

# Selection Process Of Specialized Producers Of Lithium Products With Added Value In Chile



Gobierno  
de Chile

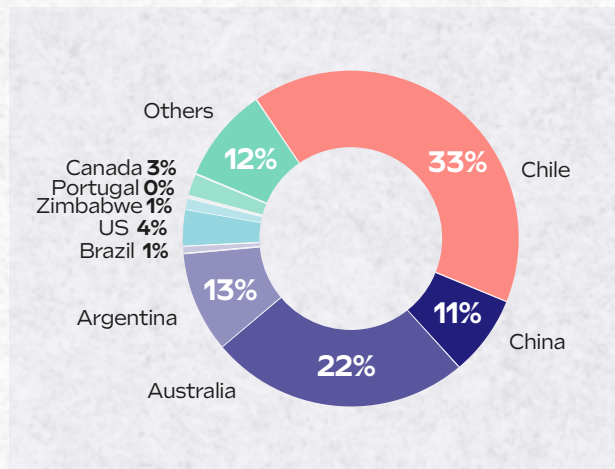
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## Chile: World Leader in the Lithium Market

According to the U.S. Geological Service (2023), Chile is the country with the largest lithium reserves with 9.3 million tons Li, which represents about 41% of the world's reserves, with the lowest and most competitive lithium extraction costs worldwide.

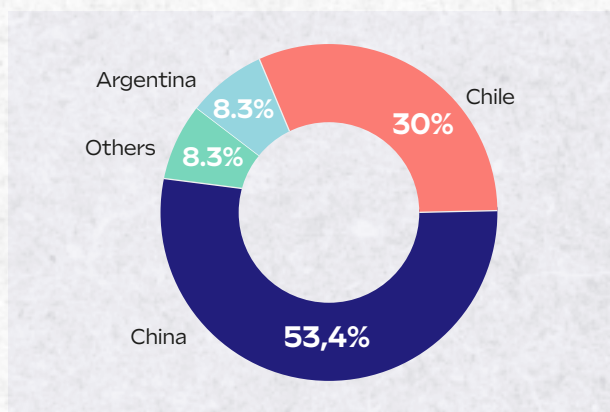
### Lithium Reserves



Source: USGS 2023.

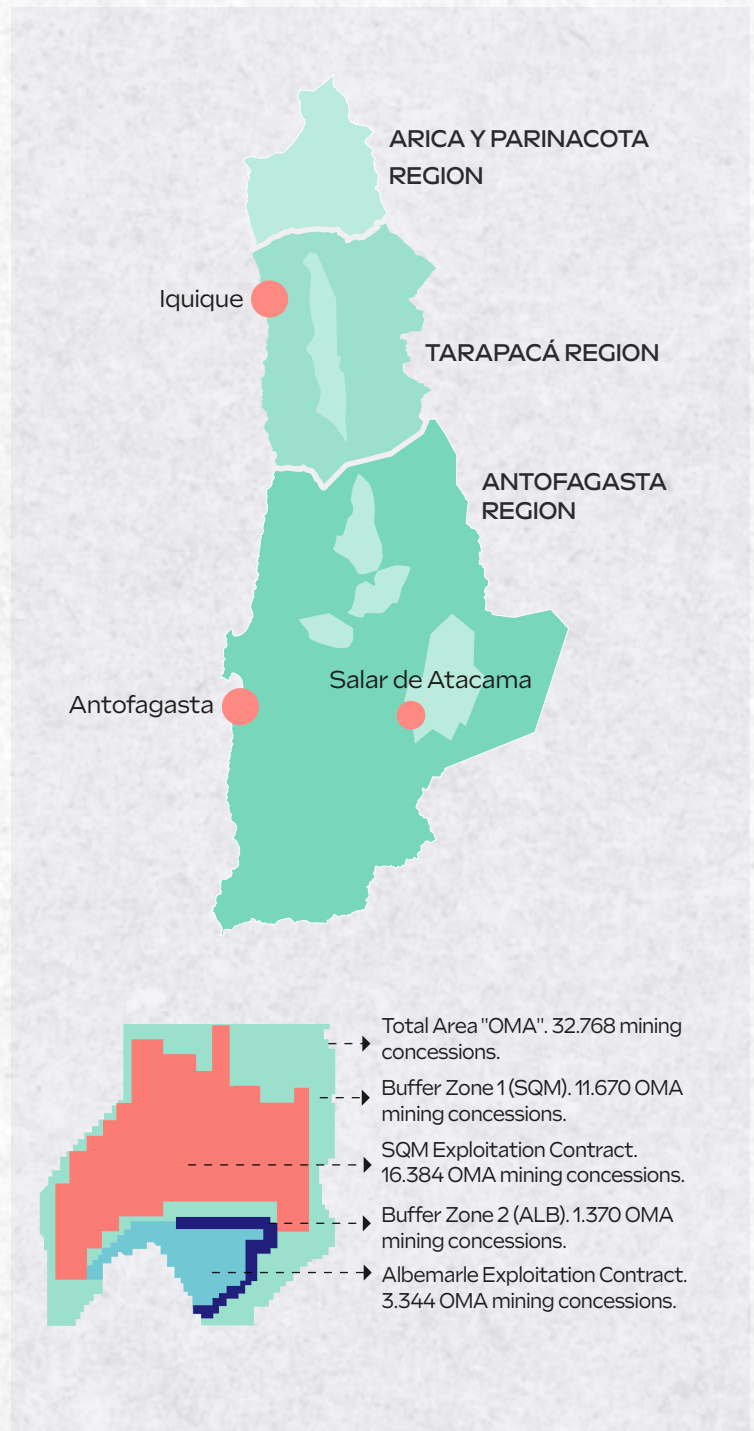
## Lithium Market Context: Global Lithium Chemical Supply

### 2023 Lithium Chemicals Supply by Country



Source: SignumBOX

## Salar de Atacama Exploitation Map



In 2023 Chilean Lithium Carbonate Equivalent (LCE) exports by volume represented 30% of the global lithium chemicals market. This global lithium industry was valued at US\$ 4 to 5 billion in 2021 and is projected to be worth US\$ 15 billion in 2025.



## Why Chile?

### On-going Leadership

A solid economic foundation makes Chile the OECD'S highest-ranking South America economy.

According to Climatescope 2022 by Bloomberg New Energy Finance, Chile is ranked third in the list of the 110 most attractive countries for investing in renewable energy globally.

### Government Policies

The Chilean government has committed to decarbonize the electric sector by 2040. The National Electromobility Strategy establishes that by 2035 only zero-emission light vehicles will be sold in the country. Carbon neutrality is expected to be achieved by 2050.

### High Quality Lithium Products

Chile has been a producer of lithium chemicals for more than 30 years. The lithium compounds that Chile exports meet the strict specifications that the battery industry demands.

Chile has a unique opportunity to make a significant contribution to the fight against climate change by supplying key materials and components for new clean technologies industries, such as electric vehicles (EV), renewable energies, energy efficiency and green hydrogen, with the lowest environmental footprint, based on the country's richness in natural resources.

## Lithium Utilization Rate

Lithium content in a battery depends on the application, chemical composition of the battery and its energy storage capacity



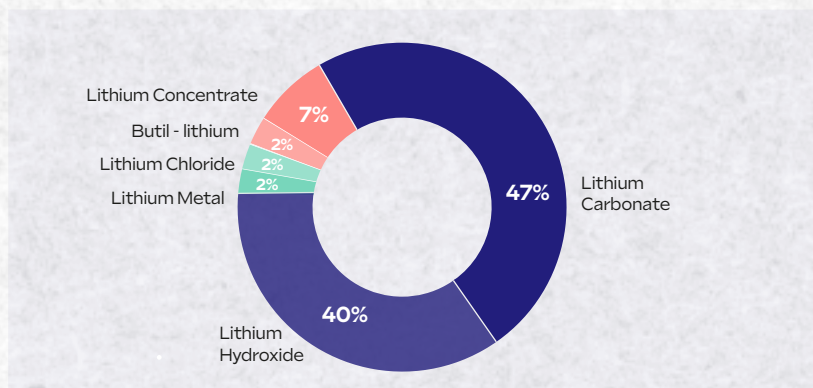
Source: Corfo and SignumBOX

## Lithium Market Projections

The global demand for lithium is expected to reach around 1,200,000 to 1,400,000 tons LCE, by the end of 2025. Lithium carbonate and lithium hydroxide are the compounds with the highest market share (48% and 37%, respectively).

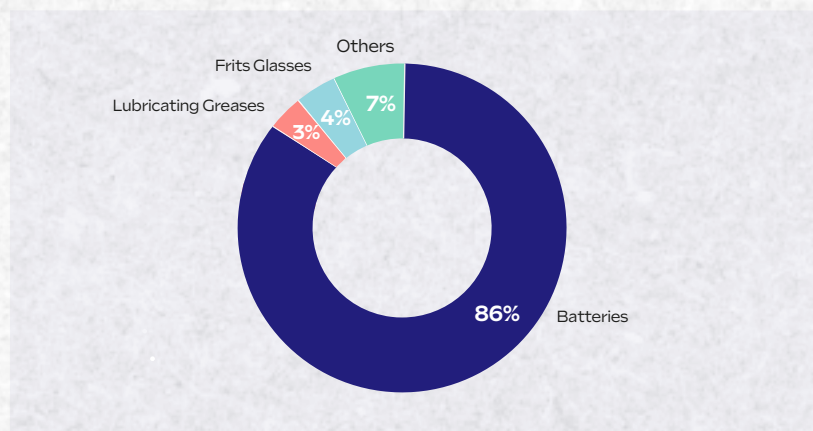
Projections of demand for the year 2030 ranges from 2.6 to 2.8 million tons of lithium LCE, of which more than 85% is projected to be needed for batteries.

### 2023 Lithium Chemicals Demand by Compound



Source: SignumBOX.

