



CODELCO UPDATE

June 2011



Highlights

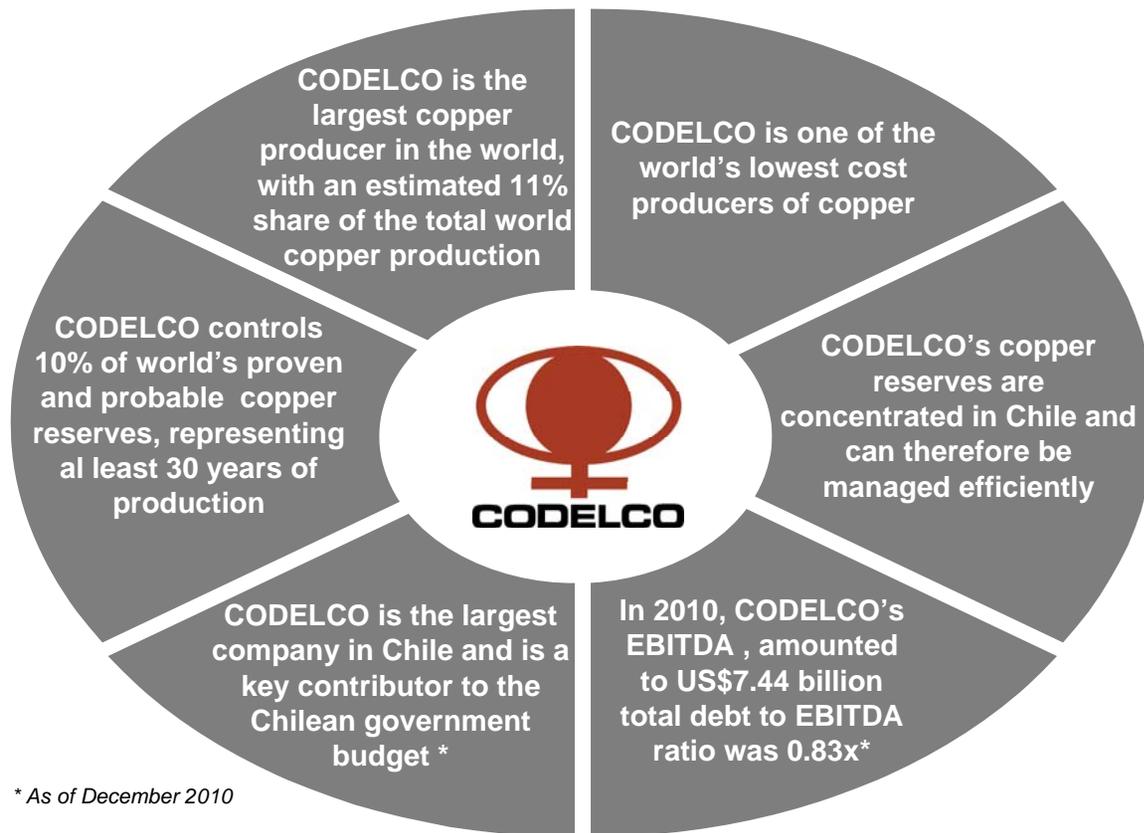
Industry Overview

Operating Performance and Capex Program

Financial Review

Competitive Strengths

CODELCO: The World's Leading Mining Company



* As of December 2010



A1 (Senior Unsecured Debt Rating)
Stable outlook

Moody's Investors Service



A (Global Scale)
Stable outlook

- ▶ CODELCO (A1/A) is 100% owned by the Republic of Chile (Aa3/A+/A) and a constitutional amendment approved by the Chilean Congress would be required to allow private participation in CODELCO's ownership

Solid Fundamentals + Quasi Sovereign Ownership: Solid Performance in Capital and Bank Markets



Codelco: Operations and Global Commercial Presence*

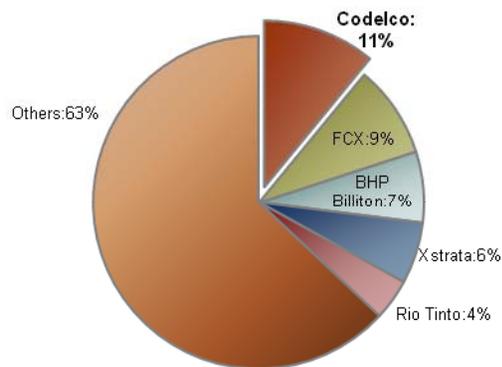


*: Commercial Subsidiaries.

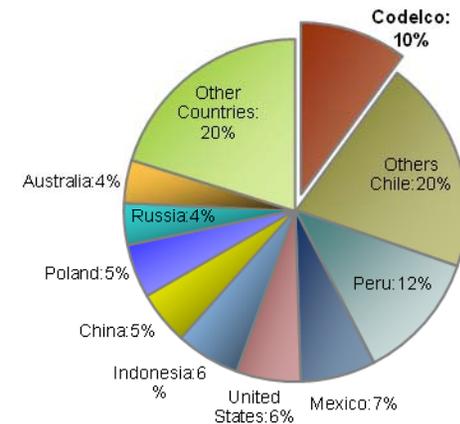


World Leader in the Copper and Molybdenum Industry

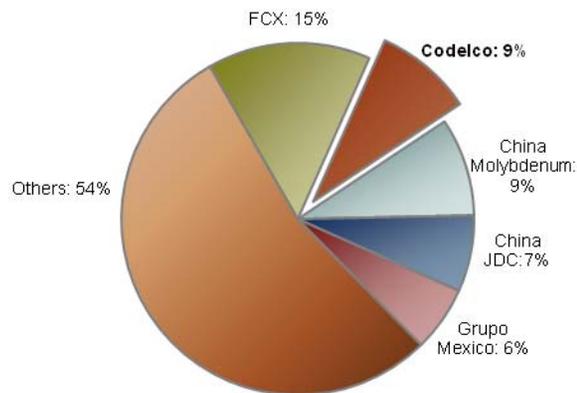
Leadership in Copper Production



Leadership in Copper Reserves



Second Largest Molybdenum Producer



Long Life Copper Resources

	TOTAL MINERAL RESOURCES* (mn of tonnes)		
	Mineral	Ore Grade (%)	Copper
Chuquicamata	3,277	0.57	18.7
Radomiro Tomic	2,584	0.47	12.3
MMH	902	0.91	8.2
Salvador	341	0.53	1.8
Andina	5,888	0.78	45.8
El Teniente	4,176	0.84	35.1
Minera Gaby S.A.	553	0.39	2.2
CODELCO	17,721	0.70	124.1

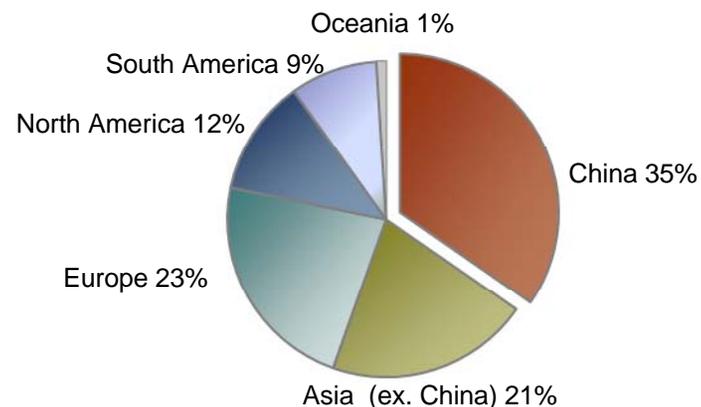
*: Proven and Probable Reserves and Identified Mineral Resources in Mining Plan of BDP
Source: Codelco

Well Diversified, Fully Integrated and Stable Operations

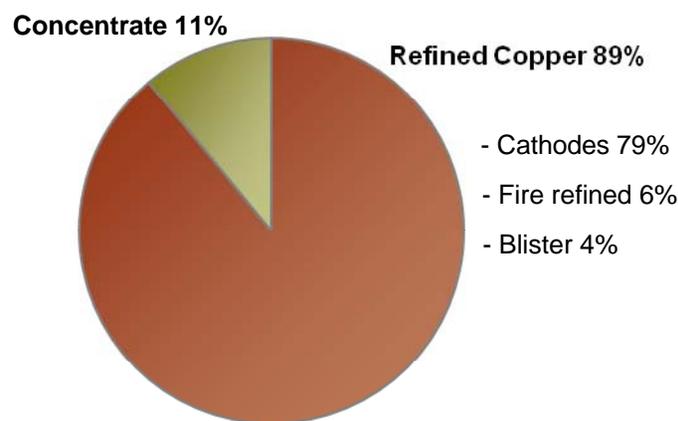
1Q 2011 Sales Breakdown by Product

	US\$ millions	Share
Copper	3,874	90.0%
Molybdenum	177	4.1%
Other Products (wire rod, sulfuric acid, etc..)	254	5.9%
Total	4,305	100%

1Q 2011 Sales Breakdown by Region



1Q 2011 Copper Sales Breakdown (mft)



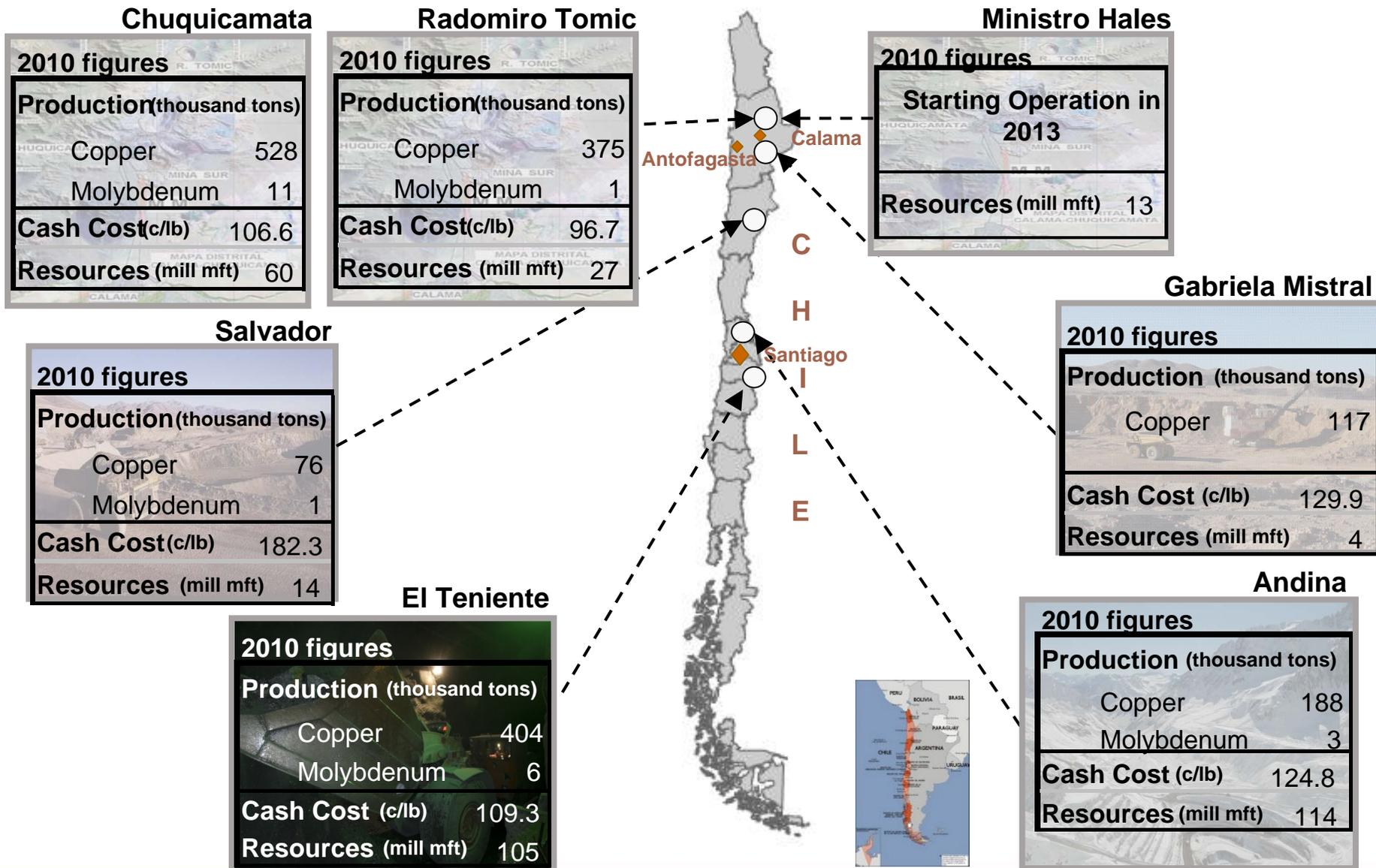
Source: Codelco

1Q 2011 Top Clients

Southwire Company	USA
Nexans Copper France	France
Codelco Kupferhandel	Germany
Maike Metals Int. Ltd	China
Copper Partners	China
Taihan Electric Wire Co.	South Korea
Ningbo Sunhu Chemical Prod. Co.	China
Wanxiang Resources Co.	China
China Ordins	China

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High quality assets: Mine Operations



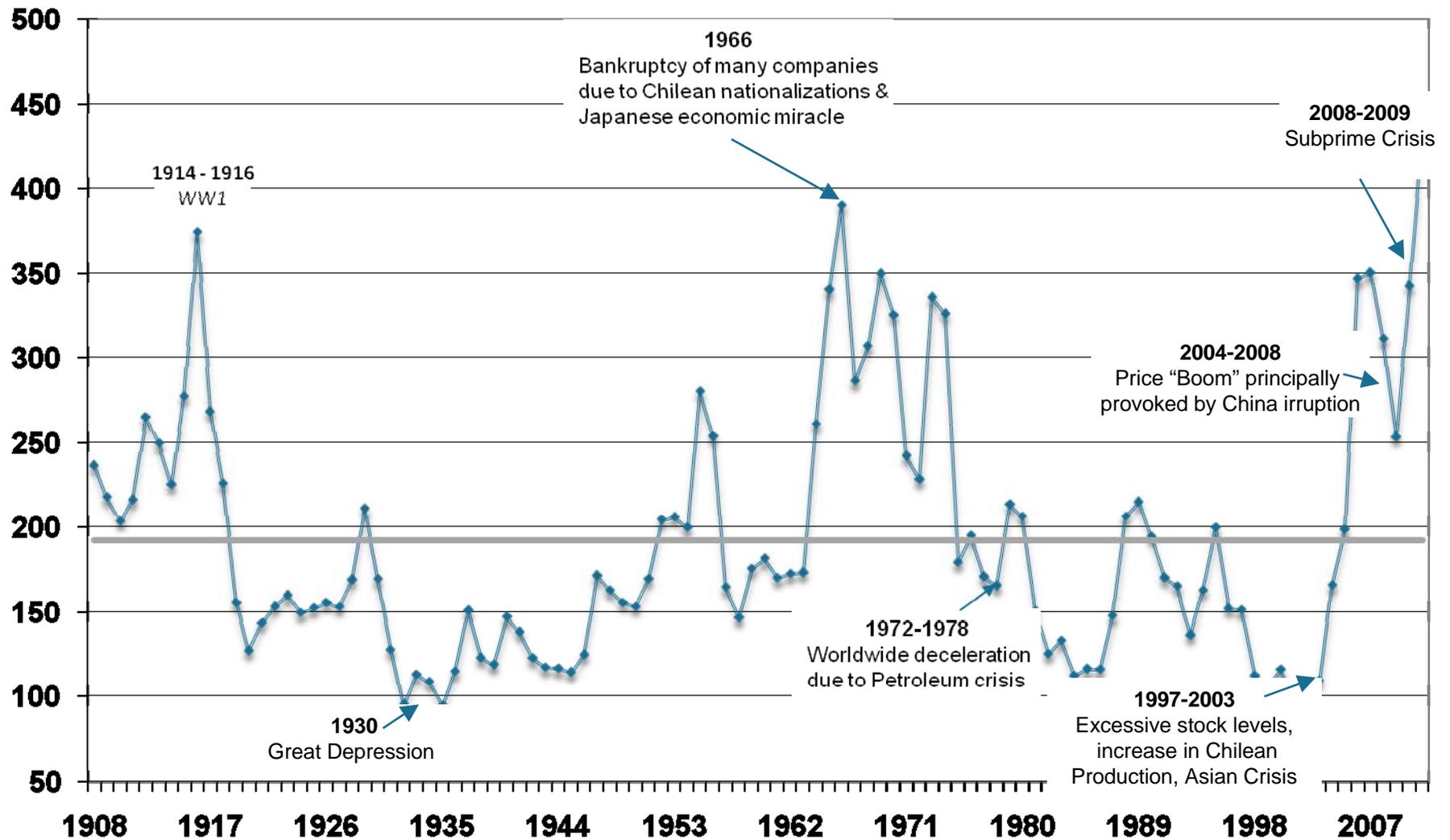
Highlights

Industry Overview

Operating Performance

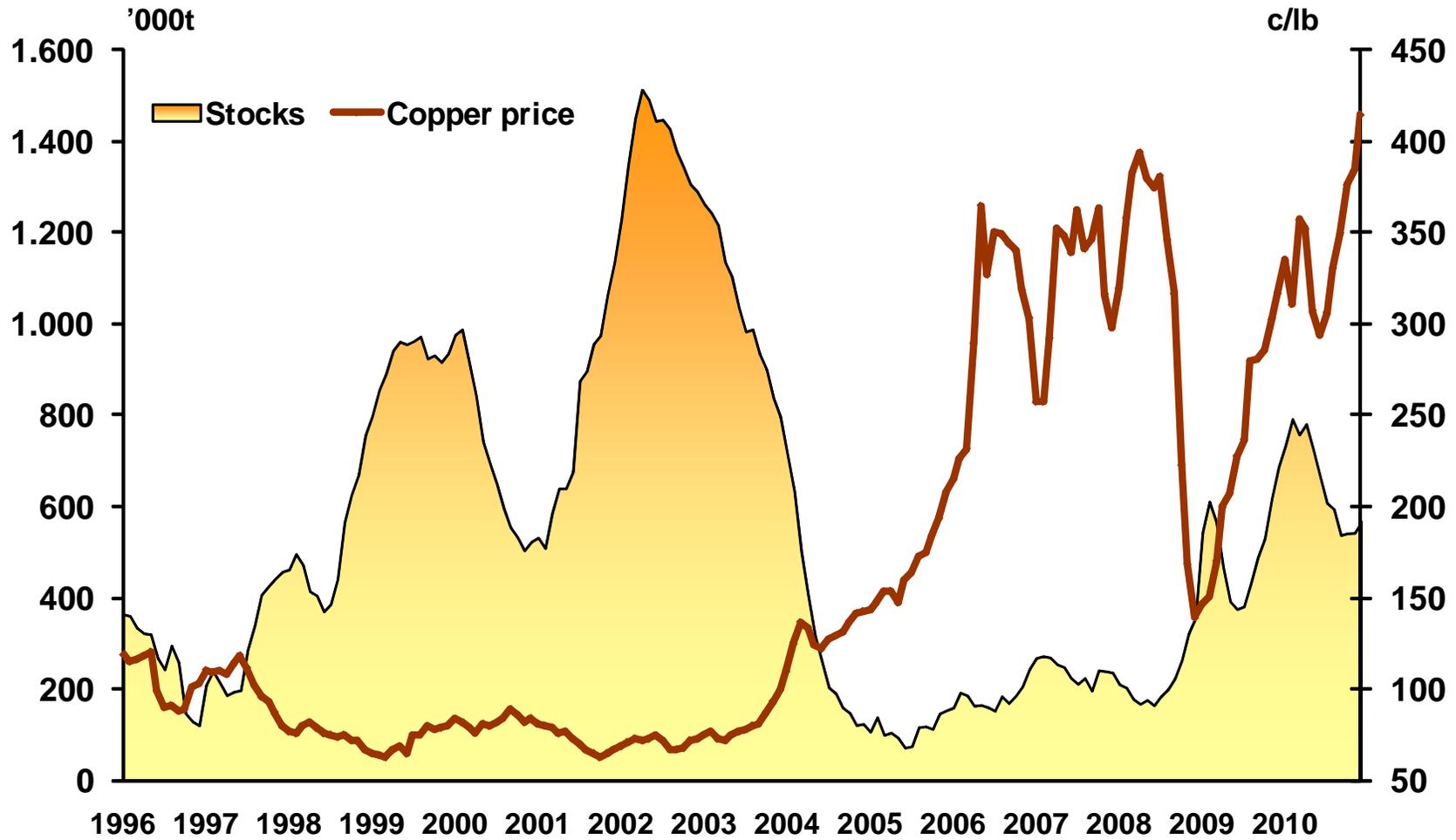
Financial Review

Consensus about Solid Market Fundamentals



Source: WBMS, IMF and Codelco. *: USA: 1980 – 2004. 2010: Forecast.

Copper Prices & Stocks in Metal Exchanges

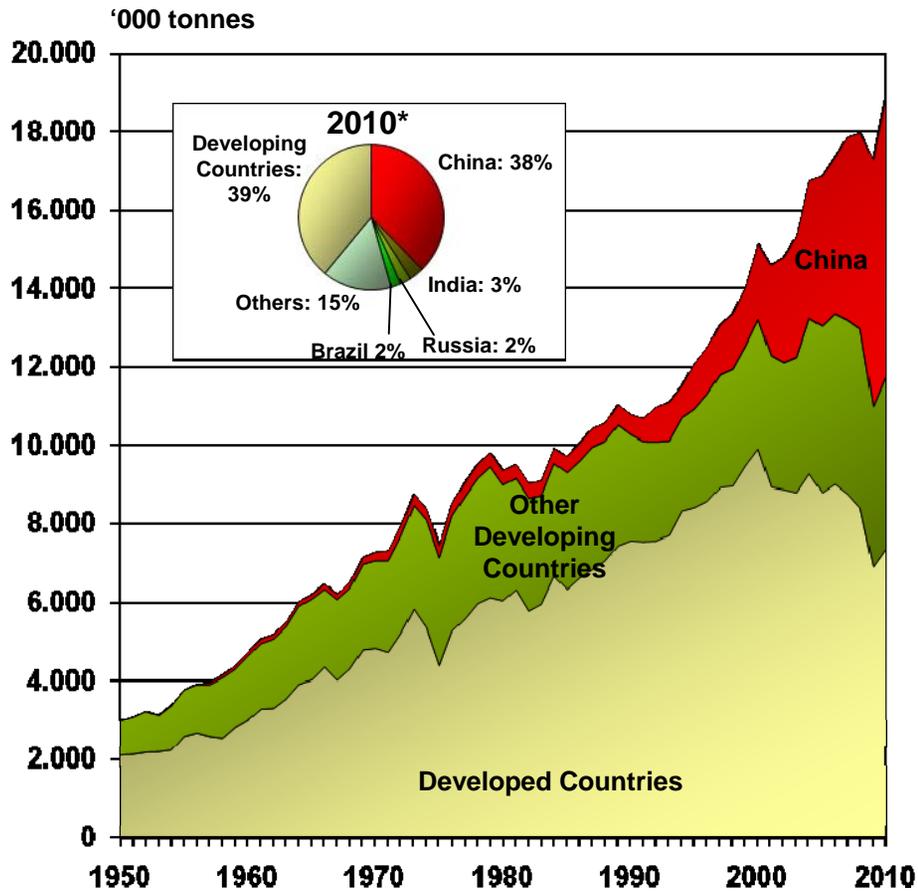


Metal Exchanges: London, COMEX and Shanghai



Consensus about Solid Market Fundamentals

World Refined Copper Consumption

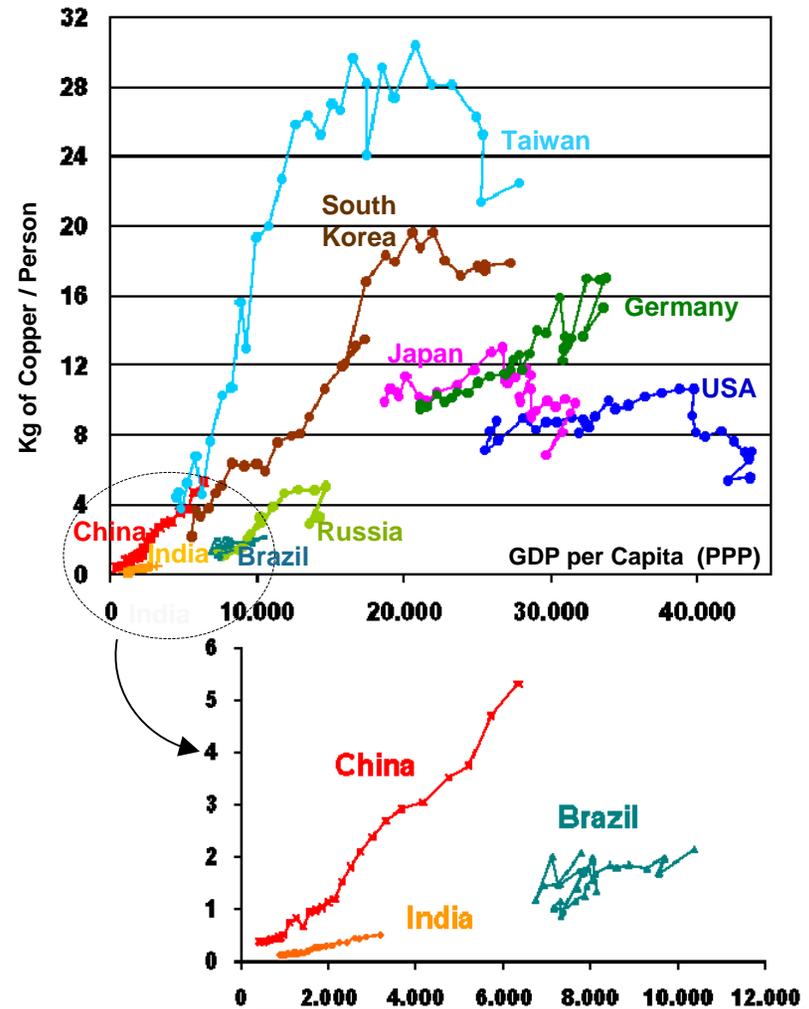


Source: WBMS, FMI, World Bank

*Figures 2010: Forecast.

** Period 1980 – 2010

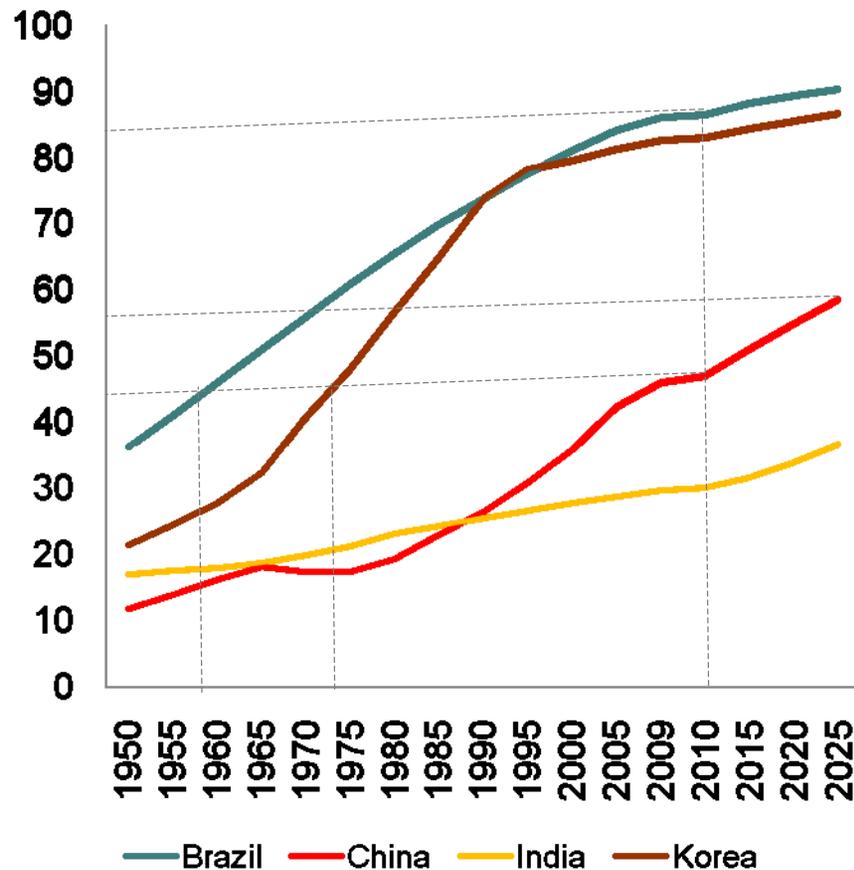
GDP and Copper Consumption per Capita**



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Consensus about Solid Market Fundamentals

Urbanization Rate (%)



China's Urbanization: Transformation towards 2025

- **220 million** will be added to China's urban population: More than Brazil population
- **105** airports (US has 86), **60,000** km of expressways (more than 4 times Australia's Highway 1, the longest national highway in the world), and **45,000** km of railways are expected to be built by 2020 (3 times UK railways)
- **60%** of China's citizens will be living in cities
- **5 million** buildings will be built → 50,000 could be Skyscrapers: Equivalent to 10 NYC
- **170** Mass-Transit Systems could be built: Only 70 in Europe

Source: UN Department of Economic and Social Affairs: "World Urbanization Prospects: the 2009 revision; McKinsey Global Institute, March 2009; NDRC; CAAC; Ministry of Transport of China

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New Trends Provide Opportunities for Copper

New Technological Applications



Anti-Bacterial Properties



Renewable Energies



Aquaculture



World Electrification



Electrical Propulsion



Hybrid & Electric Cars



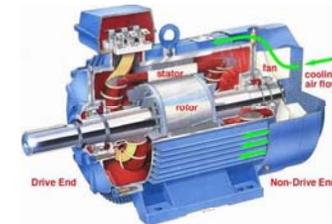
lus hybrid system
Model 2008
get this for additional use only

Source: ICA and Codelco.

Green & Smart Building



High Efficiency Motors

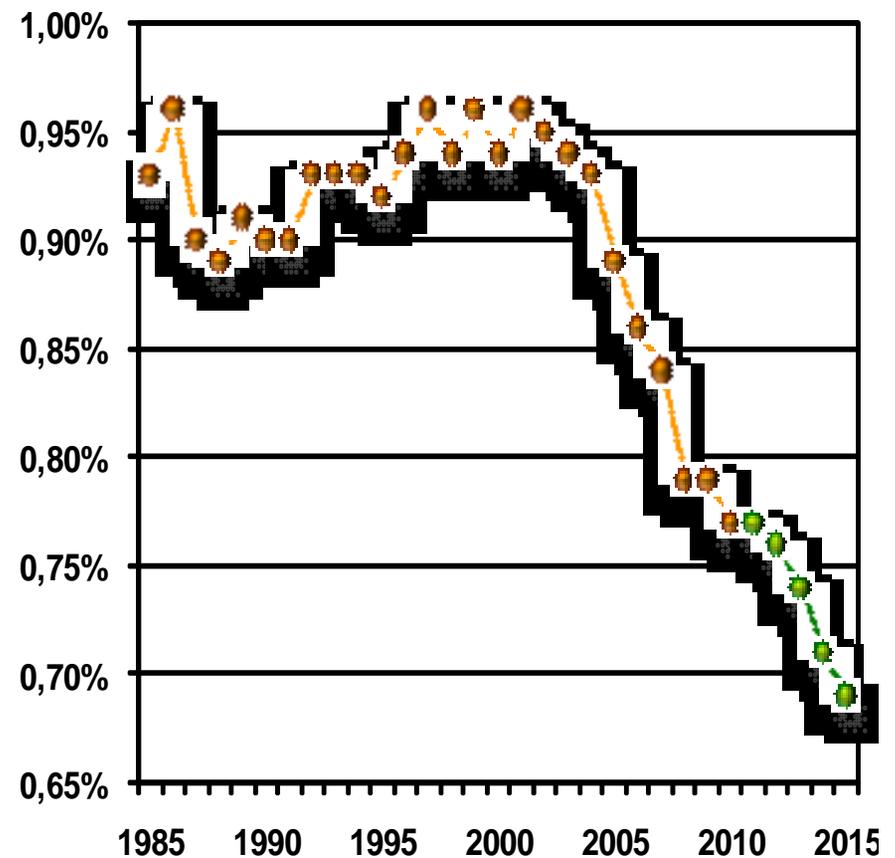


World Mine Production: Major trends

Lower number of large deposits will be developed in the future. Some factors that influence this trend:

- Lower probability of discovering high grade / large size deposits. Ore grade will continue to decline.
- Many new mines will be U/G operations (U/G mines tend to have lower rates of production than open pits).
- Country risk (New mines tend to be in countries with high sovereign risk).
- Infrastructure (located in remote areas).
- Financing (capital costs escalation and tighter credit market).

Industry's Average Grade



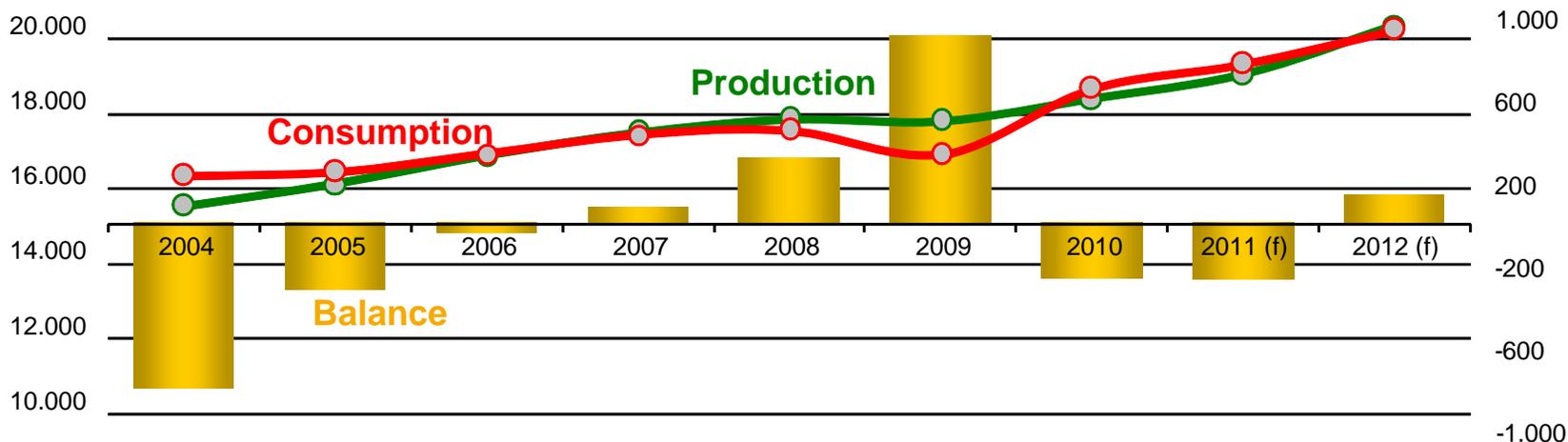
Source: Codelco and Brook Hunt

Consensus about Future Copper Deficit

'000 tonnes

	2010				2011				2012			
	CDEL	BME	BH	CRU	CDEL	BME	BH	CRU	CDEL	BME	BH	CRU
Refined Production	18.804	19.249	19.104	18.769	19.451	20.127	19.789	18.839	20.765	20.919	21.357	19.900
Change %	3,2%	4,0%	4,1%	3,4%	3,4%	4,6%	3,6%	0,4%	6,8%	3,9%	7,9%	5,6%
Refined Consumption	19.070	19.526	19.178	18.524	19.725	20.529	20.202	19.181	20.634	21.263	21.026	20.031
Change%	10,1%	11,1%	10,3%	8,5%	3,4%	5,1%	5,3%	3,5%	4,6%	3,6%	4,1%	4,4%
Balance	-266	-277	-74	245	-275	-402	-413	-342	132	-344	331	-131

Production, Consumption



Sources: CDEL: Codelco, December 2010 ;BME: Bloomsbury, April 2011; BH: Brook Hunt, April 2011; CRU, April 2011

Positive Outlook for Copper Price

Price (c/lb, currency 2011)

	2011	2012	2013	2014	2015
Bloomsbury	444	432			
Brook Hunt	461	451	389		
CRU	456	444	406	389	398
Analysts' Average	454	442	397	389	398
Barclays	486	544			
Citigroup	453	427	383	305	253
Deutsche Bank	475	522	443	346	
Goldman Sachs	474	494	415	357	325
Merrill Lynch	478	510	420	367	
Banks' Average	474	504	400	332	301
Analysts and Banks Average	468	483	400	341	325
Cochilco	430	404			

Note of Publication Dates: Barclays, Jun-11; Citigroup, Jun-11; Deutsche Bank, Jun-11; Goldman Sachs, May-11; Merrill Lynch, Jun-11; Bloomsbury, May-11; Brook Hunt, May-10; CRU, Apr-11; Cochilco, Jan-11

Highlights

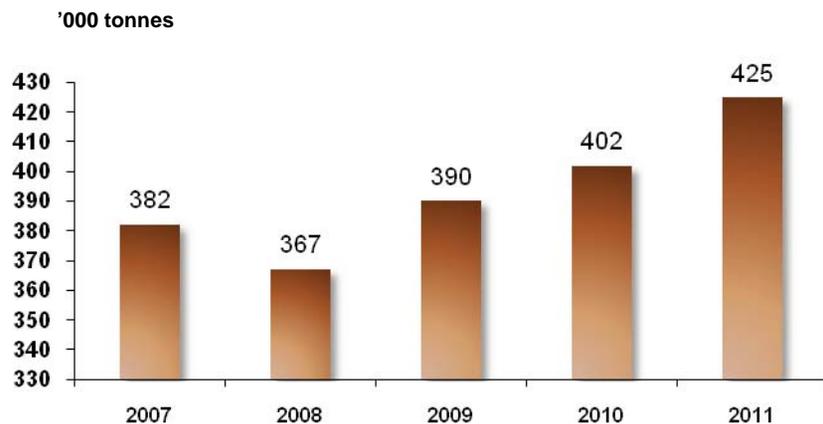
Industry Overview

Operating Performance and Capex Program

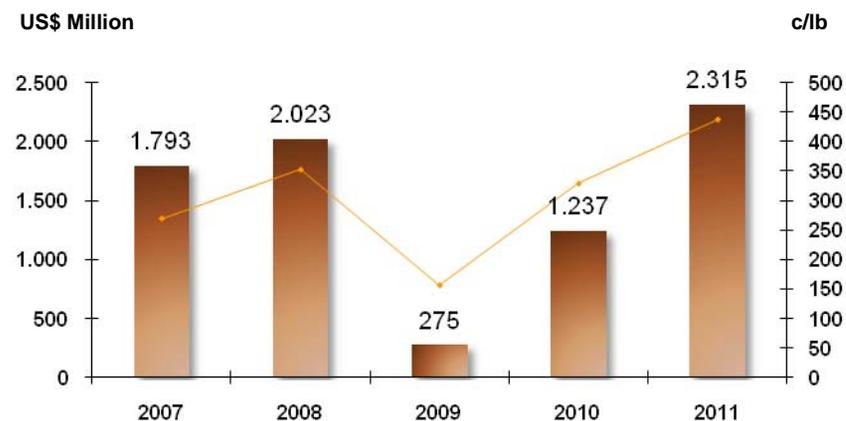
Financial Review

Codelco: 5 year Results

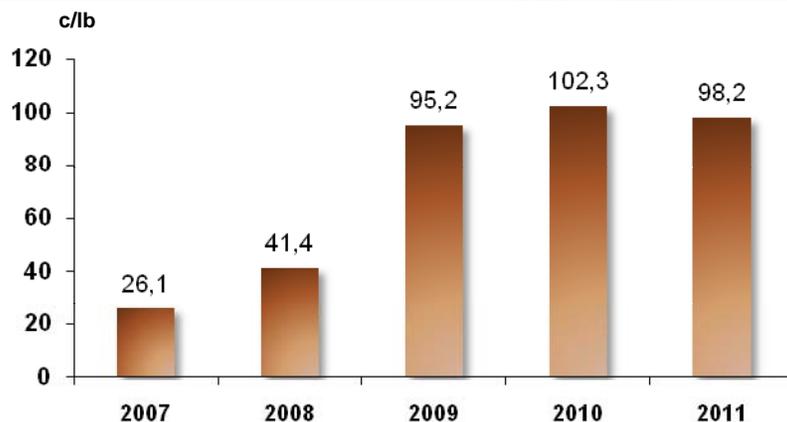
1Q Production



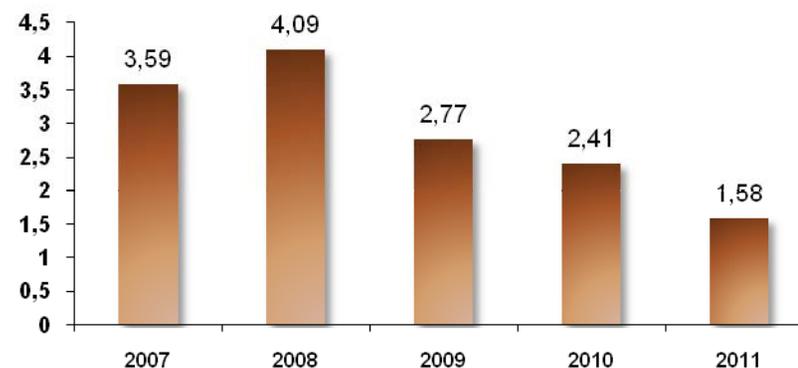
1Q Profit before taxes and copper price



1Q Direct Cash Cost (C1)



1Q Frequency rate of Accidents*



** Includes own workers and contractors. Accidents with Lost Time / Million Working Hours

Codelco: An Unprecedented Investment Challenge

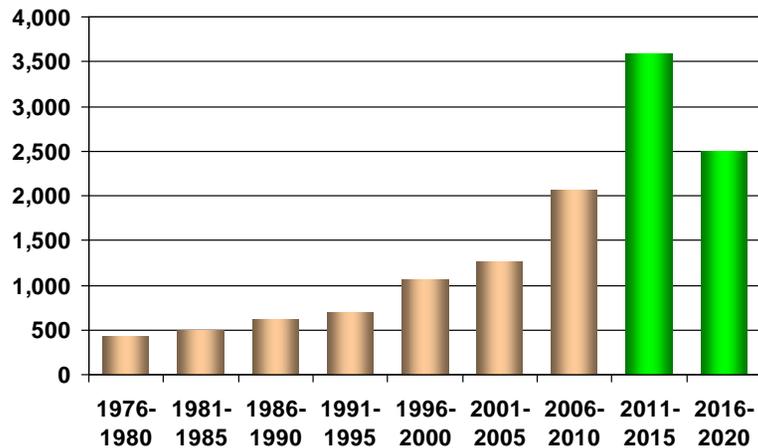
US\$ million, 2011 currency

Codelco's Main Short Term and Structural Mining Projects



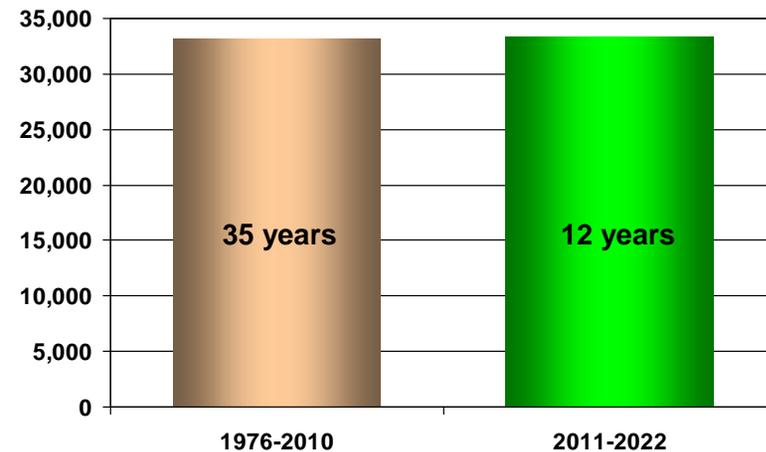
Past and Future Capex Program Overview

Annual Average of Investments by Period



* Preliminary investment figures

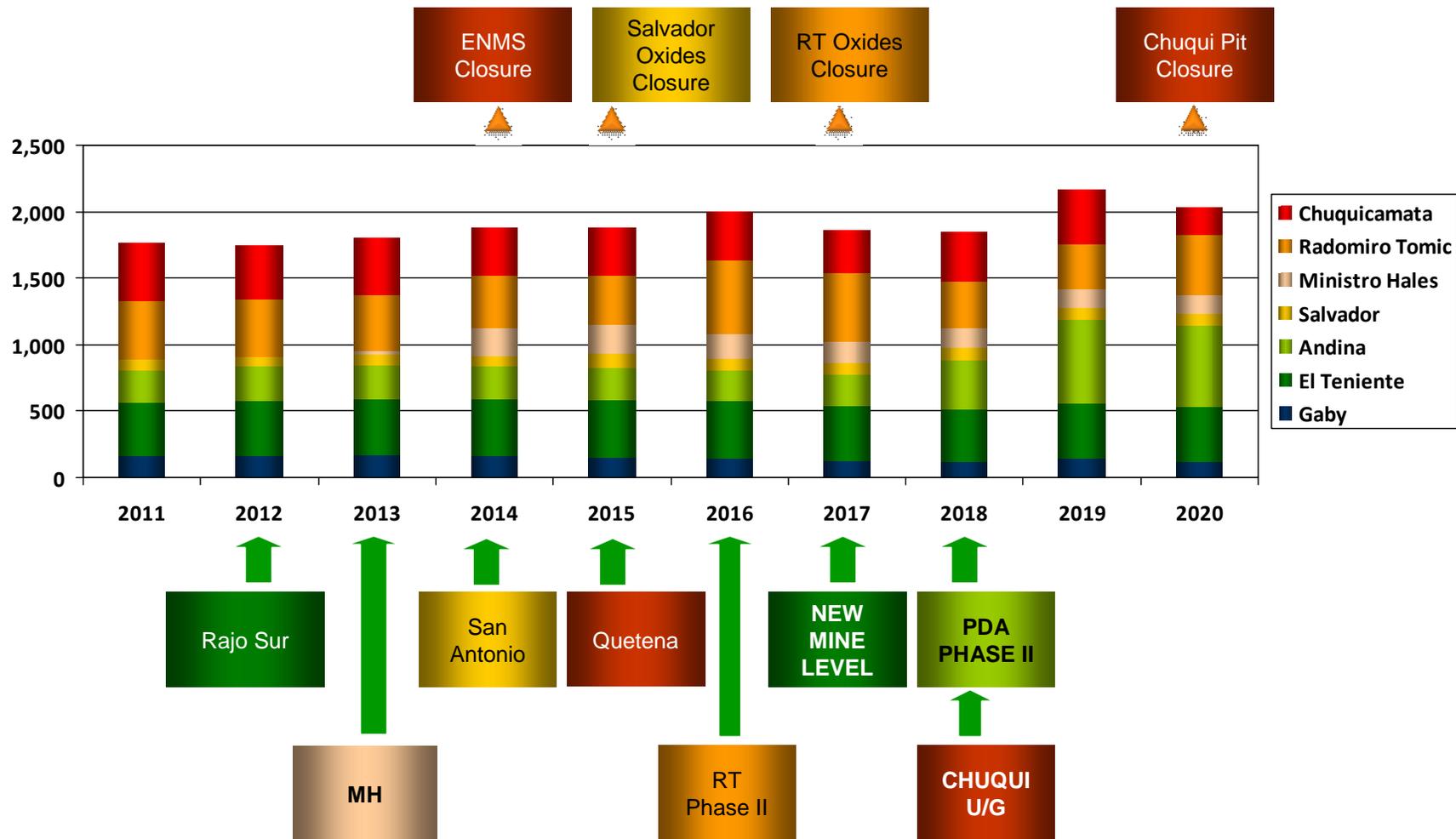
Total Investments by Period



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Projection of Copper Production

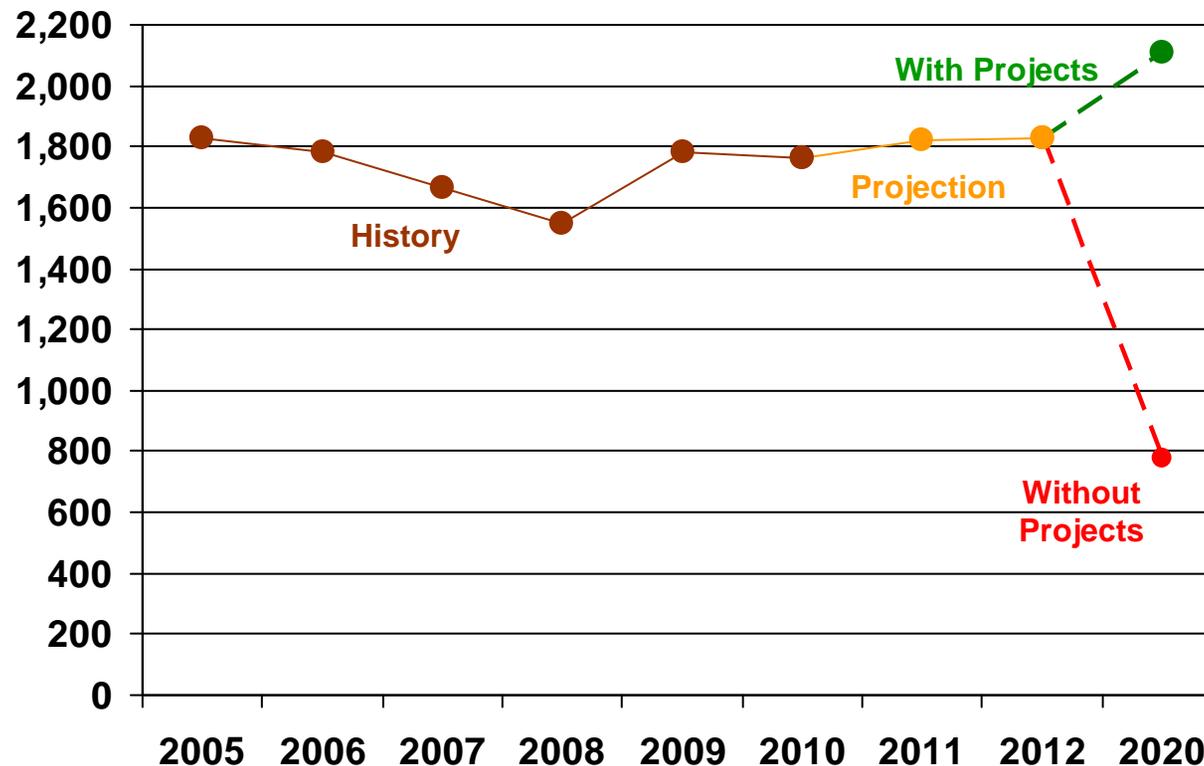
'000 tonnes



Projection Sources: Year 2011: Budget. Years 2012-2013: Triennial Plan proposed to the Finance and Mining Ministries. Years 2014-2020: Business and Development Plan (PND) 2011. It does not include the share of Codelco in El Abra.

Evolution and Projection of Codelco's Production: The Priority of Structural Projects

'000 Tonnes



Note: Codelco includes the 49% share in El Abra.

Source of Projections: Year 2011: Budget. 2012: Triennial Plan proposed to the Finance and Mining Ministries. 2020: Business and Development Plan (PND) 2011 and Plan without Development (PSD) 2011, and El Abra.

Highlights

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Strong Track Record

(US\$ million)

	2008	2009	2010	Change
Copper Production (thou. mft)⁽¹⁾	1,548	1,782	1,760	(0.7)%
Cash Cost (US¢/pound)⁽²⁾	70.2	92.9	104.4	12.4%
LME Copper price (US¢/pound)	315.3	234.2	342.0	46.0%
Total Sales	\$14,425	\$12,379	\$16,066	29.8%
Gross Profit	\$5,584	\$4,895	\$6,977	42.5%
Gross Margin	38.7%	39.5%	43.4%	9.9%
EBITDA⁽³⁾	\$6,233	\$5,348	\$7,435	39.0%
EBITDA Margin	43.2%	43.2%	46.3%	7.2%
Net Interest Expense⁽⁴⁾	\$181	\$291	\$296	1.7%
Capex	\$1,962	\$2,127	\$2,616	23.0%
EBITDA / Net Interest Expense	34.4x	18.4x	25.1x	36.4%

1 Includes Codelco's share of El Abra's production.

2 Cash cost is always relative to a metal and expressed per unit of production. It includes all cash expenses of production net of the revenues from other metals extracted that are not copper.

