

ANALYSIS OF THE DEVELOPMENT OF THE LITHIUM INDUSTRY IN BOLIVIA

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In the global context of strategic natural resources and the transition towards clean energy, Bolivia has been working to consolidate itself as a major player in the global lithium market, seeking to participate not only in the extraction and industrialization, but also in the commercialization of this metal, establishing an "open door" policy for companies wishing to develop direct or indirect activities related to lithium in Bolivia.

Through the Public Company Yacimientos de Litio Bolivianos (YLB), the objective has been established to achieve this positioning for the country's bicentennial in 2025 and to be able to effectively and efficiently exploit the largest lithium deposit in the world, with reserves of approximately 24 million tons.

To date, concrete actions have been implemented to achieve this goal. Among them, for example, the implementation of projects for the installation of industrial complexes for Direct Lithium Extraction (EDL) in Coipasa (Oruro), Pastos Grandes and Uyuni (Potosí) salt flats. In addition, a Lithium Carbonate Industrial Plant is about to be inaugurated.

This new approach adopted by the country has generated significant milestones in the establishment of the necessary conditions to start the industrialization process.

1. Pilot Agreements and a second tender process for EDL

To date, three significant agreements have been signed with foreign companies, which together plan to produce up to 50,000 tons of battery-quality lithium carbonate per year.

According to statements made by the Minister of Hydrocarbons and Energy, the country has the prospect of signing more agreements of this type. These agreements not only seek to evaluate the technology, scaling, and viability, but also aim at projecting large-scale brine treatment processes.

In 2023, agreements were signed with Citic Gouan (China) and Uranium One Group (Russia), establishing the basis for the study and installation of pilot plants. These facilities, which will initially have a limited production capacity, will later be expanded to semi-industrial levels with Direct Lithium Extraction (DLE) technology in the Uyuni, Coipasa and Pastos Grandes salt flats, in addition to some twenty smaller salt flats within the country.

In a more recent development, on January 17, 2024, a third agreement was signed for the installation of a pilot EDL technology plant with the Chinese company Hong Kong CBC Investment Limited Sucursal Bolivia.

During the protocol ceremony, the President confirmed the "open door" policy for foreign companies interested in developing the lithium industry in Bolivia and instructed the Ministry of Hydrocarbons and Energy to launch a second international bidding process. This tender is aimed at companies interested in investing in Bolivia with the objective of promoting the industrialization of Bolivian lithium through EDL technology.

2. Progress of the Pilot Plants

Bolivia's first lithium plant was inaugurated just one month ago and is expected to produce at least 15,000 tons of lithium carbonate per year until 2026, which will be exported to international markets.

As a result of the US\$450 million agreement signed between YLB and the Russian company Uranium One Group, it is planned to build a 1,000-ton pilot plant in the first phase and then, in a second phase, to build a second plant with the capacity to produce between 8,000 and 14,000 tons of lithium carbonate. Both plants are expected to operate using the EDL method, which reduces the time and cost of obtaining lithium carbonate from Bolivia's salt flats.

On the other hand, thanks to the agreement signed between YLB and Hong Kong CBC Investment Limited Sucursal Bolivia, the construction of another pilot plant is planned with the capacity to produce up to 2,500 tons of lithium carbonate per year in a first phase, and in a second phase to expand production to more than 25,000 tons per year. During the two-year term of this agreement, the pilot plant will be installed, and an industrial plant will be planned in the Salar de Uyuni, with an investment of US\$90 million.

The exploitation and industrialization of lithium in Bolivia represents a crucial point in the country's economic transformation. As operations related to this strategic resource expand, significant new economic opportunities are opening up. From job creation to driving technological innovation, lithium emerges as a key driver of economic progress and sustainable development in Bolivia.

Investment in Bolivia's lithium sector provides significant growth opportunities for companies that choose to participate in this emerging industry. Those companies that invest in lithium exploration, extraction and processing will be able to experience remarkable growth, taking advantage of the growing global demand for lithium-ion batteries used in electric vehicles and energy storage technologies. Also, in view of the imminent growth and development of the lithium industry in Bolivia, opportunities are expected to open up for specialized companies that provide services to the mining sector, including, for example, mineralogical analysis services, sample preparation, drilling, infrastructure assembly and construction services, loading services, transportation and logistics, etc.

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