TIANQI LITHIUM

Tianqi Lithium Corporation

天齊鋰業股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 9696)

INSIDE INFORMATION/OVERSEAS REGULATORY ANNOUNCEMENT REPLY TO THE LETTER OF ATTENTION FROM THE SHENZHEN STOCK EXCHANGE

This announcement is made pursuant to the disclosure obligations under Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The "Announcement in Reply to the Letter of Attention from the Shenzhen Stock Exchange" as published on the website of the Shenzhen Stock Exchange(http://www.szse.cn) and the Cninfo (巨潮資訊網)(http://www.cninfo.com.cn) by Tianqi Lithium Corporation (the "**Company**") on 26 April 2024 is enclosed hereto for reference, regarding (among other things) the reply to Letter of Attention to Tianqi Lithium Corporation issued by the Shenzhen Stock Exchange.

By order of the Board
Tianqi Lithium Corporation
Jiang Weiping
Chairman of the Board and Executive Director

Hong Kong, 28 April 2024

As at the date of this announcement, the Board comprises Mr. Jiang Weiping, Ms. Jiang Anqi, Mr. Ha, Frank Chun Shing and Mr. Zou Jun as executive directors, and Mr. Xiang Chuan, Ms. Tang Guoqiong, Ms. Huang Wei and Ms. Wu Changhua as independent non-executive directors.

Tianqi Lithium Corporation

Announcement in Reply to the Letter of Attention from the Shenzhen Stock Exchange

The Company and all members of its board of directors warrant the authenticity, accuracy and completeness of the information contained in this announcement and the information herein does not contain any misrepresentations, misleading statement or material omission.

Tianqi Lithium Corporation (the "Company", or "Tianqi Lithium") received the Letter of Attention to Tianqi Lithium Corporation issued by the Main Board Compliance & Disclosure Department l of the Shenzhen Stock Exchange (the "Shenzhen Stock Exchange") on 23 April 2024 (Letter of Attention [2024] No. 70, the "Letter of Attention"); according to the requirements of the Shenzhen Stock Exchange, the Company conducted rigorous verification and analysis on each of the relevant issues in the Letter of Attention. The Company's response to the issues listed in the Letter of Attention is announced as follows:

1. In the fourth quarter of 2023, the Company reported a net loss of RMB801 million. The Announcement indicates that one of the main reasons for the loss in the first quarter of 2024 is "Affected by the volatility in the lithium product market, the Company witnessed a substantial decline in the sales price of its lithium products compared to the corresponding period of last year, and the gross profit of the lithium products decreased significantly".

(1) Please provide a quantitative analysis of the reasons for the significant increase in the loss in the first quarter of 2024 compared to the fourth quarter of 2023, taking into account specific changes in the Company's main business development, product output and sales volume, product prices, raw material procurement prices, costs, expenses, and impairment provisions. Additionally, please clarify the risks of sustained losses.

Company Reply:

I. Reasons for the significant increase in the loss in the first quarter of 2024 compared to the fourth quarter of 2023

Although adversely affected by the downturn of lithium market and price decline, the Company maintained normal operation and sold a total of 16,739 tons of lithium chemical products in the first quarter of 2024, representing a 20.49% QoQ increase and a 108.92% YoY increase.

The Company maintained normal operation in the first quarter of 2024. The Company's key operational performance data in the first quarter of 2024 and the fourth quarter of 2023 is outlined below:

Unit: RMB hundred million

Items	Q1 2024	Q4 2023	Change amount	Change rate
Operating revenue	25.85	71.04	-45.19	-63.61%
Operating cost	13.34	16.18	-2.84	-17.55%
Gross profit	12.51	54.86	-42.35	-77.20%
Investment income	-13.27	-0.15	-13.12	-8746.67%
Finance costs	2.54	1.09	1.45	133.03%
Impairment losses on assets	-0.57	-6.38	5.81	-91.07%
Net profit	-8.31	32.93	-41.24	-125.24%
Net profit attributable to the shareholders of the Company	-38.97	-8.01	-30.96	-386.52%

Note: The above financial data for the first quarter of 2024 has only been preliminarily calculated and reviewed, and the final data is subject to the 2024 First Quarterly Report to be disclosed by the Company on 29 April 2024.

The significant QoQ increase in loss in the first quarter of 2024 was mainly due to the following reasons:

1. QoQ decrease in gross profit and gross profit margin of lithium products: The Company achieved revenue of RMB2.585 billion in the first quarter of 2024, down 63.61% from the fourth quarter of 2023; gross profit amounted to RMB1.251 billion, down 77.20% compared with the fourth quarter of 2023. As shown in the following table, in the first quarter of 2024, the Company’s sales of lithium concentrates were 143,488

tons, down 26.82% QoQ; the sales of lithium compounds and derivatives was 16,739 tons, up 20.49% QoQ. Meanwhile, the average selling price of lithium compounds decreased by 40.53% QoQ due to downward market price; the average selling price of lithium concentrates decreased by 70.24% QoQ due to downward market price and the adjustment of the pricing mechanism of lithium concentrates; the combined effect of the above factors resulted in an 84.27% QoQ decrease in the gross profit of lithium concentrates and a 48.86% decrease in lithium compounds and derivatives. The main changes are outlined as follows:

Products	Items	Q1 2024	Q4 2023	Change amount	Change rate
Lithium concentrates	Sales (ton)	143,488	196,075	-52,587	-26.82%
	Gross profit (RMB hundred million)	6.91	43.93	-37.02	-84.27%
Lithium compounds and derivatives	Sales (ton)	16,739	13,892	2,847	20.49%
	Gross profit (RMB hundred million)	5.59	10.93	-5.34	-48.86%

Note: Lithium compounds and derivatives in the table above do not contain by-products such as lithium residues.

2. Significant QoQ decrease in investment income: This was mainly due to the significant QoQ decrease in investment income from associates and joint ventures. The Company's major associates, Sociedad Qu ímica y Minera de Chile S.A. ("SQM "), recently announced that it will review the accounting treatment of all tax dispute amounts based on the latest ruling on its tax claims, which is expected to lower its net profit for the first quarter of 2024 by approximately USD1.1 billion. After multiple rounds of communication, the Company further confirmed the information related to the announcement. As a matter of prudence, the Company recognized investment income from SQM during the reporting period by taking into account the effect of SQM’s tax dispute in proportion to its shareholding, which in turn led to a significant QoQ decrease of approximately 1,143% in investment income from SQM recognized for the first quarter of 2024. According to the 2023 financial report disclosed by SQM, the amount of USD1.1 billion covers all disputed mining tax charges from the 2012-2023 tax years (2011-2022 business years). The existence of further related tax impacts depends on the local legislative process and newly effective legal system in Chile as well as the process and outcome of the negotiations between SQM and the Internal Revenue Service, but the impact on the net

profit attributable to the shareholders of the Company ("Net Profit Attributable to the Parent") will further subside.

3. QoQ increase of financial expenses: This was mainly due to the significant QoQ increase of foreign exchange loss as a result of the significant fluctuation of USD index during the reporting period.

In addition, the Company holds 51% equity interests in Tianqi Lithium Energy Australia Pty Ltd ("TLEA") and controls TLEA; TLEA holds 51% of the equity interests in Windfield Holdings Pty Ltd ("Windfield"). The Company controls Windfield through its subsidiary TLEA and indirectly holds 26.01% shares of Windfield and the remaining shares are held by minority shareholders. When the Company sells lithium products on a consolidated basis to external parties, the minority shareholders are entitled to the gross profit of the sales of lithium concentrates by Windfield to the lithium compound production plants of Tianqi Lithium in proportion to their respective shareholding. Windfield's high gross profit due to higher selling prices of lithium concentrates in the fourth quarter of 2023 was realized in the first quarter of 2024, which led to higher minority interests in the current period, and the loss on Net Profit Attributable to the Parent widened. As the pricing cycle of Windfield's lithium concentrates shortens and lithium concentrates prices fall back from their highs and gradually stabilise, the impact of the above factors on the Company's Net Profit Attributable to the Parent will gradually decrease.

In the above table, the impairment losses on assets were mainly provision made on inventory at Kwinana Plant in Australia, which was mainly due to the Kwinana Plant undergoing the capacity ramp-up process now with relatively high unit production cost, while the market price of lithium hydroxide was relatively low during the same period. As a result, there was a temporary impairment of inventory. No provision for impairment was made for the Company's domestic inventory of lithium compounds and lithium concentrates in the first quarter of 2024 or the fourth quarter of 2023, mainly because the inventory cost consolidates the low cost of Greenbushes lithium concentrates.

II. Is the Company exposed to risk of sustained losses?

As mentioned above, in the first quarter of 2024, the average selling price of lithium chemical products decreased significantly compared with the same period last year or the fourth quarter of 2023. Additionally, prior to 2024, there was a time cycle mismatch between the pricing mechanism of Talison's chemical-grade lithium concentrates and that for the sales of the Company's lithium chemical products. The combination of these factors led to a temporary loss in the Company's operational performance. As the pricing cycle of

Windfield’s lithium concentrates shortens and lithium concentrates prices fall back from their highs and gradually stabilise, coupled with the stable production and operation of the Company's production plants for lithium chemical products and the gradual digestion of existing lithium concentrates inventory through sales, the outbound cost of chemical-grade lithium concentrates from the Company's production plants will gradually approach the latest procurement prices. The temporary mismatch in the pricing mechanism of lithium concentrates will also gradually diminish, thereby generating a relatively positive impact on the Company's subsequent operations. Meanwhile, the impact of subsequent provision for tax on mining activity (if any) by the associate SQM on the Company's Net Profit Attributable to the Parent will gradually subside.

Furthermore, the Company's financial performance will also be affected by both operational and non-operational factors and therefore exposed to uncertainties, as analysed in detail as follows:

1. Risk of losses arising from market price fluctuations

As the Company has stable and cost-advantaged supply of lithium concentrates as well as mature and stable production processes in lithium compound production, the Company's production costs have remained relatively stable over the long run and contribute little to the fluctuations of operational performance. Therefore, the primary risk of operational losses for the Company stems from fluctuations in the market prices of lithium chemical products. Specifically, the Company operates in the non-ferrous metals industry, which is cyclical in nature and subject to various factors. The prices of lithium products are volatile, and both current and anticipated changes in supply and demand can affect both current and expected prices of lithium products. The fluctuations in lithium prices may cause uncertainties to the business, financial condition, and operational performance of the Company. A significant or sustained decline in lithium product prices may lead to a decrease in revenue and profitability and impairment of assets, thereby posing a risk of losses.

Furthermore, as the Company’s holding subsidiary Windfield has minority shareholders, significant fluctuations in lithium concentrates prices will result in substantial changes in the minority shareholders’ profits or losses, thereby causing uncertainties to the Net Profit Attributable to the Parent. Since January 2024, Windfield's lithium concentrates pricing mechanism has been adjusted from quarterly pricing to monthly pricing, which further reduce temporal disparities. As a result, the aforementioned risks will be mitigated.

2. Impacts of non-operational factors

In addition to the operational factors mentioned in item 1 above, the Company's performance results will also be subject to uncontrollable non-operational factors, which mainly include:

(1) Risks associated with the financial performance of joint ventures and associates: The Company holds long-term equity investments in joint ventures and associates, recognising investment income based on its proportionate share of the net profit or loss realised by the investees. Therefore, fluctuations in the financial performance of joint ventures and associates may pose a risk of losses to the Company.