### 2023 Lithium Chemicals Demand by Application

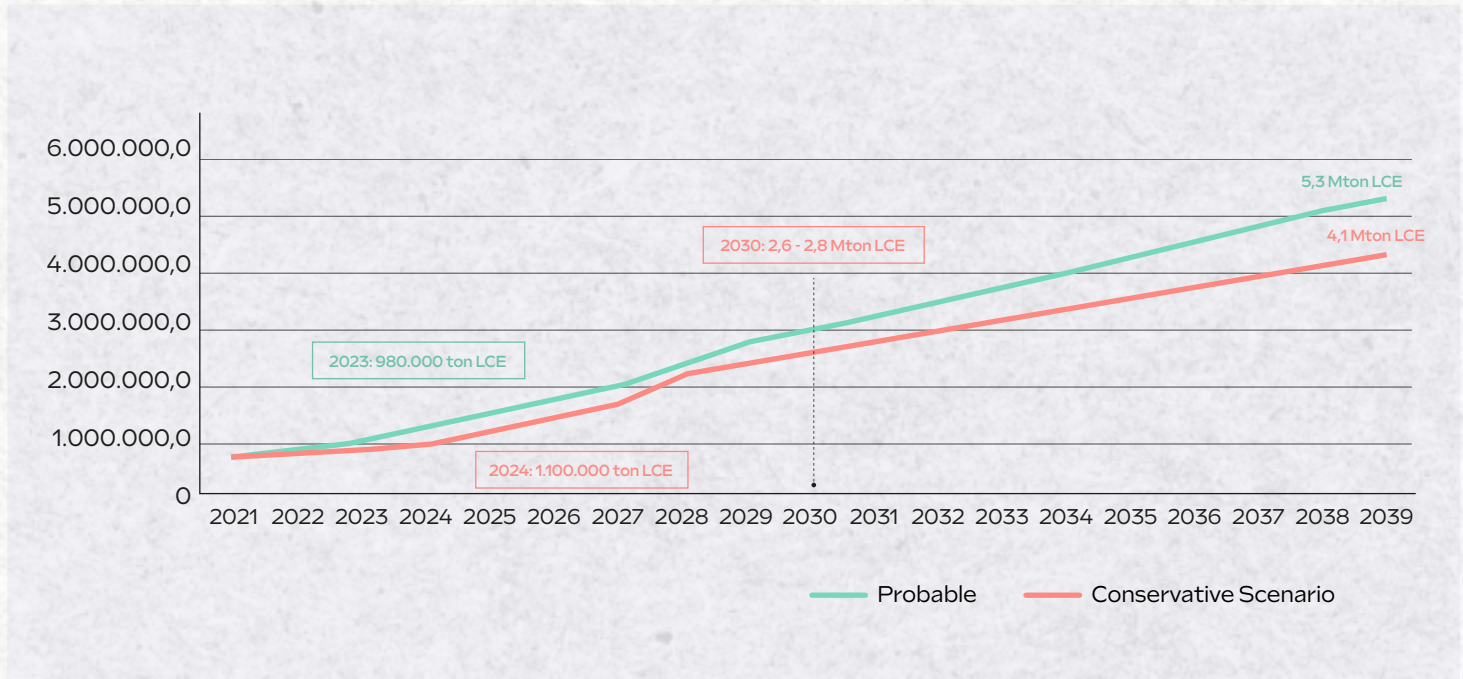


Source: SignumBOX.



## Lithium Demand Projection - Tons LCE

### Lithium Chemicals Demand and Forecast to 2039, Tons LCE



Source: SignumBOX 2023

## Lithium Value Chain: Global Technological Development Trends

### Electromobility

Electromobility will drive the demand for lithium chemicals compounds. It includes electric cars, two-wheel EVs, buses and trucks.

More than 14 million electric vehicles were sold globally in 2023 and according to BloombergNEF forecasts, annual passenger EV sales will rise to more than 20 million in 2025, about 40 million in 2030 and more than 70 million by 2040. China led the EV market, due to its aggressive policy-supported push.

In markets like India and Southeast Asia, two wheeled vehicles are more attractive targets for electrification in the short term.

The electrification of the global bus fleet is already well underway and BNEF expects that the global bus e-fleet would reach 1.75 million by 2040, 62% of all buses on the road. The growth of the market is principally driven by

government policies, establishing norms and increasing government support for electric vehicles, and declining battery prices.

### Energy Storage Systems

Forecasts indicate that the demand of energy storage installations around the world will increase as a solution to balance increasing generation of variable renewable power to achieve 100% clean energy systems. McKinsey suggests that by 2040, long duration energy storage has the potential to deploy 8 to 15 times the total capacity deployed today globally.

### Other Lithium Derivatives

New lithium derivatives are being developed with greater sophistication as well as other compounds that can be processed from lithium carbonate, lithium hydroxide or lithium chloride.



## Chilean Lithium Value-Add Process

The Chilean Economic Development Agency, Corfo, is looking for companies to develop production capacity in Chile for lithium value-added products, install capacities for qualified jobs, generate local value with environmental responsibility, in exchange for lithium supply at a favorable price.

This call is in the context of the contract between CORFO and Albemarle Ltda. for lithium production at the *Salar de Atacama*.

It is important to note that selected companies will have access to:

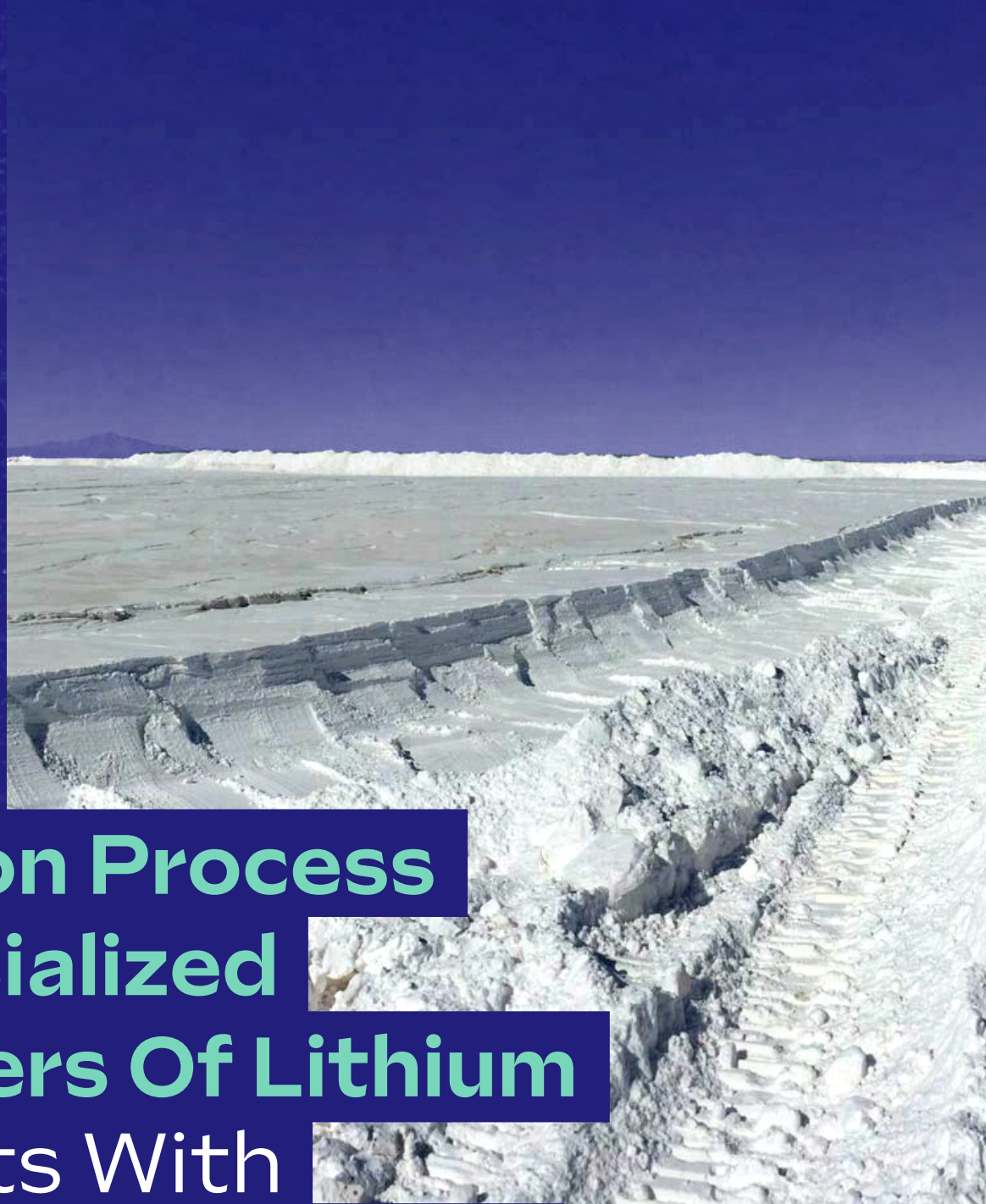
- Lowest parity market price guaranteed (weighted average FOB price, computed over the 20% of volume exported with lower prices of Albemarle Ltda. during the last six months).
- Secure supply of lithium products until 2043.
- Monthly volume of lithium carbonate ( $\text{Li}_2\text{CO}_3$ ): 9,599 tons per year.
- If you are interested in participating in this process, please review the details at [www.corfo.cl](http://www.corfo.cl) or contact us by email at [lithiumprojects@corfo.cl](mailto:lithiumprojects@corfo.cl).

## Selection Procedure



(\*) All times are in accordance with the local time of Santiago, Chile.





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Collaborator:

