,006)	(11,561)	(2,543)	(3,132)	(7,790)	(785,517)
Profit (loss) attributable to non-controlling interests										
Profit (loss) attributable to owners of the parent	(2,208,388)	(208,186)	(401,846)	342,215	11,850	(677,814)	236	(87,426)	(121,557)	(1,065,860)
TOTAL	(3,043,951)	(218,349)	(409,529)	340,047	6,844	(689,375)	(2,307)	(90,558)	(129,347)	(1,851,377)

## CRITERIA FOR THE ASSIGNMENT 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 assigned 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, affiliates and the adjustment of unrealized sales to affiliates

Distribution to the Divisions is done in proportion to the ordinary income of each Division.

### 2. Other income, by function

- Other income, by function, associated and identified with each Division in particular is assigned directly.
- The reporting of realized profits and other income by function of affiliates is distributed in proportion to the ordinary income of each Division.
- The remaining other income is distributed in proportion to the sum of the balances of the “other income” and “finance income” categories of the respective Divisions.

### 3. Distribution costs

- Expenses associated and identified with each Division are assigned directly.
- Distribution costs of affiliates are assigned in proportion to the ordinary income of each Division.

### 4. Administrative expenses

- Administrative expenses recorded in cost centers identified with each Division are assigned directly.

- Administrative expenses recorded in cost centers associated with the sales function and administrative expenses of affiliates are distributed in proportion to the ordinary income of each Division.
- Administrative expenses recorded in cost centers associated with the supply function are assigned in relation to the accounting balances of materials in the warehouse of each Division.
- The remaining expenses recorded in cost centers are assigned 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 assigned directly.
- Pre-investment study expenses and other expenses by function of affiliates are distributed in proportion to the ordinary income of each Division.

### 6. Other profits

- Other profits associated and identified with each Division in particular are assigned directly.
- Other affiliate profits are distributed in proportion to the ordinary income of each Division.

### 7. Finance income

- Finance income associated and identified with each Division in particular is assigned directly.
- Finance income of affiliates is distributed in proportion to the ordinary income of each Division.
- Remaining finance income is distributed in relation to the operational cash expenditures of each Division.

8. Finance costs

- Finance costs associated and identified with each Division in particular are assigned directly.
- Finance costs of affiliates are distributed in proportion to the ordinary income of each Division.
- Finance costs of affiliates and Head Office are distributed in proportion to the administrative costs of each Division.

9. Participation in profits (losses) of Related companies 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 assigned directly.
- Participation in the profits or losses of related companies and joint ventures of affiliates is distributed in proportion to the ordinary income of each Division.

10. Foreign currency translation

- Foreign currency translation identifiable with each Division in particular is assigned directly.
- Foreign currency translation of affiliates is distributed in proportion to the ordinary income of each Division.
- Remaining foreign currency translation is distributed in relation to the operational cash expenditures of each Division.

11. Chilean tax contribution Law No. 13,196

- The contribution amount is assigned and recorded in relation to the taxable values billed and recorded for the export of copper and by-products of each Division.

12. Income (expenses) from income taxes

- First category income tax, D.L. 2,398 tax, and the specific tax on mining activities, are assigned based on the pre-tax income of each Division, considering for these purposes the abovementioned assignment of income and expenses of the Head Office and affiliates.
- Other tax expenses are assigned in proportion to the first category income tax, the specific tax on mining activities and the D.L. 2,398 tax assigned to each Division.

# Summarized financial statement of subsidiaries

As of December 31, 2015

2015	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CÍA. CONTRACTUAL MINERA LOS ANDES	CÍA. MINERA PICACHO SCM	SANTIAGO DE RIO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTD.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	IM2 S.A.	BIO SIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RIO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RIO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RIO BLANCO LTDA.	ISAPRE CHUQUICAMATA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>SUMMARIZED STATEMENT OF FINANCIAL POSITION</b>																										
ASSETS																										
Total current assets	28,007	90,768	8,124	26,326	3,696	181	-	-	12,880	918	5,607	169,276	16,413	8,275	1,861	339	1,282	1,179	3,948	3,111	4,273	3,247	21,971	1	1	91,783
Total non-current assets	128	3,764	27	230,860	301	462	-	-	666	82	22,552	3,215,675	101,385	449	812	674	5,746	692	11,420	1,833	3,394	1,368	39,294	-	-	325,411
<b>TOTAL ASSETS</b>	<b>28,135</b>	<b>94,532</b>	<b>8,151</b>	<b>257,186</b>	<b>3,997</b>	<b>643</b>	<b>-</b>	<b>-</b>	<b>13,546</b>	<b>1,000</b>	<b>28,159</b>	<b>3,384,951</b>	<b>117,798</b>	<b>8,724</b>	<b>2,673</b>	<b>1,013</b>	<b>7,028</b>	<b>1,871</b>	<b>15,368</b>	<b>4,944</b>	<b>7,667</b>	<b>4,615</b>	<b>61,265</b>	<b>1</b>	<b>1</b>	<b>417,194</b>
LIABILITIES																										
Total current liabilities	23,651	54,017	5,428	7,722	495	17	-	55	11,304	45	11,967	168,068	7,250	3,697	546	113	7,679	1,895	4,036	2,492	2,770	3,749	19,609	322	18	27,086
Total non-current liabilities	25	145	-	114,536	-	36	-	-	623	-	1,550	686,999	77,829	-	119	677	2,286	1,841	11,350	346	1,558	1,334	38,738	-	-	328,228
<b>TOTAL LIABILITIES</b>	<b>23,676</b>	<b>54,162</b>	<b>5,428</b>	<b>122,258</b>	<b>495</b>	<b>53</b>	<b>-</b>	<b>55</b>	<b>11,927</b>	<b>45</b>	<b>13,517</b>	<b>855,067</b>	<b>85,079</b>	<b>3,697</b>	<b>665</b>	<b>790</b>	<b>9,965</b>	<b>3,736</b>	<b>15,386</b>	<b>2,838</b>	<b>4,328</b>	<b>5,083</b>	<b>58,347</b>	<b>322</b>	<b>18</b>	<b>355,314</b>
EQUITY																										
Equity attributable to owners of the parent	4,013	40,370	2,723	134,928	3,502	590	-	(55)	1,615	955	14,504	1,487,713	32,719	5,027	1,339	216	(2,937)	(1,865)	(18)	2,106	3,339	(475)	2,917	(321)	(17)	61,880
Non-controlling interests	446	-	-	-	-	-	-	-	4	-	138	1,042,171	-	-	669	7	-	-	-	-	-	7	1	-	-	-
<b>TOTAL EQUITY</b>	<b>4,459</b>	<b>40,370</b>	<b>2,723</b>	<b>134,928</b>	<b>3,502</b>	<b>590</b>	<b>-</b>	<b>(55)</b>	<b>1,619</b>	<b>955</b>	<b>14,642</b>	<b>2,529,884</b>	<b>32,719</b>	<b>5,027</b>	<b>2,008</b>	<b>223</b>	<b>(2,937)</b>	<b>(1,865)</b>	<b>(18)</b>	<b>2,106</b>	<b>3,339</b>	<b>(468)</b>	<b>2,918</b>	<b>(321)</b>	<b>(17)</b>	<b>61,880</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>28,135</b>	<b>94,532</b>	<b>8,151</b>	<b>257,186</b>	<b>3,997</b>	<b>643</b>	<b>-</b>	<b>-</b>	<b>13,546</b>	<b>1,000</b>	<b>28,159</b>	<b>3,384,951</b>	<b>117,798</b>	<b>8,724</b>	<b>2,673</b>	<b>1,013</b>	<b>7,028</b>	<b>1,871</b>	<b>15,368</b>	<b>4,944</b>	<b>7,667</b>	<b>4,615</b>	<b>61,265</b>	<b>1</b>	<b>1</b>	<b>417,194</b>
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SUMMARIZED STATEMENTS OF INCOME</b>																										
Gross Profit	305	4,426	1,101	15,536	2,463	-	-	-	2,523	-	(431)	6,943	8,367	2,863	1,236	10	(77)	810	-	688	2,204	1,995	13,802	-	-	-
Other incomes (expenses) and profits (losses)	(67)	(2,634)	(1,240)	61,129	(1,405)	(1,109)	-	(1)	(2,580)	(15)	(1,573)	(2,650,320)	(4,666)	(2,312)	(3,134)	(40)	(1,783)	(2,018)	17	(280)	(1,090)	(1,864)	(18,288)	52	(21)	(9,497)
Profit (loss) for the period before tax	238	1,792	(139)	76,665	1,058	(1,109)	-	(1)	(57)	(15)	(2,004)	(2,643,377)	3,701	551	(1,898)	(30)	(1,860)	(1,208)	17	408	1,114	131	(4,486)	52	(21)	(9,497)
Income tax expense	(27)	(975)	43	-	(268)	-	-	-	(114)	-	472	(1,550)	(1,012)	(91)	-	-	-	-	-	(244)	(835)	(45)	1,174	-	-	-
<b>PROFIT (LOSS)</b>	<b>211</b>	<b>817</b>	<b>(96)</b>	<b>76,665</b>	<b>790</b>	<b>(1,109)</b>	<b>-</b>	<b>(1)</b>	<b>(171)</b>	<b>(15)</b>	<b>(1,532)</b>	<b>(2,644,927)</b>	<b>2,689</b>	<b>460</b>	<b>(1,898)</b>	<b>(30)</b>	<b>(1,860)</b>	<b>(1,208)</b>	<b>17</b>	<b>164</b>	<b>279</b>	<b>86</b>	<b>(3,312)</b>	<b>52</b>	<b>(21)</b>	<b>(9,497)</b>
<b>SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD</b>																										
Cash flow provided by (used in) operating activities	281	34,272	(217)	10,143	878	(2,311)	-	9	(2,782)	-	1,320	78,263	4,812	191	(1,545)	(40)	(927)	52	-	206	(17,161)	(391)	2,788	-	-	(200,168)
Cash flows provided by (used in) investing activities	10	-	-	80,484	(3)	-	-	-	(145)	-	(1,038)	61,647	(3,219)	(34)	(165)	-	(112)	(8)	-	(113)	17,919	111	(1,272)	-	-	-
Cash flows provided by (used in) financing activities	-	(34,183)	-	(74,793)	-	2,016	-	(9)	-	-	(661)	(152,376)	-	-	2,000	-	854	93	-	-	(268)	(131)	(1,685)	-	-	237,096
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	291	89	(217)	15,834	875	(295)	-	-	(2,927)	-	(379)	(12,466)	1,593	157	290	(40)	(185)	137	-	93	490	(411)	(169)	-	-	36,928
Effects of exchange rate changes on cash and cash equivalents	-	(126)	-	(2,371)	20	31	-	-	(1,372)	-	(24)	-	(35)	(121)	-	(45)	(49)	(62)	-	(16)	(122)	(83)	(266)	-	-	(13,607)
Net increase (decrease) in cash and cash equivalents	291	(37)	(217)	13,463	895	(264)	-	-	(4,299)	-	(403)	(12,466)	1,558	36	290	(85)	(234)	75	-	77	368	(494)	(435)	-	-	23,321
Cash and cash equivalents at beginning of period	4,255	38	2,602	5,763	2,031	431	-	-	8,209	918	969	75,847	9,720	226	671	333	439	349	-	53	1,506	582	2,693	-	1	10,300
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4,546</b>	<b>1</b>	<b>2,385</b>	<b>19,226</b>	<b>2,926</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>3,910</b>	<b>918</b>	<b>566</b>	<b>63,381</b>	<b>11,278</b>	<b>262</b>	<b>961</b>	<b>248</b>	<b>205</b>	<b>424</b>	<b>-</b>	<b>130</b>	<b>1,874</b>	<b>88</b>	<b>2,258</b>	<b>-</b>	<b>1</b>	<b>33,621</b>

