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CODELCO AND ANGLO AMERICAN SIGN A HISTORIC MEMORANDUM OF UNDERSTANDING TO PROMOTE THE DEVELOPMENT OF THE ANDINA-LOS BRONCES MINING DISTRICT

The companies announced an alliance to implement a Joint Mining Plan that would increase the district's production by nearly 120,000 tons of fine copper per year, between 2030 and 2051. In terms of sustainability, the agreement includes adherence to the social and environmental principles of each company.

Santiago, February 20, 2025.- Codelco and Anglo American announced today the signing of a Memorandum of Understanding (MOU) to collaborate on an alliance aimed at enhancing the development of the Andina-Los Bronces mining district through the implementation of a Joint Mining Plan between 2030 and 2051.

This plan will enable an increase in copper production without substantial additional investments from either company, boost the country's contribution in the short and medium term, and strengthen Chile's position as a leading global copper supplier. In doing so, it will generate greater value for shareholders—who, in the case of Codelco, is the State of Chile—employees, suppliers, and communities.

With the integration of mining operations, the estimated increase in pre-tax value generation is at least US\$5 billion, excluding potential additional operational synergies. A fundamental principle is that Andina from Codelco and Los Bronces from Anglo American will retain full ownership of their respective mining concessions, processing plants, and tangible assets, as outlined in the MOU.

Until now, Andina and Los Bronces have operated separately in adjacent sites within one of the world's largest mining districts, which accounts for more than 2% of global copper reserves and resources, a critical mineral for a decarbonized economy. To address the challenge of geographic adjacency, both operations have coordinated their activities through more than 10 cooperation agreements over 47 years, ensuring efficient and safe operations without operational interference.

The decision announced to the market today would formalize deeper coordination through a Joint Mining Plan, creating greater value than separate operations.

"Codelco has been a neighbor and partner of Anglo American for decades. Today, we are facing a unique opportunity to rethink the development of this mining district by taking a strategic and beneficial step: advancing an alliance that will make it one of the three most important copper mining districts in Chile and the fourth largest worldwide. In doing so, we will contribute a critical mineral for the transition to a decarbonized economy and generate at least US\$5 billion in additional value, significantly increasing our contribution to the Treasury and maintaining Chile's global leadership in copper production," said Máximo Pacheco, Chairman of Codelco's Board of Directors.

Mr. Pacheco added, "both companies retain full ownership of their concessions and infrastructure, allowing them to move forward with their own projects, including underground developments. This plan represents an unprecedented public-private collaboration model that, in addition to increasing operational value, will uphold existing social and environmental commitments and prioritize the protection of high-Andean ecosystems and their biodiversity."



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Duncan Wanblad, CEO of Anglo American, stated: "Copper is at the forefront of our growth ambitions, with a clear path toward producing over 1 million tons of copper per year by the early 2030s, a 30% increase. Los Bronces and Andina offer clear and significant benefits due to their proximity, and together they hold resources and reserves totaling approximately 60 million tons of copper¹, representing more than 2% of the world's copper reserves and resources. By implementing a joint mining plan and optimizing the use of our respective processing plants, we believe we can generate an additional 2.7 million tons of copper over a 21-year period starting in 2030, as well as unlock other operational synergies by coordinating activities between operations. Anglo American and Codelco will also be able to develop other projects separately in a coordinated manner, including the advancement of underground resources during the joint mining plan period."

Additionally, Patricio Hidalgo, CEO of Anglo American in Chile, stated: "This is one of the largest known copper deposits in the world. The industrial and economic synergy is very strong, which is why both companies are making every effort to materialize these synergies. Based on principles such as value fairness, maintaining the flexibility to develop additional projects, such as the underground phase of Los Bronces Integrado project, and a shared vision for sustainability and innovation toward the future, we aim to establish a new way of doing mining in our industry and create significant additional value for our shareholders, stakeholders, and for Chile."

Details of the alliance

The MoU establishes fundamental principles of the alliance. The companies expect to conclude negotiations and finalize binding agreements by the third quarter of 2025, subject to obtaining all relevant approvals and completing the due diligence process. Once the agreements are signed, it is estimated that obtaining the necessary permits to operate under the Joint Mining Plan will take an additional 5 to 7 years.

The project will have a corporate governance structure equally shared between Codelco and Anglo American, and together they will establish a new operating entity, controlled 50:50, which will execute the Joint Mining Plan and coordinate the use of the combined processing capacity of both operations.

Each company will continue extracting ore independently but in a coordinated manner, while processing will be carried out by leveraging synergies between both companies' facilities and plant capacities. The resulting copper production, as well as the costs and responsibilities associated with joint operations, will be shared equally, while commercialization will be managed individually by each company.

The MoU explicitly states that the project will uphold the existing social and environmental commitments of Andina and Los Bronces. It will also promote the protection of high-Andean ecosystems and their biodiversity, given the current climate change scenario and its impact on glaciers. Due to the water scarcity in the central region, the companies commit to managing water responsibly and moving towards eliminating the use of fresh continental water in mining processes.

¹ The 60Mt of copper contained in the Resources and Reserves of Los Bronces and Andina refer only to what is subject to the MOU and therefore exclude the allocation related to Los Bronces underground project and Andina underground options.



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On the social front, a key focus will be the well-being of communities and the engagement in the region through a broad, inclusive, informed, and transparent dialogue process. Likewise, the joint operation will maintain safety standards and control vehicular flows on access routes to the operations.

The Plan in Numbers

The joint project will increase the district's production by approximately 120,000 tons of fine copper per year on average between 2030 and 2051, subject to obtaining the relevant permits. This increase would represent a 2.8% rise in Chile's copper production, based on 2023 levels.

At the end of this period, the Joint Mining Plan will conclude. In the meantime, the agreement allows both companies to develop other projects separately, including the advancement of additional resources, such as the underground phase of the Los Bronces Integrado project or Andina's underground resources.

Transparency

The MOU has been made available on Codelco's website (<https://www.codelco.com/alianza-andina-los-bronces>), with the aim of ensuring a transparent process and engaging with workers, communities, shareholders, and authorities. The MoU in Spanish will be available on Codelco's website.

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