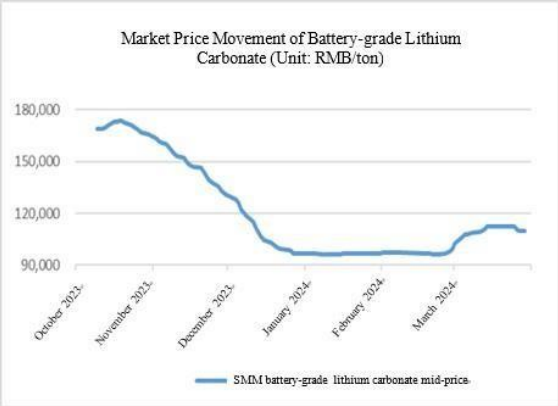
(2) Exchange rate risk: The Company is exposed to risks relating to the fluctuation of exchange rates. The Company's exposure to exchange rate risk is primarily related to U.S. dollars and Australian dollars, and there is a risk of results fluctuation caused by the exchange rate fluctuation of U.S. dollars and Australian dollars. The fluctuation of exchange rates could increase our Renminbi costs for, or reduce our Renminbi revenues from, the Company's foreign operations, or affect the prices of the Company's exported products and the prices of the Company's imported equipment and materials. Any cost increases or revenue decreases due to the fluctuation of foreign exchange rates may adversely affect the Company's profit. The decreases or increases of foreign currency assets and foreign currency liabilities arising from the fluctuation of exchange rates may also adversely affect the Company's profit.

In summary, the Company will closely monitor the aforementioned risks and proactively implement corresponding measures to mitigate the adverse impact of these risks on the Company.

(2) Please explain whether the changes in the Company's operating conditions align with industry trends and whether they correspond to the performance changes of comparable companies.

Company reply:

Below are the relevant statistics from the third-party quotation platform Shanghai Metals Market (SMM) regarding market prices of battery-grade lithium carbonate and lithium concentrates:



As shown in the above charts of market price movement of battery-grade lithium carbonate and lithium concentrates, from the fourth quarter of 2023 to the first quarter of 2024, the overall market prices of lithium products were on a steep downward trajectory. Specifically, the market price of battery-grade lithium carbonate declined from RMB169,000/ton at the beginning of the fourth quarter of 2023 to RMB109,750/ton at the end of the first quarter of 2024, representing a decrease of 35%. The market price of lithium concentrates dropped from USD2,560/ton at the beginning of the fourth quarter of 2023 to USD1,099/ton at the end of the first quarter of 2024, representing a decrease of 57%. In the first quarter of 2024, the Company's average selling price for battery-grade lithium carbonate decreased by approximately 35% QoQ, while the average selling price for lithium concentrates dropped by approximately 70% QoQ basis (affected by Windfield’s pricing mechanism). The trend in the Company's selling prices aligns closely with the movement in market prices.

In addition, as the Company has stable and cost-advantaged supply of lithium concentrates as well as mature and stable production processes in lithium compound production, the Company's production costs have remained relatively stable over the long term and contribute little to the fluctuations in operational performance. The Company's unit operating costs in the first quarter of 2024 remained relatively flat compared with the fourth quarter of 2023.

In summary, the QoQ fluctuations in the average sales prices of Company's products align with the market conditions for the same period, and the changes in the Company's operating conditions are consistent with industry trends.

As of the date of reply to this Letter of Attention, comparable companies such as Ganfeng Lithium, Shengxin Lithium, Albemarle, SQM, etc., have not yet announced their financial performance for the first quarter of 2024.

2. According to the Announcement, the Company's associate SQM published an announcement stating that in April 2024, the Santiago Court of Appeal in Chile issued a ruling on the tax claims for the 2017 and 2018 tax years, revoking the ruling that was handed down by the Tax and Customs Court on the case on 7 November 2022. SQM would review the accounting treatment for all amounts subject to tax disputes based on the latest ruling, which is expected to lower net profit for the first quarter of 2024 by approximately USD1.1 billion. Please explain the particulars and follow-up progress of SQM's tax dispute ruling, the amount and calculation basis of the impact on the Company's net profit for the first quarter, and whether the Company's recognition of the impact of the relevant tax dispute ruling in the first quarter complies with the relevant provisions of the Accounting Standards for Business Enterprises.

Company reply:

I. The particulars and follow-up progress of SQM's tax dispute ruling, and the amount and calculation basis of the impact on the Company's net profit for the first quarter

SQM’s tax dispute ruling mainly concerns the specific mining tax in Chile. Since 2006, the Chilean Internal Revenue Service has imposed mining tax on mining companies. On 10 August 2023, the new Mining Royalty Law (Law 21591) was promulgated, replacing the previous mining tax regulations, and officially came into effect on 1 January 2024.

