

Codelco's Venture Capital Fund, now with its strategic partner Mitsui, is ready to go for the Corfo program

- **Venture capital investment fund for innovative applications of copper and innovative solutions for efficient and sustainable mining operations, sponsored by Codelco, reached, with the recent participation of Mitsui, the amount required to begin the application process for a Corfo program.**
- **Codelco, Mitsui and Corfo agreed a strategic agreement aiming to jointly explore, identify, assess and further pursue new business opportunities.**

Santiago, 31 July 2014. Today, the President and CEO of Codelco, Octavio Arana, the President and CEO of Mitsui & Co. Ltd., Masami Iijima, and Executive Vice President of Corfo, Eduardo Bitran, signed today the Memorandum of Understanding pertaining to the entry of the Japanese company to the Copper Innovations Investment Fund, and moreover to pursuing new business opportunities in those fields. The signing of the agreement was done at the Headquarters of the state-owned copper mining company and also honored in the presence of the official visit to Chile of the Prime Minister of Japan, Shinzo Abe.

The Copper Innovations Investment Funds will soon initiate its operations, expecting to reach US\$ 80 million, and will allow the fund to invest in the business of innovative applications of copper for high value, innovative technologies for more efficient and competitive mining processes, and initiatives for the critical elements of the industry, such as water and energy.

"Through our affiliate Codelco Lab, Codelco's instrument for developing business, we have been able to promote the demand for copper through innovative business ventures and generate new applications and benefits for people and modern society," said Octavio Arana and he also added that "Chile is a leading mining country and Codelco is a top copper producer. As an industry and as a company we have enormous challenges to reach sustainability in the mining business. We know that innovation and business ventures are key for the development of the country and for creating responsible and promising mining. This fund shall be fundamental to find solutions and generate a new way of mining, and at the same time head towards technological solutions for the challenges in the industry, together with generating copper products and services with high impact and added-value."

Mitsui CEO, Masami Iijima, explained why Mitsui decided to enter into this fund that will be developed in Chile. Mitsui sees that Chile has a lot to contribute in regard to innovation and technology. "Chile is a country recognized for its great mining experience, and its developments involving copper, so we believe that this fund will generate undertakings of worldwide quality. Moreover, it will allow us to continue



strengthening commercial ties between Japan and Chile, where Codelco and Mitsui have cultivated a business relationship and friendship for many years.”

The Copper Innovation Fund is an initiative of the affiliate Codelco Lab and the investment fund administrator, Aurus. “The idea of an investment fund dedicated to innovative initiatives involving the attributes of copper was born due to the great potential for business ventures in Chile, which relates to our most important resource. With Codelco Lab, the Corporation has sought to increase the demand for copper and to bring it closer to people from its most daily uses to those of greater complexity. Codelco Lab has supported a series of national business ventures of great impact, which have, in turn, motivated more entrepreneurs to generate ideas involving the properties of copper. With this fund, more and greater initiatives may be supported, generating a virtuous circle involving business ventures and, particularly, new applications for copper,” explained Víctor Pérez, Executive Vice President of Commercial Planning and Market Development of Codelco.

The investment fund is currently integrated by Codelco and Mitsui, and also has the contributions of the Inter-American Development Bank (IDB) and the Development Bank of Latin America (CAF). The fund will be also contributed by Aurus, administrator of the Fund, and other private investors, thus the venture capital fund is ready to apply for the Corfo’s investment program.

Corfo and business model

“Corfo has prioritized to support the development of a knowledge-based economy from mining. Chile is the main metal mining district in the world, which offers a great opportunity to develop innovative businesses to help to improve the productivity of this vital activity the country. The development venture capital funds focused on innovative business for mining provides an excellent opportunity to promote the scaling of innovative companies in the mining cluster,” explained Eduardo Bitran, Corfo’s Executive Vice-President.

In such respect, Corfo, the Chilean Economic Development Agency, will have a relevant role of financing promoting fund leverage program. Corfo, under its program: “Programa de Financiamiento a Fondos de Inversión de Capital de Riesgo – Fondos de Desarrollo y Crecimiento (FC)” is intended to encourage the creation of investment funds that allow the development of small and medium Chilean companies with high growth potential which are in expansion stage.

Mining Laboratory in Chile

The resources will be administered by Aurus S.A., investment fund administrator, supervised by the Superintendence of Securities and Insurance (currently governed by the Law 20.712), and is dedicated to developing investment funds through three divisions: real estate, the capital market and venture capital.

Aurus has been a pioneer in the venture capital industry in Latin America, dedicated to developing the ecosystem and investing in the most outstanding talents of the region and in highly scalable technologies. In its role as fund administrator, it will name and supervise a multidisciplinary team of suitable executives that will have the task of materializing the investments, framing them within the objectives, the strategies and the policies of investment.

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The creation of the investment fund represents the continuation of the road travelled by Codelco for the last six years to strengthen and widen the role of its affiliate Codelco Lab, as a contributor of ideas and facilitator of agents involving innovation in the copper industry. It will have the task of driving and increasing the flow of projects, providing support in testing, and accelerating the development processes of products and/or technologies to rapidly reach a commercial stage.

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