



## SQM Executes Sale of Stake in Minera Exar

**Santiago, Chile. October 31, 2018.-** Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) informs today that together with its subsidiary SQM Potasio S.A. (SQM Potasio) it has met the conditions outlined below in the Transaction Agreement (the "Agreement") with Minera Exar ("Exar" or the "Project"), Lithium Americas (TSX: LAC; NYSE: LAC) and GFL International Co. Ltd., which was announced to the market on August 13, 2018. Pursuant to the Agreement, (a) SQM Potasio has sold to Ganfeng Lithium Netherlands Co., BV (Ganfeng) its entire shareholding and irrevocable contributions in Exar; (b) Exar has paid SQM Potasio, all outstanding loans it received from this company; and (c) Exar has paid SQM for the services rendered to Exar during the Project's development stage. SQM has received a cash inflow of US\$87.5 million, which represents a post-tax income of approximately US\$5.5 million. This transaction will be accounted for and recognized in SQM's fourth quarter 2018 financial statements.

SQM also informs that SQM Potasio and Ganfeng have executed a Deferred Payment Agreement, under which a deferred payment of US\$50 million will be made to SQM Potasio, subject to Exar reaching cumulative sales of (i) 25,000 tons (measured in lithium carbonate equivalent) of the Exar project's lithium products, (ii) at a price of at least US\$10,000 per ton.

### SQM

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## About SQM

SQM's business strategy is to be a global company, with people committed to excellence, dedicated to the extraction of minerals and selectively integrated in the production and sale of products for the industries essential for human development (e.g. food, health, technology). This strategy was built on the following five principles:

- ensure availability of key resources required to support current goals and medium and long-term growth of the business;
- consolidate a culture of lean operations (M1 excellence) through the entire organization, including operations, sales and support areas;
- significantly increase nitrate sales in all its applications and ensure consistency with iodine commercial strategy;
- maximize the margins of each business line through appropriate pricing strategy;
- successfully develop and implement all lithium expansion projects of the Company, acquire more lithium and potassium assets to generate a competitive portfolio.

These principles are based on the following key concepts:

- strengthen the organizational structure to supports the development of the Company's strategic plan, focusing on the development of critical capabilities and the application of the corporate values of Excellence, Integrity and Safety;
- develop a robust risk control and mitigation process to actively manage business risk;
- improve our stakeholder management to establish links with the community and communicate to Chile and worldwide our contribution to industries essential for human development.

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## Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "plan," "believe," "estimate," "expect," "strategy," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make concerning the Company's business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, specifically the most recent annual report on Form 20-F, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise.