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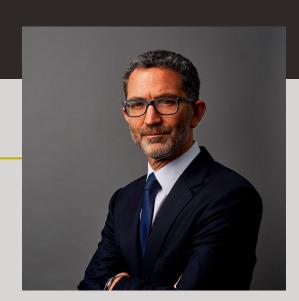
Chilean Government Provides New Details Regarding its

National Lithium Strategy

- Exploration Permit Bids to begin 2024

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Rony Zimerman rzimerman@lembeye.cl +56 9 9918 7472 Two months after President Boric presented Chile's National Lithium Strategy, the government provided late last week a new document elaborating on certain items noted in the initial announcements and providing a broad timeline for the implementation of the policy. However, the document leaves important items yet to be defined.

Key takeaways of the 33 page document include the following:

- 1. Confirmation that the public/private structure will be the preferred structure for the development of lithium projects in CHile, being the Chilean state the party which supplies the minerals and strategic vision regarding each project, and the private parties who are expected to provide their expertise, technology and capital.
- 2. Confirmation that regarding the valuable brines in the Salar de Atacama which are currently held by the State via CORFO, Codelco will be mandated to negotiate with SQM and Albemarle in order to obtain a direct state participation in those projects, prolong the existing contracts with those parties and augment their lithium production in a sustainable manner. Codelco will also be authorized this year to advance, on its own or with private JV partners, with development of lithium projects at the Pedernales salar.
- 3. Regarding the Salar de Maricunga, where Codelco already has special contracts with the government to explore and extract lithium, this policy instructs Codelco to work with the various private parties that declare they have existing concession rights over parts of the salar.
- 4. Regarding 5 other salares where State smelting company ENAMI currently has requested special contracts to explore and extract lithium, (Aguilar, Infieles, La Isla, Las Parinas and Grande) ENAMI will likewise be authorized this year 2023 to seek partnerships with private parties to develop those salares.
- 5. 18 salares have been identified for further detailed study of their viability. Competitive bids will be initiated during the first half of 2024, inviting private parties to undertake those studies and those bids will grant winning companies a preferential right to enter into joint ventures with the state to develop lithium projects in corresponding salares.
- 6. The policy recognizes the need for the Government to move quickly regarding these public bids and the possible subsequent granting of special exploration and exploitation contracts to the winners. The bid proposals that, in addition to being technically feasible and environmentally sound, also add value to the local lithium chain of economic and technical development, will be favored.

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- 7. The Chilean State will retain control of those salares it deems as "strategic".
- 8. The document reiterates general statements regarding the importance of DLE and brine reinjection technologies to this new national policy.
- 9. During 2023 a public consultation process shall begin with diverse affected communities and interested parties.
- 10. The government deems that new projects will take 6 to 8 years to enter production.

Questions that remain include:

- What role the government entities, be they Codelco, ENAMI or the new National Lithium Company, will have in the public/private joint ventures?
- What specifically does the policy mean when it indicates that the state will retain control or majority participation in strategic projects?
- What factors will allow a project to be deemed as strategic?
- What will happen if DLE technologies are not widely available at the required scale? Will, in that case the current evaporation system of production be permitted?
- What will happen with the claims of private parties currently holding concessions in the Maricunga Salar?