# Summarized financial statement of subsidiaries

As of December 31, 2014

2014	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	CIA. CONTRACTUAL MINERA LOS ANDES	CIA. MINERA PICACHO SCM	SANTIAGO DE RIO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTD.A.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	IM2 S.A.	BIO SIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLINICA RIO BLANCO S.A.	CENTRO DE ESP. MEDICAS RIO BLANCO LTD.A.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RIO BLANCO LTD.A.	ISAPRE CHUQUICAMATA LTD.A.	CLINICA SAN LORENZO LTD.A. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTD.A.
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SUMMARIZED STATEMENT OF FINANCIAL POSITION																										
ASSETS																										
Total current assets	7,838	135,856	8,904	16,159	3,050	1,248	239	-	11,716	918	6,502	151,275	13,272	6,491	2,077	455	6,316	6,495	4,423	3,162	4,461	2,649	28,910	1	1	42,078
Total non-current assets	135	4,749	31	253,276	329	462	-	-	777	86	29,910	5,860,559	96,230	492	1,287	915	7,475	529	15,282	2,164	4,596	2,737	43,656	2,493	258	129,371
TOTAL ASSETS	7,973	140,605	8,935	269,435	3,379	1,710	239	-	12,493	1,004	36,412	6,011,834	109,502	6,983	3,364	1,370	13,791	7,024	19,705	5,326	9,057	5,386	72,566	2,494	259	171,449
LIABILITIES																										
Total current liabilities	3,443	96,081	6,095	7,414	466	11	10	54	9,829	30	15,380	92,660	4,328	2,278	1,421	152	13,262	6,321	4,632	2,618	4,763	3,668	20,799	2,078	1,352	16,652
Total non-current liabilities	27	403	-	118,355	-	-	-	-	334	-	2,865	720,267	75,091	-	36	966	1,781	1,978	15,108	421	689	2,303	44,386	(2,520)	-	146,630
TOTAL LIABILITIES	3,470	96,484	6,095	125,769	466	11	10	54	10,163	30	18,245	812,927	79,419	2,278	1,457	1,118	15,043	8,299	19,740	3,039	5,452	5,971	65,185	(442)	1,352	163,282
EQUITY																										
Equity attributable to owners of the parent	4,058	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	17,922	3,336,063	30,083	4,705	1,271	243	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,380	2,936	(1,093)	8,167
Non-controlling interests	445	-	-	-	-	-	-	-	-	-	245	1,862,844	-	-	636	9	-	-	-	-	-	-	1	-	-	-
TOTAL EQUITY	4,503	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	18,167	5,198,907	30,083	4,705	1,907	252	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,381	2,936	(1,093)	8,167
TOTAL LIABILITIES AND EQUITY	7,973	140,605	8,935	269,435	3,379	1,710	239	-	12,493	1,004	36,412	6,011,834	109,502	6,983	3,364	1,370	13,791	7,024	19,705	5,326	9,057	5,386	72,566	2,494	259	171,449
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUMMARIZED STATEMENTS OF INCOME																										
Gross Profit	195	6,104	1,168	2,063	1,852	-	-	-	2,578	-	(1,084)	3,084	6,587	2,412	916	15	(232)	1,384	-	398	1,996	2,104	17,266	-	-	-
Other incomes (expenses) and profits (losses)	(47)	(2,300)	(825)	117,648	(1,315)	(1,802)	122	(4)	(1,923)	(9)	(1,855)	(37,518)	(5,226)	(1,997)	(3,327)	(35)	(1,810)	(2,554)	4	(198)	(1,693)	(1,773)	(18,678)	(12,534)	(61)	(3,197)
Profit (loss) for the period before tax	148	3,804	343	119,711	537	(1,802)	122	(4)	655	(9)	(2,939)	(34,434)	1,361	415	(2,411)	(20)	(2,042)	(1,170)	4	200	303	331	(1,412)	(12,534)	(61)	(3,197)
Income tax expense	(28)	(453)	(131)	-	(143)	-	-	-	(9)	2	(322)	(577)	(47)	(95)	-	-	-	(24)	-	(83)	21	(17)	507	2,520	13	1,222
PROFIT (LOSS)	120	3,351	212	119,711	394	(1,802)	122	(4)	646	(7)	(3,261)	(35,011)	1,314	320	(2,411)	(20)	(2,042)	(1,194)	4	117	324	314	(905)	(10,014)	(48)	(1,975)
SUMMARIZED STATEMENTS OF CASH FLOWS – DIRECT METHOD																										
Cash flow provided by (used in) operating activities	(424)	(38,757)	(174)	915	476	(2,585)	(2,585)	(18)	5,902	-	1,265	530	(2,184)	(1,821)	(2,664)	(37)	1,231	702	-	(494)	(16,752)	346	1,860	(1,419)	-	(101,250)
Cash flows provided by (used in) investing activities	12	(46)	(20)	133,849	(99)	-	-	-	(166)	-	(1,958)	45,322	(7,162)	(71)	(200)	-	(718)	-	-	473	16,743	(94)	195	-	-	-
Cash flows provided by (used in) financing activities	-	38,586	-	(131,644)	-	2,835	18	18	-	-	(462)	(79,987)	-	-	3,000	-	(57)	(655)	-	-	-	(255)	(2,040)	1,417	-	114,298
Net increase (decrease) in cash and cash equivalents before foreign exchange difference	(412)	(218)	(194)	3,120	377	250	(2,567)	-	5,736	-	(1,155)	(34,135)	(9,346)	(1,892)	136	(37)	456	47	-	(21)	(9)	(3)	15	(2)	-	13,048
Effects of exchange rate changes on cash and cash equivalents	-	-	-	125	(10)	-	-	-	(2,369)	-	(8)	-	43	(244)	-	(3)	-	-	-	-	188	(92)	(558)	-	-	(3,131)
Net increase (decrease) in cash and cash equivalents	(412)	(218)	(194)	3,245	367	250	(2,567)	-	3,367	-	(1,163)	(34,135)	(9,303)	(2,136)	136	(40)	456	47	-	(21)	179	(95)	(543)	(2)	-	9,917
Cash and cash equivalents at beginning of period	4,667	256	2,796	2,518	1,664	181	2,567	-	4,842	918	2,132	109,982	19,023	2,362	535	373	(17)	302	-	74	1,327	677	3,236	2	1	383
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,255	38	2,602	5,763	2,031	431	-	-	8,209	918	969	75,847	9,720	226	671	333	439	349	-	53	1,506	582	2,693	-	1	10,300

