

October 03, 2024

MINING NEWSLETTER:

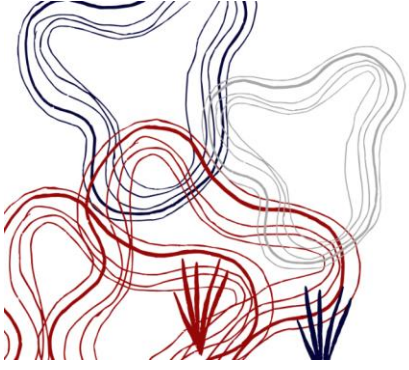
THE MINISTRY OF MINING PUBLISHED AN INFORMATIVE MEMORANDUM ON THE PRIORITIZATION OF AREAS FOR THE DEVELOPMENT OF LITHIUM PROJECTS IN CHILE ALONG WITH THE APPLICABLE MECHANISMS FOR THE ALLOCATION OF SPECIAL LITHIUM OPERATION CONTRACTS.

In connection with the implementation of the National Lithium Strategy, on September 26th 2024, the Ministry of Mining published an informative memorandum (the “**Informative Memorandum**”) on the following matters related to the concluded process for expression of interest for the exploration, exploitation, and processing of lithium contained in salt flats declared as “non-strategic” in accordance with said National Lithium Strategy: (i) Prioritization of salt flats for the development of new lithium exploration and exploitation projects in Chile; and (ii) Bidding process for the allocation of Special Lithium Operation Contracts (“**CEOLs**”) regarding the referred prioritized areas.

I. **Prioritization of areas for the development of lithium projects in Chile**

The Strategic Council of the Lithium and Salt Flats Committee determined six prioritized areas for the development of new lithium exploration and exploitation projects in Chile, for which the State will grant CEOLs to private companies interested in developing such projects.

According to the Ministry of Mining, prioritized areas include those saline systems that have the most favorable feasibility and geological characteristics for the development of lithium projects as evidenced by the high demand expressed by interested parties during recently concluded process for expression of interest, and environmental aspects that enable or facilitate the proper CEOL granting process.



The prioritized areas are the following:

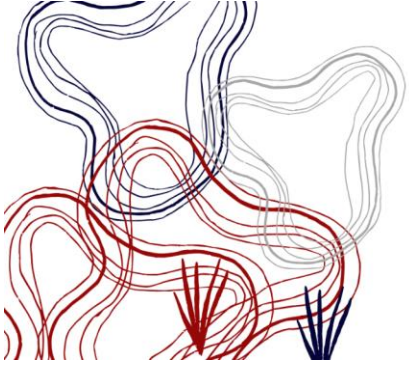
- I. Salar Copaisa in the Tarapacá Region.
- II. Salar Ollagüe in the Antofagasta Region.
- III. Salar Ascotán in the Antofagasta Region.
- IV. Salar Piedra Parada in the Atacama Region.
- V. Salar Agua Amarga in the Atacama Region.
- VI. Salar Laguna Verde in the Atacama Region.

It should be noted that the Ministry of Mining will only grant one CEOL for each prioritized salt flat or lagoon. Additionally, during the last quarter of 2024, a second list of prioritized saline systems and deposits will be announced.

II. CEOLs allocation mechanism

According to the Ministry of Mining, the CEOLs allocation mechanism for the prioritized areas mentioned above will imply the following:

- I. An Indigenous consultation processes related to each of the six indicated saline systems will be conducted prior to the CEOLs allocation.
- II. After the relevant indigenous consultation processes are concluded, and the corresponding supreme decree that sets forth the requirements and conditions of the relevant CEOLs is issued, then public tender processes for each of the prioritized areas will be opened. Said tender processes will consider the experience of bidders and the financial capacity of the interested company or consortium for the development of the proposed projects.
- III. Notwithstanding the abovementioned, the process also considers a **simplified procedure** areas applicable in accordance with the following requirements:



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- a. Experience in any stage of the lithium industry value chain.
- b. Financial capacity to develop the project.
- c. Having mining concessions equivalent to or greater than 80% of the area covered by the relevant polygon of the prioritized saline systems¹.

Interested parties in participating in the aforementioned simplified procedure will have until **December 31, 2024**, for submitting a formal CEOL application in connection with their corresponding areas of interest.

Once compliance with the corresponding requirements is verified, the Ministry of Mining will propose the interested parties a CEOL draft. If an agreement is reached between both parties, the relevant CEOL will be executed only once the respective indigenous consultation process is concluded (incorporating the agreements generated therein) and the supreme decree that sets forth the requirements and conditions of the CEOL is issued.

[Click here to review the Informative Memorandum.](#)

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¹ We note that the Informative Memorandum is not clear regarding the nature of the title that the interested companies and/or consortiums must have over the relevant mining concessions, for having the requirement associated with the simplified procedure referred to in section II, letter c. of this document as deemed to be accomplished.