

# CODELCO

## Corporate Presentation

### BofA Emerging Markets Debt & Equity Conference

June - 2022

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As an industry standard, 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 according to the Chilean law (N° 20.235), which is in accordance with other systems widely used within the mining industry. The "Comisión Calificadora de Competencias en Recursos y Reservas Mineras" is the independent Chilean entity who regulates this and it is part of the Committee for Mineral Reserves International Reporting Standards (CRISCO).

The non-GAAP financial measures included in this presentation (including, without limitation, Adjusted EBIT, Adjusted EBITDA, cash cost, total costs and expenses and financial debt) are not GAAP measures of our liquidity and operating performance and should not be considered alternatives to cash flow from operating activities as a measure of liquidity or net income or operating income as measures of operating performance or any other measure derived in accordance with GAAP. The Company has prepared reconciliations of comparable GAAP to Non-GAAP measures in tables included at the end of this presentation.

# Highlights

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- Production target for 2022 remains at 1.6 MT, a relatively flat production from previous years
- Copper price has been a tailwind for Codelco's recent financial results
- 25 collective bargaining agreements in the last 12 months removed labor uncertainties for 2022 and most of 2023
- Maximo Pacheco, former Minister of Energy, became the new Chairman of the Board in March 2022
- Projects continue moving forward. Rajo Inca reached 31% progress and Andina Transfer System started its ramp up in 1Q22
- Codelco will participate in the Copper Mark's assurance framework with all its mines by the end of 2023

# Codelco is the world's largest copper producer



**1.7**  
million tons  
**Attributable copper  
production 2021**  
*Includes output from  
associated companies*

**\$21 Bn**  
**Annual revenues**  
2021

**17%**  
**of total Chilean  
exports**  
2021

**1<sup>st</sup>**  
**copper producer**  
worldwide 2021

**A/A3/A-**  
**top rated  
mining company**  
S&P / Moody's / Fitch

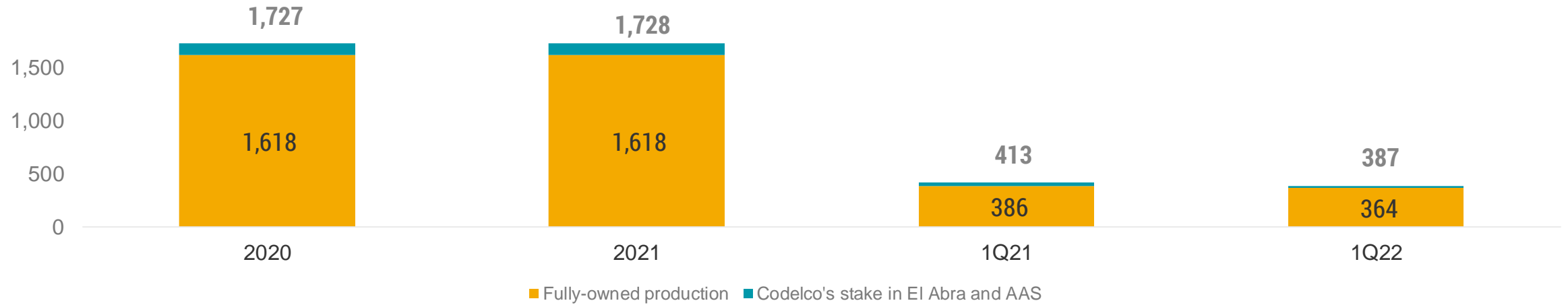
**49Mt**  
**5.4% of global  
copper reserves**  
2021

Codelco is a state-owned enterprise

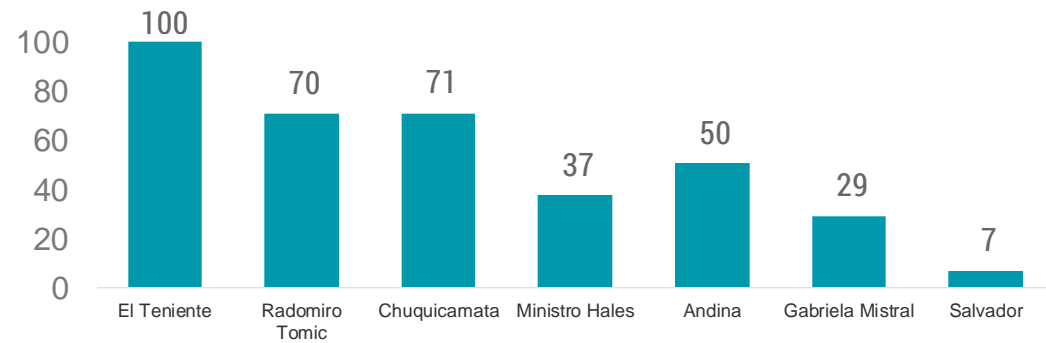
# Full-year production of 2022 is expected at similar levels from previous years



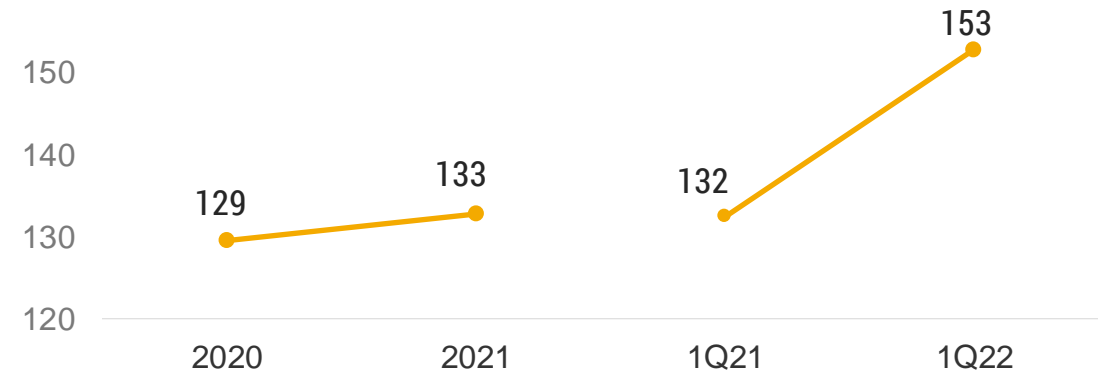
Production (kT)



1Q22: Fully-owned production by Operation (kT)



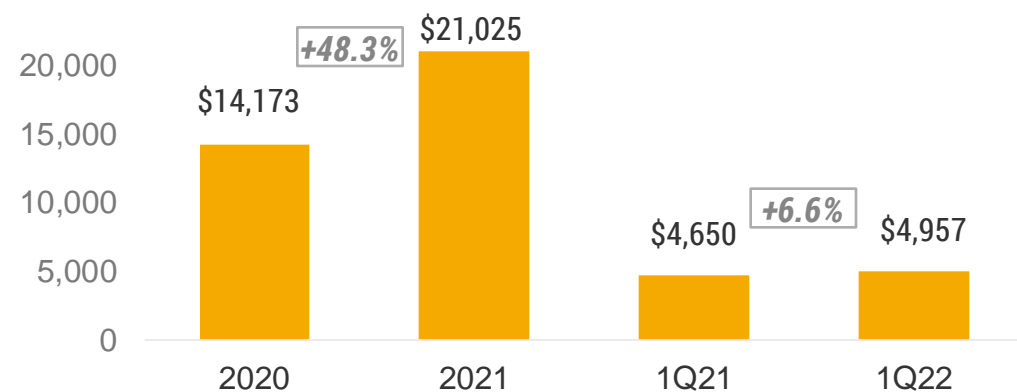
C1 Cash Cost (c\$)



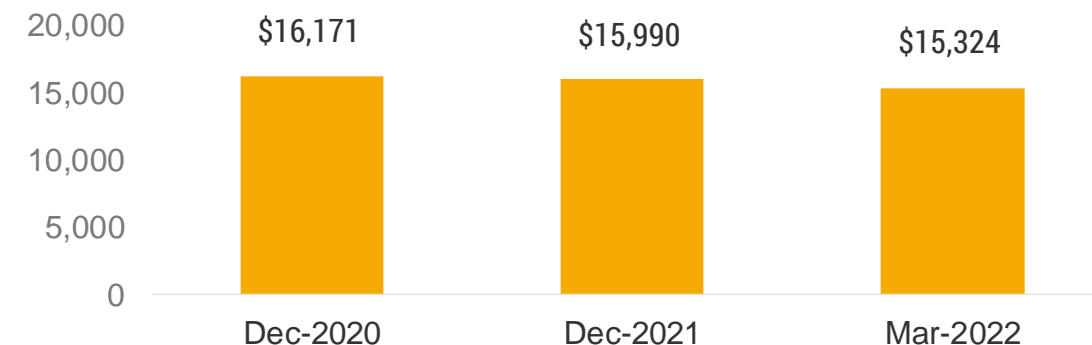
# High copper prices have driven positive financial results



### Revenues (\$ million)

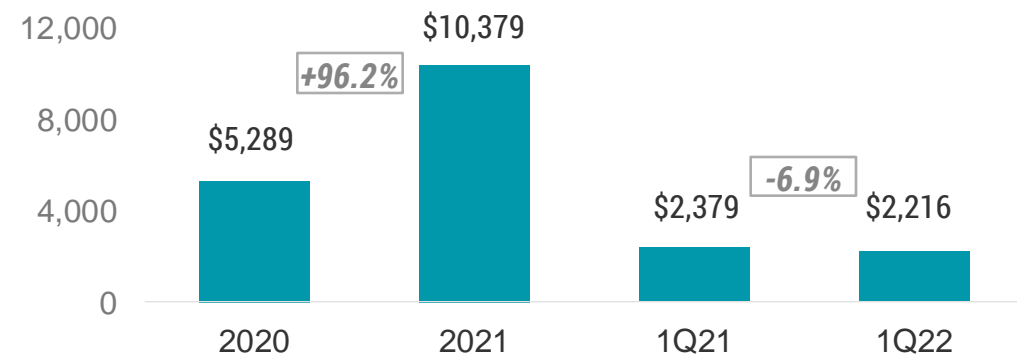


### Net Financial Debt (\$ million)

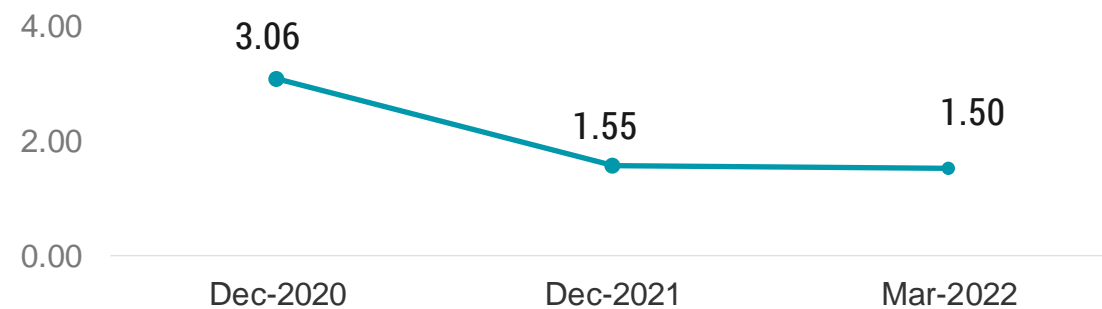


\* Bonds, bank debt and leasing

### EBITDA (\$ million)

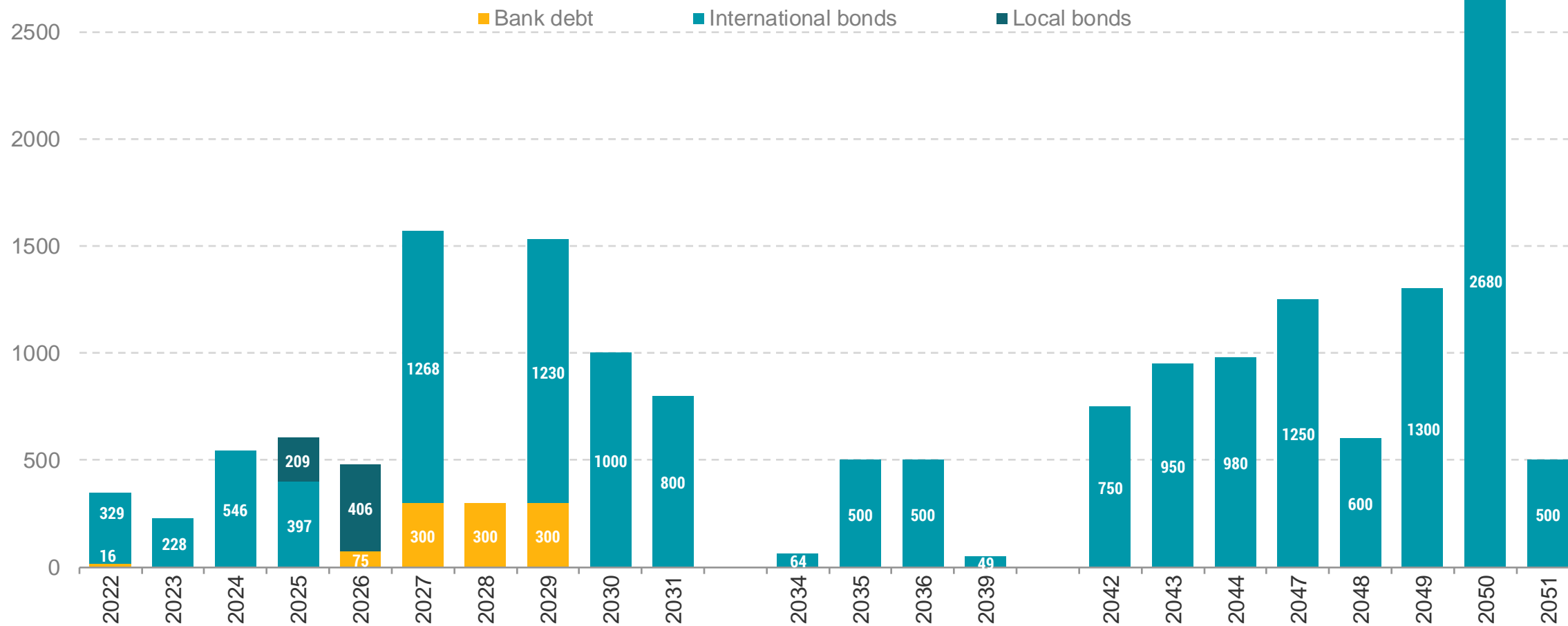


### Net Debt-to-EBITDA ratio



# We maintain a sound financial debt maturity profile

As of Mar-2022 (US\$ million)



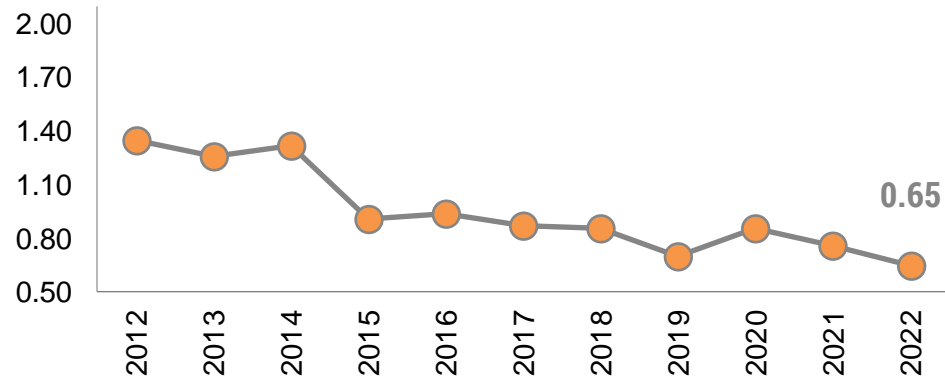


# Employee health and safety are our top priorities



## Frequency Rate – Own Staff & Contractors

(Lost time injury / Million hours worked)



### FREQUENCY RATE

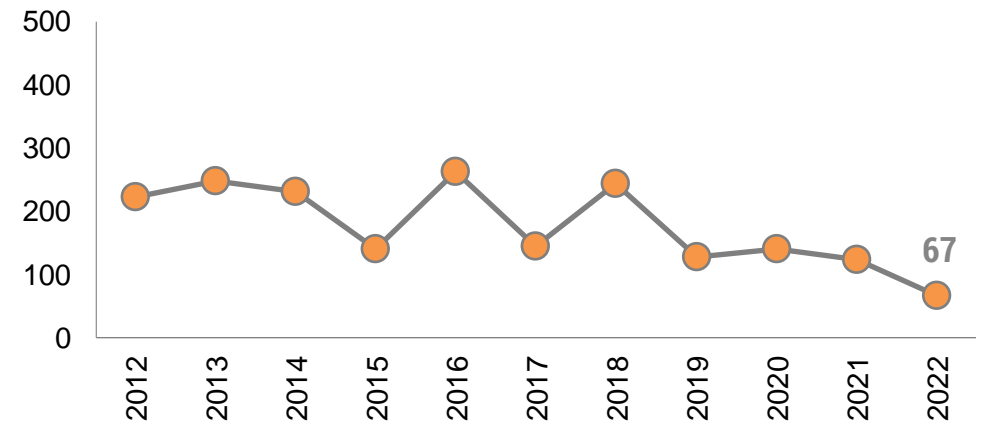
This rate maintains a downward trend of previous years

### SEVERITY RATE

In 1Q22, Codelco achieved the lowest severity rate since 2011

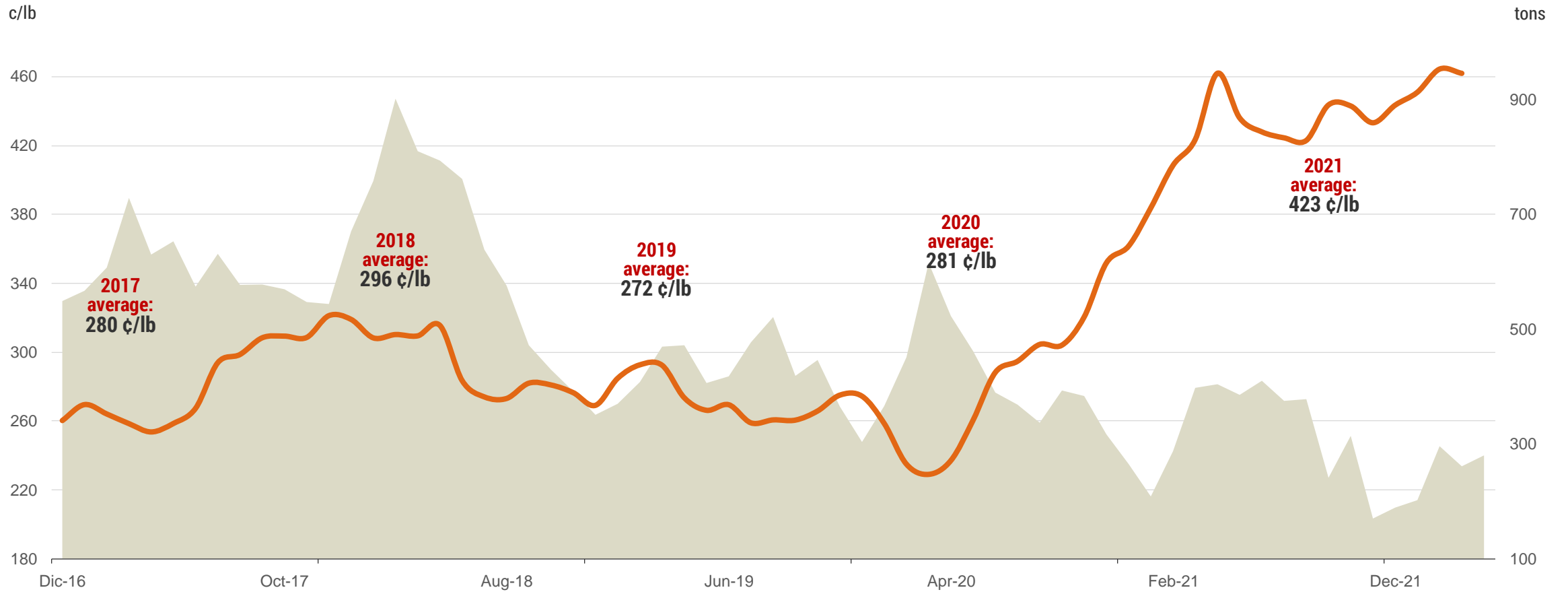
## Severity Rate – Own Staff & Contractors

(Lost days & days charged / Million hours worked)



# Copper Market

# Solid fundamentals for a positive long-term price trend

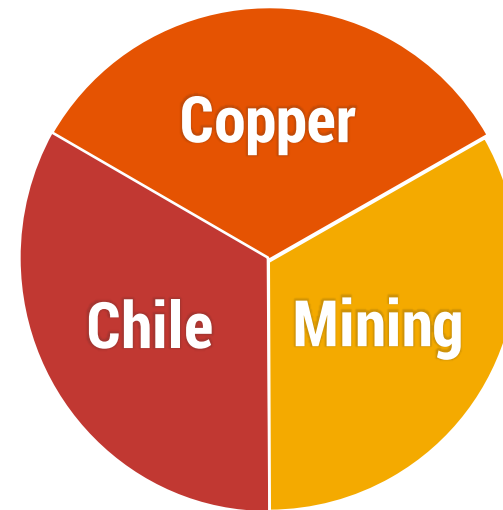


\*London Metal Exchange.

# Strategic Overview

# Strategy and goals focused on copper mining in Chile

Maximize Codelco's economic value and its long-term contribution to Chile through competitive and sustainable copper mining



Through efficiencies, increase annual contribution to the Chilean Treasury\*

**\$1.0 billion to \$1.6 billion**

\*In comparison to 2018 baseline year

# Sustainability drives our decisions: 5 commitments by 2030



**Reduce by 70%  
our Carbon  
Footprint**

*Implement 100% renewable energy grid and e-Mobility, among others*

**Reduce by 60%  
our Water  
Footprint**

*Incorporate a desalination plant and increase water recycling*

**Circular  
Economy**

*Recycle 100% mine truck tires and 65% solid waste from operations and projects*

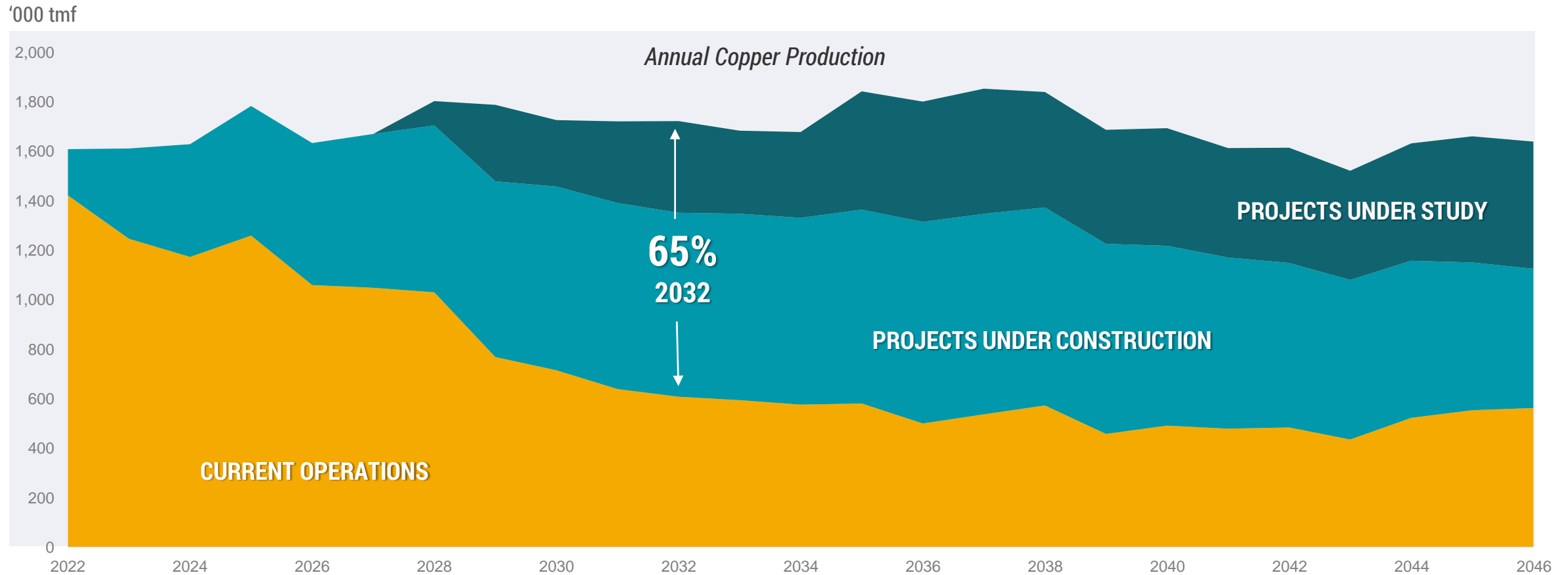
**New Tailings  
Storage Facility  
Standard**

*Online monitoring of TSF physical and chemical stability*

**Create  
Additional  
Social Value**

*Increase by 60% locally sourced goods and services and local workforce*