3 Calculated as operating income plus depreciation and amortization.

4 Includes provisions and other financial expenses

Note: In 2010 the Corporation changed its accounting method to IFRS

Strong Track Record

(US\$ million)

	1Q 2010	1Q 2011	Change
Copper Production (thou. mft)⁽¹⁾	402	425	5.7%
Cash Cost (US¢/pound)⁽²⁾	102.3	98.2	(4.0)%
LME Copper price (US¢/pound)	328.6	437.5	33.1%
Total Sales	\$3,314	\$4,305	29.9%
Gross Profit	\$1,416	\$1,962	38.6%
Gross Margin	42.7%	45.6%	6.8%
EBITDA⁽³⁾	\$1,609	\$2,750	70.9%
EBITDA Margin	48.6%	63.9%	31.5%
Net Interest Expense⁽⁴⁾	\$74	\$66	(10.8)%
Capex	\$529	\$475	(10.2)%
EBITDA/Net Interest Expense⁽⁵⁾	20.2x	29.8x	47.5%

1 Includes Codelco's share of El Abra's production

2 Cash cost is always relative to a metal and expressed per unit of production. It includes all cash expenses of production net of the revenues from other metals extracted that are not copper

3 Calculated as Net Profit plus Taxes, Finance Costs, and Depreciations and Amortizations

4 Includes provisions and other financial expenses

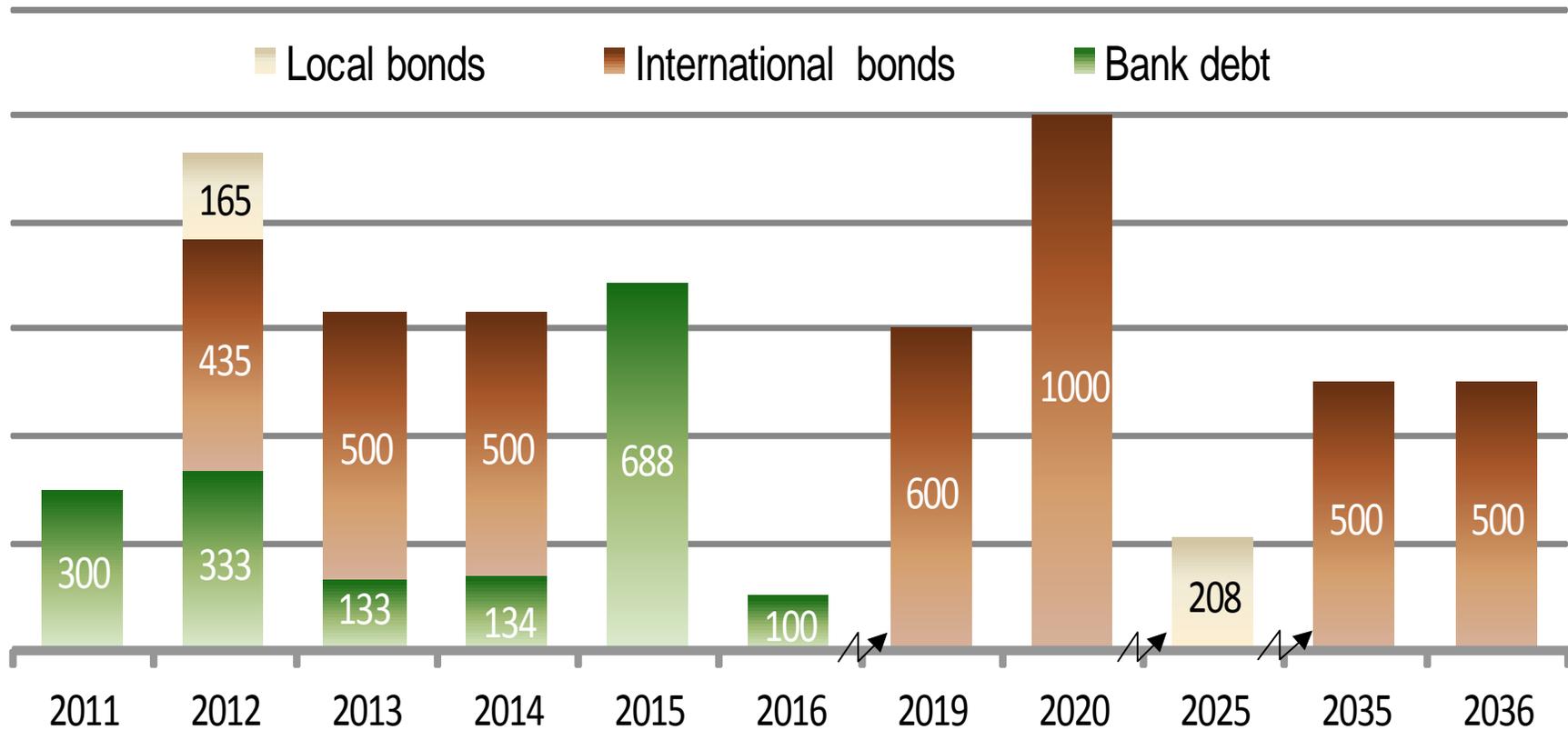
5 Calculated as last 12 month

Note: In 2010 the Corporation changed its accounting method to IFRS



Conservative Debt Maturity Profile (March, 2011)

Debt Maturities Schedule – US\$ million



Disclaimer

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As is standard in the industry, CODELCO divides its mineral holdings into two categories, reserves and resources. Resources are ore bodies of economic value that have been identified and evaluated through exploration, reconnaissance and sampling. Reserves are the portion of the resource that can be extracted based on an economic, environmental and technological analysis set forth in the mining plan. Reserves and resources are both subdivided further, based on the degree of knowledge that CODELCO has of their extent and composition. The system used by CODELCO for categorizing mineral ore is widely used within the mining industry (and codified in such international regulations as the Joint One Reserves Committee (JORC) code of Australia, the South African Mineral Resources Committee (SAMREC), and the Reporting Code of Great Britain). Other systems of categorization are also used; one such system is that used by the U.S. Geological Survey. This presentation may not be taken away with you. The contents of this presentation may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.



Codelco's Project Portfolio: Ministro Hales

Description

- New Copper deposit next to Chuquicamata (Calama)
- Open pit mine, concentrator and toaster

Capacity

- 170,000 ton/year

Starting Production

- 2013

Status

- MH Division has been created
- Approval Investment
- Pre-stripping has started and plant construction will start in 2nd semester 2011



Codelco's Project Portfolio: El Teniente New Mine Level

Description

- New mine level development in El Teniente
- Increase in extraction rate from 124,000 to 137,000 tpd

Capacity

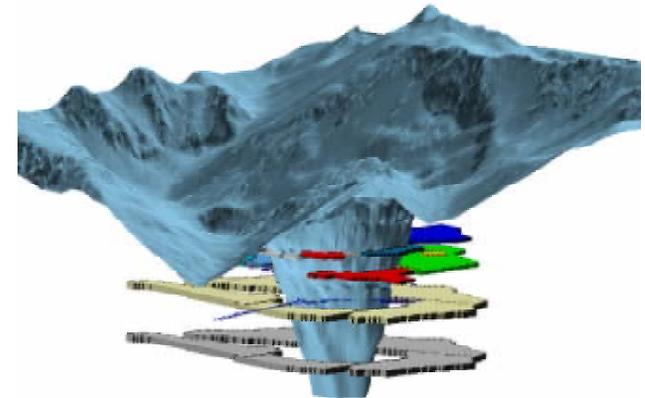
- 430,000 ton/year

Starting Production

- 2017

Status

- Feasibility study ended (March 2011)
- Early works under construction (Platform, Ramp)



Codelco's Project Portfolio: Andina Phase II

Description

- Increase capacity from 94,000 to 244,000 tpd
- Open Pit and Underground Mine operations

Capacity

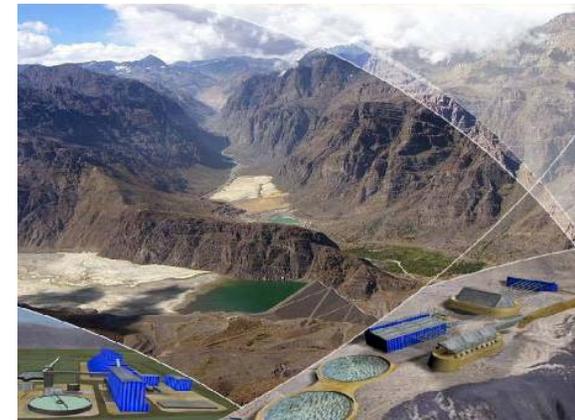
- 350,000 ton/year (additional to actual production)

Starting Production

- 2018

Status

- Feasibility Study (finished July 2012).



Codelco's Project Portfolio: Chuquicamata Underground

Description

- Underground mine development in the world's biggest open pit mine
- Copper and Molybdenum production

Capacity

- 315,000 ton/year

Starting Production

- 2018

Status

- Feasibility Study (finished 2013)
- Early construction works (4Q 2011)

