

CAP S.A. AND SUBSIDIARIES

MATERIAL INFORMATION AS OF MARCH 31, 2014

The following is material information of CAP S.A. and subsidiaries for the period January to March 2014:

16.01.2014

Interim dividend No.118 was paid for Ch\$75 per share as agreed at the board meeting of December 19, 2013.

It was reported to the Chilean Superintendency of Securities and Insurance the progress of the projects being developed by Compañía Minera del Pacífico S.A. (CMP) and certain charges and provisions that Compañía Siderúrgica Huachipato S.A. (CSH) had to make to its financial statements as of December 31, 2013:

1.- COMPAÑÍA MINERA DEL PACÍFICO S.A.

a) Huasco Valley Increased Production project (APVH).

CMP is starting up the operations of its APVH project, involving the expansion of the Los Colorados Mine deposit and of the Pellets Plant, both in the region of Atacama, with an investment of close to US\$442 million. This will mean an increase in the production of Huasco Valley from this year, of 2 million metric tons (MT) annually of high-grade magnetic concentrate.

b) Cerro Negro Norte (CNN) project.

The CNN project will contribute 4 million MT of additional capacity annually for the company. Its ramp-up, or operational start-up, will begin in May this year, with a total estimated cost of US\$1,200 million, financed mainly with funds generated by the mining business itself.

In this way, CMP's annual sales tonnage will increase to 15 million MT of iron at the end of 2014 and to 18 million MT in 2015.

The solid and growing demand for CMP's high-grade magnetic iron ore, especially from customers in Asia and the Middle East, has enabled the company to place all the increased tonnage from the new projects under long-term contracts, in a pricing environment, in 2013 and to date, that continues to be higher than projected.

2.- COMPAÑÍA SIDERÚRGICA HUACHIPATO S.A.

Given the complex moment through which the global steel industry is passing, CSH carried out in 2013 a process of organizational restructuring and redefinition of its business focus. CSH decided to give priority to the production of long products for mining and construction. In September 2013, CSH therefore suspended the operation of one of its blast furnaces and ceased to produce hot-rolled sheets, measures that were added to the stoppage of the cold-rolled production lines of tin plate and zinc alum.

As a result, CSH will have to incorporate in its financial statements as of December 31, 2013, a net charge of US\$39.7 million to its fixed assets for write-off, for those units not planned to operate within its present five-year business plan. It will also make a net provision for impairment of assets of US\$18.4 million in order to reflect the new market situation in the results. In this way, the value of the other fixed assets is adjusted to the updated cash flows generated in the business plan mentioned. These charges, US\$58.1 million, include the net provision of US\$13.6 million reported in August last year. The figures were revised by the external auditors Deloitte.

The board of CAP was informed of all the above at its extraordinary meeting No.1328 held on January 16, and it was agreed to report these facts to the Superintendency.

15.04.2014

The ordinary shareholders' meeting of CAP was held on April 15, 2014, which approved the annual report and the financial statements for 2013, the dividend policy and distribution, the appointment of Deloitte as the Company's external auditors, the directors' remuneration, the annual report of the Directors' Committee, the remuneration of its members and the committee's expense budget, and the appointment of credit-rating agencies.

Within the approved dividend policy, it was agreed that the distributable earnings for 2013, amounting to US\$195,686,082.37 be distributed as a final dividend of 50% of that sum, i.e. US\$97,843,041.19, of which is to deducted US\$63,247,102.92 paid in July and October 2013 and in January 2014 as interim dividends Nos.116, 117 and 118, against the earnings for 2013, thus leaving a balance for distribution of US\$34,595,938.27. This balance would be paid through final dividend No.119 of Ch\$75 per share payable from April 25, and an additional dividend payable in July 2014 for the balance of earnings for distribution. For these purposes, the exchange rate of CAP accounting will be used current at the times of payment.

The whole board of directors was renewed, consisting of the following:

- Roberto de Andraca Barbás
- Eddie Navarrete Cerda
- Rodolfo Krause Lubascher
- Tokuro Furukawa
- Osamu Sasaki
- Mario Seguel Santana
- Hernán Orellana Hurtado (as independent director)

25.04.2014

Final dividend No.119 was paid for Ch\$75 per share as agreed at the ordinary shareholders' meeting of April 16, 2014.