# Investment program is key to maintain production for the next 40 years



# Construction of structural projects continues moving forward



## CHUQUICAMATA UNDERGROUND (2019)

From a century old open-pit operation to a large-scale underground mine

Investment: ~ US\$ 5.5 Bn

Progress: 98.7%

## ANDINA NEW TRANSFER SYSTEM (2022)

It replaces current ore pass and primary crusher location

Investment: ~ US\$ 1.5 Bn

Progress: 99.5%



## EL TENIENTE NEW MINE LEVEL Diamante, Andes Norte (2023) and Andesita (2024)

It deepens El Teniente's mining operations

Investment: ~ US\$ 3.3 Bn

Progress: 72.7%

## RAJO INCA (2023)

Extends life of operations by nearly 47 years

Investment: ~ US\$ 1.5 Bn

Progress: 30.6%





# Summary



- We have a constructive view on copper price based on solid fundamentals. However, new supply coming on line in 2023 and 2024 limits the upside in that period
- Despite a more challenging environment during the pandemic, Codelco has maintained its fully-owned production above 1.6 Mt, which is also the target for 2022
- After completing the bulk of collective bargaining agreements with labor unions, there will be no new negotiations until 3Q23
- Projects continue moving forward: Andina Transfer System and Rajo Inca should be in full production phase in 2022 and 2023, respectively



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