The mining tax applies to all mining enterprises. However, currently the industries and products subject to the tax involve only copper mining, with different taxation rules applied based on the sales volume and gross profit margin of the products sold. As of now, lithium mining enterprises have not been explicitly included in the scope of taxation under the current effective tax laws and regulations in Chile. Despite a lack of clear legislation, the Internal Revenue Service has expanded the collection scope of mining tax in practice, assessing and collecting taxes from other mining enterprises (such as those in lithium mining sector).

According to SQM's relevant announcements and disclosures, SQM has received annual tax assessment and collection notices from the Chilean Internal Revenue Service regarding mining tax since 2011 and has been requested to pay tax. SQM has paid the tax in accordance with the tax payment notices. However, as lithium mining enterprises have not been explicitly included in the scope of mining tax by the Mining Royalty Law, SQM has simultaneously filed tax claims with the Chilean Tax and Customs Court regarding this matter, and recorded the tax paid in the financial statements as "Tax assets, non-current ".

The Santiago Court of Appeal in Chile rendered a ruling on the case for the 2017-2018 tax years (corresponding to financial years 2016-2017) in April 2024, revoking the ruling that was handed down by the Tax and Customs Court on the case on 7 November 2022 (previously in support of SQM's claim for not paying the mining tax). SQM published an announcement stating that, based on the latest ruling of the Chilean court in April, it would review the accounting treatment of mining tax already paid and provided for during the historical period, which is expected to possibly lower the net profit for the first quarter of 2024 by approximately USD1.1 billion (covering mining tax amounts for the financial years 2011-2023). After multiple rounds of communication, the Company learnt that there is a high probability that SQM will make accounting adjustments in the first quarter of 2024 by transferring the actual amount paid and the provision made for mining tax to the income statements for the current period based on the probability of success in the litigation and rulings during the historical period and as a matter of prudence. In this regard, the Company calculated the impact of its share of the investee's net profit for the first quarter of 2024 based on its shareholding percentage of 22.16%, which amounted to approximately RMB1.7 billion.

Subsequently, SQM will continue to appeal to a higher court regarding the ruling in April 2024 (corresponding to the tax dispute for 2017-2018). As tax litigations and rulings for other years during the historical period are independent of each other, each case is at different stages of proceedings, and results have not been obtained. The expected subsequent rounds of litigation and rulings for mining tax disputes and final judgments cannot be predicted for the time being.

II. Rationality of recognising the impact of the tax dispute ruling in the first quarter

The Company holds 22.16% of the total shares of SQM. According to the corporate by-laws of SQM, the Company is entitled to appoint three members to the board of directors of SQM, and according to the relevant provisions of the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments, the long-term equity investment in SQM is accounted for using the equity method.

SQM is listed on the Santiago Stock Exchange of Chile and the New York Stock Exchange of the United States of America. According to the information disclosure rules of the two stock exchanges, SQM will release its quarterly results report later than the disclosure of the Company's first quarterly report, and the Company cannot announce SQM's quarterly financial information before it is released by SQM. In accordance with Article 9 of the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reports, "interim accounting may rely more on estimates than annual financial information, however, enterprises shall ensure that the interim financial report provided contains relevant important information." When measuring and recognising the investment income from the associate SQM, the Company comprehensively considers the reliable information that can be obtained and taken into account when preparing and approving the financial report. In preparing and approving the first quarterly report, the Company, adhering to its consistent approach, estimates SQM's operating profit and loss in the first quarter of 2024 through its financial model combined with SQM's earnings per share of the first quarter of 2024 forecasted by Bloomberg ("Bloomberg") and other information, and estimates the investment income from SQM based on the Company's shareholding percentage therein.

As discussed in I and a recent announcement by SQM, the Santiago Court of Appeal in Chile rendered a ruling on its tax claims for the 2017 and 2018 tax years in April 2024, revoking the Tax and Customs Court's ruling on the case on 7 November 2022. The management of SQM determined that it was necessary to review the accounting treatment of all tax dispute amounts based on the latest ruling and anticipates a potential reduction in its net profit for the first quarter of 2024 by approximately USD1.1 billion. After multiple rounds of communication, the Company confirmed the relevant contents stated in the announcement. At the same time, following a comparison of the forecasted SQM's earning per share released by Bloomberg before and after the announcement, the Company verified that Bloomberg's forecast for earnings per share of SQM did not incorporate the impact of the tax issues mentioned in the SQM announcement.

Therefore, the Company recognised the investment income from SQM in the preparation of the first quarterly financial statements and the profit warning announcement in accordance with the aforesaid forecast data from Bloomberg and taking into account the effect of the SQM tax dispute ruling. Referring to the latest forecast issued by Bloomberg, the earnings per share forecast for SQM has been significantly revised downward.

In summary, as a matter of prudence, the Company believes that recognising the impact of the aforementioned SQM tax dispute ruling in the investment income of the associate accounted for using the equity method in the first quarter of 2024 accords with the relevant accounting standards.

3. The 2023 Annual Report shows that the closing balance (book value) of the long-term equity investment of the Company in SQM is RMB26,163 million. Recently, some media reported that SQM has signed a Memorandum of Understanding (MoU) with Corporación Nacional del Cobre de Chile (Codelco). Please verify and explain the detailed circumstances of the relevant matters, assess the impact on the Company and explain the countermeasures to be adopted to promptly inform relevant risks.

Company Reply:

I. Explanation on the signing of the MoU between SQM and Corporación Nacional del Cobre de Chile (Codelco)

The Company invested USD4.066 billion in 2018 to acquire 23.77% equity interests in SQM, a company in Chile, becoming its second largest shareholder. To date, the Company holds a total of approximately 22.16% equity interests in SQM.

SQM is a key global producer of potassium and lithium, with its headquarters in Santiago, Chile, and is currently listed on the New York Stock Exchange in the United States of America and the Santiago Stock Exchange in the Chile. SQM owns the mining concessions of the Salar de Atacama in Chile, which has high lithium concentration, abundant reserves, established mining conditions coupled with low operating costs, and is equipped with excellent salt lake resource in the world, serving as an important global production area for lithium products. In January 2018, Corporación de Fomento de la Producción de Chile (hereinafter as "Corfo"), a department under the Ministry of Economy of the Chile Government, authorised SQM to develop, process and sell lithium carbonate equivalent quota totalling 2.20 million tons within the term of the lease (i.e., prior to 31 December 2030).

On 27 December 2023, SQM entered into a non-legally binding Memorandum of Understanding ("MoU") with Corporación Nacional del Cobre de Chile ("Codelco") with respect to the operation and development of the Salar de Atacama during the period from 2025 to 2060. The MoU is a framework agreement upon which both companies hope to build a partnership to produce high-quality lithium products in the Salar de Atacama in a sustainable manner and in harmony with the communities. In order to achieve that, SQM and Codelco will establish a joint venture based on their partnership. The joint venture will be responsible for the production of lithium carbonate and lithium hydroxide on the properties that are currently leased by SQM from Corfo in the Salar de Atacama and will be responsible for the execution of different projects and the sales of lithium worldwide. SQM mentioned in the announcement that this partnership will permit an efficient transition between "the current SQM lease contracts with Corfo, which expire in 2030", and "the lease contracts that Codelco has from 2031 to 2060". In addition, the partnership of related parties is subject to the fulfilment of a number of conditional precedents, including: 1) obtaining authorisations from the Comisión Chilena de Energía Nuclear that are necessary for the exploitation of the leased concessions, 2) notification to and approval of antitrust authorities in Chile and certain other countries, 3) conclusion of the indigenous consultation process, 4) satisfaction of each of the parties with the technical and legal due diligence review process of SQM Salar S.A. and Minera Tarar SpA. Based on previous consultations with the Chilean Financial Market Commission

(“CMF”), the board of directors of SQM has agreed that the transaction contemplated in the MoU will not be proposed for a vote at the shareholders’ meetings and was scheduled to sign a formal agreement with Codelco at the end of March.

According to the MoU and related announcements publicly disclosed by SQM, SQM and Codelco have made a series of agreements and arrangements on the joint venture’s shareholding structure, corporate governance, profit distribution and mining volume. Upon the establishment of the joint venture, SQM will own 50% minus one share of such joint venture and Codelco will own 50% plus one share of such joint venture. In the first period of the partnership (2025-2030), SQM will have a majority of voting rights in the shareholders’ meetings and will consolidate the results of the joint venture by establishing different series of shares; Codelco will obtain veto rights on certain matters requiring an absolute majority votes. The joint venture will receive additional production and sales quotas in the first period, with Codelco receiving an economic benefit equivalent to 33,500 metric tons of lithium carbonate equivalent annually (a total of 201,000 metric tons over a six-year period).

During the second period of the partnership (2031-2060), in only case of a single series of common shares, Codelco will have a majority votes at the shareholders’ meetings and will consolidate the results of the joint venture; each party will receive economic benefits in proportion to its shareholding in the joint venture.

On 20 March 2024, SQM announced that it would enter into negotiations good faith with Codelco in order to further amend the MoU signed by the two parties as announced on 27 December 2023, and postpone the signing of the document that specifies the partnership from 31 March 2024 to 31 May 2024. Meanwhile, SQM provided supplementary information about the MoU.

In order to obtain more open, transparent and sufficient information, the Company requested SQM to convene an extraordinary shareholders’ meeting for information, and SQM held an extraordinary shareholders’ meeting on 21 March 2024 and made a public announcement concerning the content of this shareholders’ meeting. SQM highlighted in the relevant announcement: (i) negotiations are still ongoing and therefore no further details can be given on the content of the negotiations and the final terms and conditions of the agreement and other definitive documents. In addition to not having reached definitive agreements and being subject to change, the content of the negotiations is subject to a confidentiality agreement signed between SQM and Codelco; and (ii) the negotiation covers not only commercial and contractual matters typical of joint venture, but also involves a series of technical, engineering, technological, environmental and community aspects that must be considered by the parties throughout the negotiation, which involve the participation of different governmental authorities and third parties.

On 28 March 2024, the Company once again requested SQM to convene a new extraordinary shareholders' meeting to discuss and vote on the transaction contemplated in the MoU. SQM published an announcement on 10 April 2024, stating the convening of an extraordinary shareholders' meeting to discuss the transaction contemplated in the MoU on 24 April 2024 (Chilean time), in particular: (a) management report on the status of negotiations between SQM and Codelco, in particular whether the parties have reached agreement on the terms and conditions of the contracts as negotiated under the MoU, including those that were mentioned at the extraordinary shareholders' meeting held on 21 March 2024; (b) management presentation on the merits, opportunities, advantages, disadvantages and risks that the partnership with Codelco could form for SQM, as well as questions and comments from the shareholders. Shareholders' views shall not possess binding authority upon SQM's management nor shall they discharge management from its responsibilities; (c) discussion on the legal structure under which the partnership with Codelco, as well as the steps and legal requirements which need to obtain approvals under the Chilean Corporations Law and the by-laws of SQM, according to the negotiation progress as of the date of the shareholders' meeting. In addition to discussing the matters referred to in points (a), (b) and (c) above, the board of directors of SQM agreed not to submit to shareholders the voting of the approval of the partnership with Codelco, given that: (1) up to the current date, there is neither a partnership agreement nor a final legal structure on the transaction with Codelco to be approved; and (2) according to a previous consultation made by SQM to the CMF, which indicated in the letter (No. 27980) dated 29 February 2024 that it would be appropriate to approve the partnership transaction with Codelco by the board of directors of the SQM and not by the shareholders. On 24 April 2024, SQM held its second extraordinary shareholders' meeting for information to respond to the shareholders' questions. The Company will continue to follow the subsequent and relevant announcements of SQM.

(Note: the above-mentioned contents relating to the MoU and the potential transaction contained therein are derived from the translation of the English announcement issued by SQM for reference only. For details, English announcements issued shall prevail.)

II. Assessment of the impact on the Company and measures to be taken

The Company has been closely monitoring the progress of the matter since the disclosure of the MoU by SQM. Based on the information currently available to the Company, the MoU disclosed by SQM is a non-legally binding framework agreement. Meanwhile, SQM has indicated in the relevant announcement and its shareholders' meeting for information that it is in the process of negotiating with Codelco on the amendment of the MoU. The content of the negotiations is subject to a confidentiality agreement signed between SQM and Codelco. Therefore, it is not in a position to provide any further details on the content of the negotiations or on the final terms and conditions of the agreement or the other definitive documents of the joint venture. Accordingly, based on the information currently available, the Company is temporarily not in a position to fully consider and assess the impact of this matter on the Company at this stage. At the time of the 2023 Annual Report, the Company conducted an impairment test of its long-term equity investment in SQM as of 31 December 2023 based on the information then available and relevant assumptions, and the results showed that there was no impairment for its long-term equity investment in SQM as at 31 December 2023. The Company will continue to closely monitor the updated information of SQM and make timely and prudent assessment from a financial perspective.

Taking into account that the board of directors of SQM has only approved the non-legally binding MoU and has not yet approved the definitive agreement or the joint venture relationship at this moment, the definitive agreement will be resubmitted to the board of directors of SQM for analysis and deliberation upon mutual consent before it can be formally signed and become effective. The Company plans to make its best efforts in the meanwhile to actively seek the convening of a shareholders' general meeting by SQM to consider subsequent legally binding agreements or transactions involved in the MoU, in order to help the Company responsibly and reasonably assess and participate in the decision-making process with respect to the Company's financial, commercial and governance impacts involved in the agreement.

III. Risk Warning

Given that the MoU disclosed by SQM is a non-legally binding framework agreement, and the details of the definitive agreement remain to be determined through further negotiations, the Company is currently unable to obtain sufficient information to fully assess whether the transaction under the MoU is in the best interest of SQM and its shareholders and what impact it may have on the Company's investment in SQM. As the matter is still under negotiation and its future implementation and impact are still subject to considerable uncertainty, the Company does not have sufficient information to make a decision on the next step at present.

Based on the current MoU and related content released by SQM, SQM's exploitation and operation rights for the lithium business in the Salar de Atacama are expected to be extended from its expiration in 2030 to 2060; however, after 2031, the core lithium business in the Salar de Atacama will be controlled by Codelco. Due to the limited information available and the fact that the definitive transaction agreement is still under negotiation, the Company is not in a position to determine whether it will affect SQM's revenues from the lithium business in Salar de Atacama. For this reason, the Company has twice taken the initiative to request that shareholders' meetings be convened to obtain more detailed information and to request that the relevant transaction be submitted to the shareholders' meeting for consideration and approval. If SQM does not subsequently convene a shareholders' meeting to consider the definitive transaction agreement relating to the MoU, the Company, as its second largest shareholder of SQM, may not be able to exercise the relevant shareholders' rights to protect its interests.

The Company will further pay attention to the progress related to the signing of the subsequent definitive agreement or other transaction documents by SQM in respect of the potential transaction under the MoU, dynamically assess the impact on the Company, take risk control measures in a timely manner, strengthen the communication and coordination with the relevant parties, and proactively respond to various contingencies, so as to protect the Company's and the shareholders' interest from being jeopardised. With regard to the follow-up progress and specific impact of this matter, the Company will fulfil the decision-making procedures and information disclosure obligations when necessary and comply with relevant laws and regulations to ensure the information is disclosed in a truthful, accurate and complete manner. Investors are advised to exercise caution in investment and pay attention to investment risks. The designated media for information disclosure are Securities Times, Securities Daily, China Securities Journal, Shanghai Securities News and the website of Cninfo(http://www.cninfo.com.cn), and all information of the Company is subject to the information published in the above designated media.

The announcement is hereby made.

Board of Directors of Tianqi Lithium Corporation

27 April 2024