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CODELCO ISSUES BONDS FOR USD2 BILLION TO FINANCE ITS PROJECT PORTFOLIO

Chile's Codelco makes US$2 billion issuance

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Cleary Gottlieb Steen & Hamilton LLP in New York and Carey in Santiago have helped Chilean copper company Codelco raise US$2 billion in a debt issuance.

Three offices of Linklaters and Garrigues (Chile) advised the underwriters in the deal, which closed on 8 September.

Codelco made the issuance in two tranches.

In the first portion, it issued notes worth US$1.3 billion with an interest of 5.95% and a maturity date of 2034.

Codelco followed that with an offering of notes worth US$700 million maturing in 2053, which carry an interest rate of 6.3%.

Codelco will use the proceeds of the issuance to expand its portfolio of projects and increase production levels at its facilities.

The deal comes after Codelco recorded a significant drop in output. Production at the company's facilities fell to approximately 1.45 million metric tonnes in 2022, the lowest figure the miner has recorded in nearly 25 years, while output has continued to decrease this year.

Despite recent slowdown, the company recently announced plans to invest US$40 billion in projects to overhaul and enhance its mining operations by 2026.

Founded in 1976, Chilean state-owned miner Codelco is one of the world's largest copper producers. The company has been involved in

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many major debt transactions in Chile recently. In February, it raised US$900 million through a debt tap, with the proceeds used to enhance its mining operations. Cleary, Carey, Garrigues and Linklaters all advised on that occasion too. That transaction took place just one month after it obtained a US$500 million loan from the Canadian government.

Counsel to Codelco

In-house counsel – Nicola Possekel and María Gabriela Campos

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Carey

Partners Diego Peralta and Fernando Noriega, and associate Diego Lasagna in Santiago

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Linklaters

Partners Conrado Tenaglia, and associates Juan Mata, Mónica Pérez-Banuet Farrell and Allan Paul Talde and foreign associate Santiago Errázuriz in New York; partner Matthew Poulter in São Paulo; and counsel Omer Harel in London

Garrigues (Chile)

Partners Pedro García, and associates Daniel Hernández, Magdalena Casenave, Macarena Fuentes, and Camilo Quintana in Santiago