# Summarized statements of changes in equity

As of December 31, 2015

2015	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	C/IA. CONTRACTUAL MINERA LOS ANDES	C/IA. MINERA PICACHO SCM	SANTIAGO DE RÍO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	IM2 S.A.	BIO SIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RÍO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RÍO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RÍO BLANCO LTDA.	ISAPRE CHUQUICAMAYA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY																												
Initial Balance as of 1/1/2015																												
Issued Capital	1	3,649	-	89,565	2,000	17,655	1,213	24	236	1,000	14,278	167,784	32,596	3,298	32,868	-	3,925	415	358	886	1,262	20	200	25,002	1	15,886	1,240,736	
Other Reserves	229	-	1,706	4,328	160	-	-	4	96	-	(41)	3,517,069	-	29	(781)	(20)	(112)	22	-	1,540	-	607	11,178	-	-	(45)	(11,069)	
Accumulated retained earnings	3,828	40,472	1,134	49,773	753	(15,956)	(984)	(82)	1,998	(26)	3,685	(348,790)	(2,513)	1,378	(30,816)	263	(5,065)	(1,712)	(393)	(139)	2,343	(1,212)	(3,998)	(22,066)	(1,094)	(7,674)	3,168,614	
Equity attributable to owners of the parent	4,058	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	17,922	3,336,063	30,083	4,705	1,271	243	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,380	2,936	(1,093)	8,167	4,398,281	
Non-controlling interests	444	-	-	-	-	-	-	-	-	-	245	1,862,844	-	-	636	9	-	-	-	-	-	-	1	-	-	-	-	-
TOTAL EQUITY	4,502	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	18,167	5,198,907	30,083	4,705	1,907	252	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,381	2,936	(1,093)	8,167	4,398,281	
Changes in equity																												
Issued Capital	-	377	-	(20,633)	-	-	1,213	-	-	-	(709)	-	-	-	(1,333)	-	571	60	-	129	183	-	-	-	(1,355)	(63,200)	-	-
Other Reserves	230	-	-	1,385	122	-	-	-	-	-	(127)	8,153	-	-	(343)	(20)	(17)	3	-	224	-	(33)	1,151	-	-	(13)	24,572	
Accumulated retained earnings	(185)	3,374	117	27,986	(711)	1,109	(984)	1	715	19	4,254	1,840,197	(2,636)	(322)	1,608	47	1,131	527	(17)	(172)	83	(77)	3,312	3,257	279	9,500	101,899	
Equity attributable to owners of the parent	45	3,751	117	8,738	(589)	1,109	229	1	715	19	3,418	1,848,350	(2,636)	(322)	(68)	27	1,685	590	(17)	181	266	(110)	4,463	3,257	(1,076)	(53,713)	126,471	
Non-controlling interests	(2)	-	-	-	-	-	-	-	(4)	-	107	820,673	-	-	(33)	2	-	-	-	-	-	-	(7)	-	-	-	-	-
TOTAL EQUITY	43	3,751	117	8,738	(589)	1,109	229	1	711	19	3,525	2,669,023	(2,636)	(322)	(101)	29	1,685	590	(17)	181	266	(117)	4,463	3,257	(1,076)	(53,713)	126,471	
Final Balance as of 12/31/2015																												
Issued Capital	1	3,272	-	110,198	2,000	17,655		24	236	1,000	14,987	167,784	32,596	3,298	34,201	-	3,354	355	358	757	1,079	20	200	25,002	1,356	79,086	1,240,736	
Other Reserves	(1)	-	1,706	2,943	38	-	-	4	96	-	86	3,508,916	-	29	(438)	-	(95)	19	-	1,316	-	640	10,027	-	-	(32)	(35,641)	
Accumulated retained earnings	4,013	37,098	1,017	21,787	1,464	(17,065)		(83)	1,283	(45)	(569)	(2,188,987)	123	1,700	(32,424)	216	(6,196)	(2,239)	(376)	33	2,260	(1,135)	(7,310)	(25,323)	(1,373)	(17,174)	3,066,715	
Equity attributable to owners of the parent	4,013	40,370	2,723	134,928	3,502	590	-	(55)	1,615	955	14,504	1,487,713	32,719	5,027	1,339	216	(2,937)	(1,865)	(18)	2,106	3,339	(475)	2,917	(321)	(17)	61,880	4,271,810	
Non-controlling interests	446	-	-	-	-	-	-	-	4	-	138	1,042,171	-	-	669	7	-	-	-	-	-	-	7	1	-	-	-	-
TOTAL EQUITY	4,459	40,370	2,723	134,928	3,502	590	-	(55)	1,619	955	14,642	2,529,884	32,719	5,027	2,008	223	(2,937)	(1,865)	(18)	2,106	3,339	(468)	2,918	(321)	(17)	61,880	4,271,810	

# Summarized statements of changes in equity

As of December de 2014

2014	CHILE COPPER LTD. CONSOLIDADO	CODELCO KUPFERHANDEL GIMBH CONSOLIDADO	CODELCO USA GROUP CONSOLIDADO	CODELCO INTERNACIONAL LIMITED CONSOLIDADO	CODELCO SHANGHAI COMPANY LIMITED	C/IA. CONTRACTUAL MINERA LOS ANDES	C/IA. MINERA PICACHO SCM	SANTIAGO DE RIO GRANDE S.A.	EXPLORACIONES MINERAS ANDINAS S.A.	INVERSIONES MINERAS LOS LEONES SPA	SOC. INVERSIONES COPPERFIELD LTDA.	INVERSIONES MINERAS GACRUX SPA CONSOLIDADO	COMPLEJO PORTUARIO MEJILLONES S.A.	IM2 S.A.	BIOSIGMA S.A.	ASOCIACIÓN GARANTIZADORA DE PENSIONES	CLÍNICA RIO BLANCO S.A.	CENTRO DE ESP. MÉDICAS RIO BLANCO LTDA.	SOC. EJECUTORA HOSPITAL DEL COBRE CALAMA S.A.	ISAPRE RIO BLANCO LTDA.	ISAPRE CHUQUICAMAYA LTDA.	CLÍNICA SAN LORENZO LTDA. CONSOLIDADO	FUSAT CONSOLIDADO	ENERGÍA MINERA S.A.	CENTRAL ELÉCTRICA LUZ MINERA SPA	SOC. DE PROCESAMIENTO DE MOLIBDENO LTDA.	ANGLO AMERICAN SUR S.A. (1)	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
SUMMARIZED STATEMENTS OF CHANGES IN EQUITY																												
Initial Balance as of 1/1/2014																												
Issued Capital	1	3,966	1,706	69,277	2,000	17,655	1,213	24	236	1,000	9,280	167,784	32,596	3,298	43,899	-	4,948	523	358	1,058	1,508	20	200	25,002	1	10,687	1,240,736	
Other Reserves	390	-	-	5,278	25	-	-	4	96	-	(91)	3,522,432	-	29	1,242	697	(684)	(159)	-	1,945	1,693	(54)	13,237	-	-	-	(11,069)	
Accumulated retained earnings	3,595	37,996	957	114,669	93	(11,785)	(1,085)	(70)	1,105	(8)	7,231	(79,583)	(4,586)	1,219	(42,856)	(59)	(3,833)	(113)	(421)	(555)	903	(1,891)	(7,747)	(11,910)	-	(4,055)	3,168,614	
Equity attributable to owners of the parent	3,986	41,962	2,663	189,224	2,118	5,870	128	(42)	1,437	992	16,420	3,610,633	28,010	4,546	2,285	638	431	251	(63)	2,448	4,104	(1,925)	5,690	13,092	1	6,632	4,398,281	
Non-controlling interests	444	-	-	-	-	-	-	-	-	-	2	2,093,926	-	-	-	-	-	-	-	-	-	8	5	-	-	-	-	
TOTAL EQUITY	4,430	41,962	2,663	189,224	2,118	5,870	128	(42)	1,437	992	16,422	5,704,559	28,010	4,546	2,285	638	431	251	(63)	2,448	4,104	(1,917)	5,695	13,092	1	6,632	4,398,281	
Changes in equity																												
Issued Capital	-	317	1,706	(20,288)	-	-	-	-	-	-	(4,998)	-	-	-	11,031	-	1,023	108	-	172	246	-	-	-	-	-	(5,199)	
Other Reserves	161	-	(1,706)	950	(135)	-	-	-	-	-	(50)	5,363	-	-	2,023	717	(572)	(181)	-	405	1,693	(661)	2,059	-	-	45	-	
Accumulated retained earnings	(233)	(2,476)	(177)	64,896	(660)	4,171	(101)	12	(893)	18	3,546	269,207	(2,073)	(159)	(12,040)	(322)	1,232	1,599	(28)	(416)	(1,440)	(679)	(3,749)	10,156	1,094	3,619	-	
Equity attributable to owners of the parent	(72)	(2,159)	(177)	45,558	(795)	4,171	(101)	12	(893)	18	(1,502)	274,570	(2,073)	(159)	1,014	395	1,683	1,526	(28)	161	499	(1,340)	(1,690)	10,156	1,094	(1,535)	-	
Non-controlling interests	(0)	-	-	-	-	-	-	-	-	-	(243)	231,082	-	-	(636)	(9)	-	-	-	-	-	8	4	-	-	-	-	
TOTAL EQUITY	1,112	2,909	80	(14,289)	1,165	(666)	2	(15)	290	992	903	5,704,562	74	(482)	(810)	(9)	317	(18)	55	256	456	(185)	487	(124)	1	6,451	546,008	
Final Balance as of 12/31/2014																												
Issued Capital	1	3,649	-	89,565	2,000	17,655	1,213	24	236	1,000	14,278	167,784	32,596	3,298	32,868	-	3,925	415	358	886	1,262	20	200	25,002	1	15,886	1,240,736	
Other Reserves	229	-	1,706	4,328	160	-	-	4	96	-	(41)	3,517,069	-	29	(781)	(20)	(112)	22	-	1,540	-	607	11,178	-	-	(45)	(11,069)	
Accumulated retained earnings	3,828	40,472	1,134	49,773	753	(15,956)	(984)	(82)	1,998	(26)	3,685	(348,790)	(2,513)	1,378	(30,816)	263	(5,065)	(1,712)	(393)	(139)	2,343	(1,212)	(3,998)	(22,066)	(1,094)	(7,674)	3,168,614	
Equity attributable to owners of the parent	4,058	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	17,922	3,336,063	30,083	4,705	1,271	243	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,380	2,936	(1,093)	8,167	4,398,281	
Non-controlling interests	444	-	-	-	-	-	-	-	-	-	245	1,862,844	-	-	636	9	-	-	-	-	-	-	1	-	-	-	-	
TOTAL EQUITY	4,503	44,121	2,840	143,666	2,913	1,699	229	(54)	2,330	974	18,167	5,198,907	30,083	4,705	1,907	252	(1,252)	(1,275)	(35)	2,287	3,605	(585)	7,381	2,936	(1,093)	8,167	4,398,281	

# Relevant Events

To the Consolidated Financial Statements as of December 31, 2015

The Corporation has reported to the Chilean Superintendence of Securities and Insurance (SVS) the following relevant events occurred during the periods between January and December 2015 and 2014:

## 1. Changes in the Board of Directors, Executives and the Organizational Structure

- On April 3, 2014, Codelco reported changes in the Senior Management.

Such changes are as follows:

- Mr. Sergio Fuentes Sepúlveda, Vice President of Projects resigned to Codelco. Such resignation was effective on April 30, 2014.
  - Mr. Gerhard Von Borries H., Vice President of Business Development took office as the interim Vice President of Projects starting from May 1, 2014.
  - Beginning on the same date, Mr. Fidel Báez Núñez, the Manager of Technology and Innovation took office as the interim Vice President of Business Development.
- On May 12, 2014, Codelco communicated as an essential event that the President of Chile appointed as members of the Board of Directors of Codelco Mr. Oscar Landerretche Moreno, Mr. Dante Contreras Guajardo and Mrs. Laura Albornoz Pollmann.

In addition, the President of Chile appointed Mr. Oscar Landerretche Moreno as Chairman of the Board of Directors.

The appointments indicated above became effective beginning on May 11, 2014.

- On June 6, 2014, it has been communicated that Codelco's Board of Directors decided to remove from his duties the Executive Chairman Mr. Thomas Keller Lippold, beginning on June 13, 2014. Likewise, on such date Codelco appointed the individual that will perform such duties temporarily during the period in which Codelco appoints the new regular Executive Chairman.

- On June 13, 2014, Codelco communicated that its Board of Directors unanimously appointed Mr. Octavio Araneda Osés who was the Vice President of Operations for the Central – Southern area as the interim, Executive Chairman, replacing Mr. Thomas Keller, who ceased his duties beginning on such date. Additionally, Codelco agreed to start searching for the selection of the new Executive Chairman within a process conducted by the Chairman of the Board of Directors.
  - On July 31, 2014, Codelco communicated as an essential event that its Board of Directors unanimously appointed Mr. Nelson Pizarro Contador as Codelco's Executive Chairman, who took office on September 1, 2014, ceasing starting from such date the term as interim Executive Chairman of Mr. Octavio Araneda Osés, who continued working as the Vice President of Operations for the Central-Southern area.
  - On August 29, 2014, Codelco informed as an essential event that Mr. Marcelo Villouta González, the Vice President of Operations for the Northern area voluntarily resigned to Codelco and remained performing such duties up to September 15, 2014.
- Additionally, it has been informed that Mr. Octavio Araneda O., the Vice President of Operations for the Central – Southern area became the interim Vice President of the Northern area starting from September 16, 2014. Without prejudice of continuing to perform his duties as the Vice President of Operations for the Central – Southern area.
- On September 4, 2014, Codelco informed as an essential event that Mr. Jaime Pérez de Arce Araya, the current Vice President of Human Resources was appointed the Executive Vice President of ENAMI, and, accordingly continued to perform his duties for Codelco up to September 7, 2014. Likewise, it informed that Mr. Daniel Sierra Parra, the Manager of Labor Relations, assumed as the interim Vice President of Human Resources beginning on September 8, 2014.
  - On September 5, 2014, Codelco informed as an essential event that Mr. Cristián Quinzio Santelices, Codelco's Legal Counsel voluntarily resigned to Codelco and performed his duties up to September 30, 2014.



- On September 30, 2014, Codelco communicated as an essential event the following appointments:
  1. Mr. Octavio Araneda Osés was confirmed as the Vice President of Operations for the Central – Southern area.
  2. Mr. José Pesce Rosenthal starting from October 6, 2014 was appointed as Vice President of Management of Mineral Resources and Development.
  3. Mr. Sergio Parada Araya starting from November 1, 2014 was appointed as General Manager of the Chuquicamata Division.
  4. Mr. Mauricio Barraza Gallardo starting from November 1, 2014 was appointed as General Manager of the Radomiro Tomic Division.
  5. Mr. Carlos Caballero Deramond starting from November 1, 2014 was appointed as General Manager of the Ministro Hales Division.
  6. Mr. Juan Carlos Avendaño Díaz starting from November 1, 2014 was appointed as General Manager of the Salvador Division.

Likewise, communication PE - 162/14 dated September 5, 2014 was modified because Codelco has requested that Mr. Cristián Quinzio Santelices, Legal Counsel postponed the voluntary resignation, which he accepted. The final date of such resignation will be informed on a timely basis.
- On October 7, 2014, Codelco communicated as an essential event that it appointed the following main executives:
  1. Mr. Daniel Sierra Parra, starting from October 8, 2014, as the Vice President of Human Resources.
  2. Mr. Ricardo Montoya Peredo, starting from November 1, 2014, as the General Manager of the Gabriela Mistral Division.
- On October 13, 2014, Codelco communicated as an essential event that Mr. Cristián Quinzio Santelices, the Legal Counsel, decided not to resign to his position working for Codelco and, accordingly, will continue to work for Codelco. Such communication modifies notes PE162/14 and 171/14 dated September 5 and 30, 2014, respectively.

- On October 30, 2014, Codelco communicated as an essential event that it appointed the following main executives:
  1. Mr. Gerhard Von Borries Harms, starting from November 1, 2014, as the Vice President of Projects.
  2. Mr. Octavio Araneda Osés, starting from November 15, 2014 as the Vice President of Operations for the Northern Area.
  3. Mr. Alvaro Aliaga Jobet, starting from November 15, 2014, as the Vice President of Operations for the Central – Southern Area.
  4. Mr. Mauricio Larraín Medina, starting from November 15, 2014, as the Interim General Manager for the El Teniente Division.
- On November 12, 2014, Codelco communicated as an essential event that Mr. Iván Arriagada Herrera, Vice President of Administration and Finance voluntarily resigned to Codelco to assume new professional challenges. Such resignation became effective beginning on December 15, 2014. Because of this, Codelco started searching for such replacement through a selection and recruitment company.
- On November 14, 2015, Codelco communicated as an essential event that Mr. René Aguilar Sáez, Vice President of Corporate Affairs and Sustainability resigned voluntarily to Codelco to assume new professional challenges abroad and continued to perform his duties up to December 31, 2014. Because of this, Codelco started searching for such replacement through a selection and recruitment company.
- On December 15, 2014, Codelco communicated as an essential event that because of the resignation by Mr. Iván Arriagada Herrera to the position of Vice President of Administration and Finance through communication PE-198-14 of November 12, 2014, it appointed Mr. Héctor Espinoza Villarroel, the Controllershship Manager, as the Interim Vice President of Administration and Finance, while the process for searching for the replacement is being performed by a selection and recruitment company.

- On December 18, 2014, Codelco communicated as an essential event that starting from that same date, it appointed Mr. Mauricio Larraín Medina, as the General Manager of El Teniente Division, who up to that time was the Interim General Manager of El Teniente Division.
- On February 27, 2015, Codelco communicated as an essential event that it appointed the following main executives:
  1. Mr. Patricio Chávez Inostroza, starting from March 1, 2015, as the Vice President of Corporate Affairs and Sustainability.
  2. Mr. Alejandro Rivera Stambuck, who joined the Corporation on April 1, 2015, as the Vice President of Finance and Administration. The following management will report to him: Management of Budget and Management Control, Management of Investment Evaluation and Project Control, Controllershship Management, Information Technology Telecommunications and Automation (ITTA) Management, Finance Management and Strategic Business Management.
  3. Mr. José Robles Becerra, starting from April 1, 2015, as Vice President of Production and Costs. The following management will report to him: Management of Production and Cost Structural Project, Technical Management for Divisional Projects, Management of Supply, Management and Inspection of Contractor Companies, Management of Energy and Hybrid Resources and Smelter and Refinery Optimization Management.
  4. Mr. César Correa Parker as the Corporation's General Auditor starting from April 1, 2015.
- On May 5, 2015, Codelco communicated as an essential event that the President of Chile starting from May 11, 2015, appointed as members of the Board of Directors of Codelco Mr. Juan Enrique Morales Jaramillo and Mr. Isidoro Palma Penco.

## 2. Shareholders' Meeting

- On April 7, 2014, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for Tuesday, April 29, 2014 at 11:30 a.m. at Codelco's office located at Huérfanos 1270, piso 11 Santiago to deal matters that are addressed by the shareholders at Shareholders' Meetings.

At such meeting, the shareholders addressed the following topics:

1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2013;
2. Appointment of Codelco's external auditors and risk raters for 2014.
3. Determining a newspaper based in the legal domicile for legal publications.
4. Any other matter or topic of interest which is to be discussed by the shareholders at an ordinary shareholders' meeting.

The Company's financial statements as of December 31, 2013 and 2013 Annual Report were published in Codelco's web site.

- On April 29, 2014, at Codelco's Ordinary Shareholders' Meeting conducted with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the following agreements were reached:
  1. The shareholders approved the Annual Report, Balance Sheet and other financial statements as of December 31, 2013 and the Report of External Auditors for that year.
  2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2014.
  3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2014.
  4. The shareholders appointed Diario Financiero as the newspaper for publications Codelco has to perform, in conformity with that provided in the Public Company Act and the instructions issued by the Chilean Superintendence of Securities and Insurance (SVS).

5. The operations which the Corporation has conducted with related entities or parties were informed, in conformity with article 44 of Law No. 18.046, the Public Company Act.
  6. Expenses incurred by the Board of Directors and Board of Directors' Committee during 2013 were informed.
- On December 1, 2014, Codelco informed that its Board of Directors opted to summon to an Extraordinary Shareholders' Meeting for Friday, December 19, 2014 at 9:00 a.m. at Codelco's office located at Huérfanos 1270, piso 11 to address the contents of the Annual Report on the Progress of the "2014-2018 Business and Development Plan."
  - On December 19, 2014, it has been reported as an Essential Event that at Codelco's Extraordinary Shareholders' Meeting held on December 19, 2014, conducted with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the shareholders agreed that the contents of the Annual Report on the Progress of the "2014-2018 Business and Development Plan" to which article 3 of Law No. 20.790 will be as follows:
    1. Annual progress of total investments, disaggregating each structural project and financing.
    2. Annual progress measured as performance at the end of the prior year.
    3. Progress measured against the baseline version of the 2014-2018 Business and Development Plan, submitted to the Chilean Congress because of the processing of Law No. 20.790.
    4. Annual progress in production, costs and results.

Likewise, Codelco should report any significant variation in the physical or financial progress of structural projects, detailing the reasons for such variations, as well as the consequences that this may have on investments to be made during the year and the related five-year period.
  - On April 9, 2015, Codelco informed that its Board of Directors opted to summon to an Ordinary Shareholders' Meeting for April 28, 2015 at 12:00 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address matters inherent to an Ordinary Shareholders' Meeting.

At such meeting, the shareholders addressed the following topics:

1. Conducting an analysis of Codelco's position, Report of the External Auditors, Annual Report, Balance Sheet and other financial statements for the year ended December 31, 2014;
  2. Appointment of Codelco's external auditors and risk raters for 2015.
  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 2014.
  6. 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's financial statements as of December 31, 2014 and 2014 Annual Report have been published in Codelco's web site [www.codelco.com](http://www.codelco.com)
- On April 29, 2015, at Codelco's Ordinary Shareholders' Meeting conducted with the attendance of Messrs. Ministers of Finance and Mining representing the President of Chile, the following agreements were reached:
    1. The shareholders approved the Annual Report, Balance Sheet and other financial statements as of December 31, 2014 and the Report of External Auditors for that year.
    2. The shareholders appointed Ernst & Young as Codelco's external auditors for 2015.
    3. The shareholders appointed Feller Rate, Fitch Rating, Moody's, and Standard & Poor's as Codelco's risk raters for 2015.
    4. The shareholders appointed La Segunda as the newspaper for publications Codelco has to perform, in conformity with that provided in the Public Company Act and the instructions issued by the Chilean Superintendence of Securities and Insurance (SVS).
    5. The operations which the Corporation has conducted with related entities or parties were informed, in conformity with article 44 of Law No. 18.046, the Public Company Act.

6. Expenses incurred by the Board of Directors and Board of Directors' Committee during 2014 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 September 9, 2015, Codelco informed that its Board of Directors opted to summon to an Extraordinary Shareholders' Meeting for Tuesday, September 29, 2015 at 12:00 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address the "Follow-up of the 2014-2018 Progress in the Business and Development Plan" as established by Law No. 20.790; including the sources of financing and capitalization required.
- On September 25, 2015, Codelco communicated that the Ministers of Finance and Mining as representatives of the President of Chile reported they were unable to attend the Extraordinary Shareholders' Meeting of Codelco, summoned for Tuesday, September 29, 2015 at 12:00 p.m. and because of this such meeting could be verified.

Accordingly, Codelco's Board of Directors will have to summon to a new Extraordinary Shareholders' Meeting, which will be communicated on a timely basis.

- On October 8, 2015, in accordance with Article 63 of Law 18.046, the Public Company Act, Codelco informed as an Essential Event that its Board of Directors opted to summon to an Extraordinary Shareholders' Meeting for Monday, October 26, 2015 at 4:00 p.m. at Codelco's office located at Huérfanos 1270, piso 11 to address the "Follow-up of the 2014-2018 Progress in the Business and Development Plan" as established by Law No. 20.790; including the sources of financing and capitalization required.
- On October 26, 2015, Codelco reported as an Essential Event that at the Extraordinary Shareholders' Meeting held on that date, as attended by the Ministers of Finance and Mining representing the President of Chile, Management reported the Progress in the 2014-2018 Business and Development Plan as established by Law No. 20.790, including sources of financing and capitalization required.

### 3. Financing

- On July 2, 2014, Codelco communicated as an essential Event that on that same date, Codelco had access to international financial markets through the issuance of bonds of EUR 600 million at a term of 10 years with an annual coupon of 2.25% and annual performance of 2.397%.

Such issuance was led by the banks Banco Santander S.A., Deutsche Bank AG, London Branch and HSBC Bank plc. Such resources are included in Codelco's program to finance its investment plan.

- On October 28, 2014, Codelco communicated as an essential Event that on that same date, Codelco had access to international financial markets through the issuance of bonds of US\$ 980 million at a term of 30 years with an annual coupon of 4.875% and annual performance of 4.966%.

Such issuance was led by the banks HSBC, BofA Merrill Lynch and Mizuho Securities. Such resources are included in Codelco's program to finance its investment plan.

- On September 9, 2015, Codelco communicated as an Essential Event that on that same date, Codelco had access to international financial markets through the issuance of bonds of USD 2,000 million at a term of 10 years with an annual coupon of 4.5% and annual performance of 4.695%.

Such issuance was led by HSBC, BofA Merrill Lynch and JP Morgan. Such resources are included in Codelco's program to finance its investment plan.

## 4. Investment Project

- On December 18, 2014, Codelco communicated as an essential event, that its Board of Directors approved the investment of US\$ 3,306 million for the performance of Chuquicamata Underground Mine Site, the biggest investment in Codelco's history, which is added to the US\$ 894 million already made in early construction work, totaling an investment of US\$ 4,200 million.

This decision will allow Codelco to start the construction of the project that will transform the World's biggest open-pit mine to a large underground operation with high efficiency, safety and environmental sustainability standards.

The transformation of the current open-pit operation to an underground mine will extend the useful life of the Chuquicamata Division for, at least, 40 years, thereby guaranteeing the continuity of a significant source of resources for the Chilean Government and source of employment for thousands of employees.

This mega project will exploit a portion of the reserves that are located under the current deposit, which have been quantified to contain 1,760 million tons of copper, representing over 60% of the total ore that has been extracted over the 100 years of life of the Chuquicamata mine. When the mine commences the transformed operation, it will produce 320 thousand tons of copper and 15 thousand tons of molybdenum a year.

During its construction, the project will generate an average of 6,000 direct jobs and other 18 thousand indirect jobs, in addition to contributing to making the Chilean economy dynamic through the demand for products and services for a hundred supplier companies.

This project will imply a very significant step in terms of environmental care and respect for the surrounding communities considering that the underground operation reduces particulate material emissions by 97% and reduces the use of diesel to a seventh of its current use.

## 5. Contingencies, strikes and disruption of activities

- On April 9, 2015, Codelco reported as an Essential Event that because of the heavy rains occurred on March 24 and 25, 2015 in the Atacama Region of Chile, the Salvador Division disrupted its operations, which were gradually resumed starting from Monday April 20.

Codelco believes such disruption of activities represents a decrease in production of approximately 5,000 fine copper tons, which Codelco expects to recover at Corporate level during the remaining part of the year I, through different mitigation actions. As such, this situation will not result in a material or significant impact on Codelco's profit or loss.

- On July 23, 2015, Codelco reported as an Essential Event that demonstrations by contractor companies, which in the case of the Salvador Division pose a risk to employees' safety and generate damages to the Company's facilities and public infrastructure because of force majeure reasons and in order to protect employees' and the population safety, Codelco was obliged to temporarily disrupt the operations in such Division until conditions were back to normal allowing safe operations.

The financial and accounting effects of such disruption depended on the evaluation of the scope and extent of such an event. Because of such demonstrations, Codelco reiterated the need for resolving discrepancies or pending negotiations through pacific actions and dialog.

- On August 4, 2015, Codelco reported as an Essential Event that the facilities in the Ministro Hales Division experienced de Codelco suffered acts of sabotage related to demonstrations which illegally entered its facilities cutting an overland conveyor belt which carries minerals with the purpose of stopping the operations. Such piece of equipment was carrying mineral loaded and is pivotal for the entire production chain and its disruption could translate into a daily production loss of approximately 70 tons of fine copper.

Because of this event, Codelco indicate it will file the related legal actions against whoever are responsible for such acts.

In addition, Codelco reported that such incidents occurred while the first session of the negotiation summoned by Agema (Asociación Gremial de Empresas para la Minería y Rubros Asociados – the Guild Association for Mining and Associated Lines of Business) attended by executives of contractor companies and Codelco as the facilitator to which the representatives of employees of contractor companies involved in demonstrations did not attend.

Codelco has been unable to quantify the effects of such acts and partial disruption of activities on production and profit or loss, as they will depend on their scope and extent.

- On August 18, 2015, Codelco reported as an Essential Event that in the afternoon of Monday, August 17, 2015, a fire affected a portion of the facilities in the Chuquicamata Division located in the Antofagasta Region of Chile, resulting in no wounded or injured individuals.

The fire occurred in the underground K1 tunnel affecting two mineral conveyor belts in the crushing facilities of such Division and started when the conveyor belt had been stopped and without power because of the scheduled maintenance that was being performed in such facilities.

Codelco started an internal investigation to clarify the cause of the fire requesting the support from subject matter to discard the possible intervention by third parties.

- On October 8, 2015, Codelco reported as an Essential Event that within the framework of a collective negotiation process, on October 8, the members of the Unions of Supervisors from the Radomiro Tomic Division commenced a legal strike after rejecting Codelco's last offer. The financial and accounting effects of such disruption have not been quantified at the date of this report, as they depend on the evaluation of the scope and extent of such event.
- On October 20, 2015, Codelco reported as an Essential Event that the members of the Union of Supervisors and Professionals from the Radomiro Tomic Division approved the last offer delivered by Codelco's Management and ending the legal strike they started on Thursday, October 8.

## 6. Other

- On October 24, 2014, the President of Chile signed Law No. 20.790, which establishes an extraordinary capital contribution of up to US\$ 3 billion for Codelco during the 2014-2018 period, whose resources together with the capitalization of profit of up to US\$ 1 billion, generated during such period, will be used to drive Codelco's investment plan in mining, sustainability, mine development, exploration projects and the renewal of equipment and industrial plants.
- On June 26, 2015, Codelco reported as an Essential Event that the Board of Directors approved significant actions to increase the standards in such matters as transparency, probity and good corporate governance.

The set of actions approved by the Board of Directors has an influence on three aspects in the performance of Codelco's activities: business relations, institutional links and lobbying and people management processes.

For such purposes, the Company reviewed and systematized existing standards by unifying and formalizing corporate standards and incorporating new standards looking for strengthening those already existing, highlighting the following seven initiatives:

1. Generating a single policy for regulating conflicts of interest for the entire Corporation.
2. Increasing the number of people who will file statements of interest and equity.
3. Increased regulation and control of contracts entered into with related parties and conflicts of interest.
4. Restriction on and regulation of gifts and courtesies.
5. Regulation of lobbying.
6. Hiring politically exposed people or companies.
7. Establishing a mechanism for information and sanction.

Such set of actions supplements the high standards on transparency and probity currently in force at the Company from the approval of Codelco's Corporate Governance Law.

The current Board of Directors approved in September 2014 the first set of actions aimed at improving its corporate governance which include establishing limits and controls to manage resources assigned to the performance of the Board of Directors' activities, the implementation of transparent and traceable system for managing requests for recruitment, promotion and contract termination for Codelco's executives and employees and the generation of a mechanism to regulate the relationships between the members of the Board and Management and related parties.

- On August 28, 2015, Codelco reported as an Essential Event that the Board of Directors in its permanent evaluation of the performance of its projects and production divisions, increases in constructive costs and associated profitability, has decided to reassess the Andina Expansion project and withdraw the processing of the Environmental Impact Study.

Considering that indicated above, Codelco will redesign such project and request, on a timely basis, the relevant authorizations and approvals, to generate an alternative that requires a lower investment, implies lower impacts on the environment and extends the useful life of the Andina Division for 50 years.

There are no other events that qualify as relevant occurred prior to December 31, 2015.

# Board of directors and management compensation

As of December de 2015 and 2014  
Expressed in thousands of U.S. dollars - ThUS\$

During 2015 and 2014, 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	2015 ThUS\$	2014 ThUS\$
Raimundo Espinoza Concha	93	101
Gerardo Jofré Miranda	93	118
Marcos Büchi Buc (1)	-	-
Fernando Porcile Valenzuela	-	35
Andrés Tagle Domínguez	-	35
Marcos Lima Aravena	41	126
Juan Luis Ossa Bulnes	-	35
Blas Tomic Errázuriz	108	101
Augusto González Aguirre	33	101
Laura Albornoz Paulman	93	66
Oscar Landerretche Moreno	140	100
Dante Contreras Guajardo	93	66
Isidoro Palma Penco	60	-
Juan Morales Jaramillo	60	-

<sup>1</sup> During the periods from 1 January to 11 May 2015 and between 1 January and 31 December 2014, the Corporation has not issued any payment instrument for remuneration to Mr. Marcos Buchi Buc, arising from their participation (and until the end of his term) as Director of the Corporation, having expressly and irrevocably waived such payments, as also to any collection action present or future for this concept.

## 2. Compensation

Name	2015 ThUS\$	2014 ThUS\$
Raimundo Espinoza Concha	36	40
Augusto González Aguirre	53	187

The remuneration of the Company's main executives for 2015 amount to THUS\$ 8.925. This amount includes a performance bonus of ThUS\$ 1.570.

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:

- The reference market for Executives' remuneration will be measured by a standard survey.
- 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.
- 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 2015 payments equivalent to ThUS\$ 109.



# Additional Information on the Board of Directors and Board of Directors' Committee

As of December 31, 2015  
Expressed in thousands of U.S. dollars - ThUS

## 1. Advisory services engaged by the Board of Directors

During 2015, expenses for advisory services provided to the Board of Directors are as follows:

Company	Purpose	Amount ThUS\$
Aseorías en Cumplimiento y Buenas Prácticas Ltda.	Legal advisory services per the Reports "Regulations of Transactions with Individuals Exposed to Codelco (PEC) " y "Best Practices in Conflicts of Interest"	23.05
Arteaga Gorziglia y Cía. Ltda	Legal Advisory Services	9.38
Richard Pena Burgos, Servicios Jurídicos	Practical advisory in conflicts of interest	4.67

## 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, 2015, the following individuals are the members of the Board of Directors' Committee:

- Mr. Blas Tomic Errázuriz, ID No. 5.390.891-8, Chairman.
- Mr. Gerardo Jofré Miranda, ID No. 5.672.444-3, Vice-Chairman.
- Mr. Juan Morales Jaramillo, ID No. 5.078.923-3.
- Mr. Isidoro Palma Penco, ID No. 4.754.025-9.

## 3. Board of Directors' Committee's Compensation

Fees for the years ended December 31, 2015 and 2014 are available in the Chilean Superintendence of Securities and Insurance (SVS) web site as part of the annual report for 2015 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 SVS web site as part of the annual report for 2015 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.