**LAW OF THE NATIONAL STRATEGIC PUBLIC COMPANY**

**OF BOLIVIAN LITHIUM DEPOSITS – YLB**

**Sole Article.**

I. The National Strategic Public Company of Bolivian Lithium Deposits - YLB is hereby created, under the Ministry of Energy, replacing the National Management of Evaporitic Resources.

II. Yacimientos de Litio Bolivianos - YLB, is responsible for carrying out the activities of the whole productive chain: prospecting, exploration, exploitation, benefit or concentration, installation, implementation, start-up, operation and administration of evaporite resources, inorganic chemistry complexes, industrialization and commercialization.

III. Yacimientos de Litio Bolivianos - YLB, will develop the basic chemical processes of its evaporite resources with a one hundred percent (l00%) state participation for the production and commercialization of: Lithium Chloride, Lithium Sulfate, Lithium Hydroxide and Lithium Carbonate; Potassium Chloride, Potassium Nitrate, Potassium Sulfate, derived and intermediate salts and other products of the evaporite chain. Subsequent processes of semi-industrialization, industrialization and waste processing may be carried out through association contracts with national or foreign private companies, maintaining the majority participation of the State.

IV. The right to the traditional exploitation, production and commercialization of common salt (Sodium Chloride) in the Bolivian salt flats currently carried out by local economic organizations and cooperatives is recognized, respecting pre-established and acquired recognized rights.

V. The totality of the financing obtained from the BCB by COMIBOL, for the National Management of Evaporitic Resources, will be subrogated by Yacimientos de Litio Bolivianos - YLB.

**TRANSITORY PROVISIONS**

**FIRST.**

I. The Ministry of Energy shall regulate by means of a Supreme Decree, within two (2) months from the publication of this Law, the nature, structure, operation, line of business of the company, financing, attributions, goods and services contracting regime, applicable labor regime and other aspects related to the operation of Yacimientos de Litio Bolivianos - YLB.

II. As long as the specific regulation mentioned in the preceding paragraph is not approved, the National Management of Evaporitic Resources, under COMIBOL, shall continue with its assigned activities.

SECOND: Within five (5) months from the publication of this Law, the Ministry of Energies and Bolivian Lithium Deposits - YLB, in coordination with the Ministry of Mining and Metallurgy and COMIBOL, shall carry out a survey and evaluation of the rights granted under the administration of the National Management of Evaporitic Resources in all the salt flats and shall propose the appropriate and necessary regulations for the adequacy of such rights, within the framework of the provisions of the Political Constitution of the State.

**ADDITIONAL PROVISION**

**ONLY.**

I. The Ministry of Energy and the Ministry of Hydrocarbons are responsible for the evaluation and follow-up of the execution of the credit resources granted by the BCB in favor of ENDE, YPFB and EBIH, as the case may be.

II. The Ministry of Energy and the Ministry of Hydrocarbons, by means of a Ministerial Resolution respectively, must justify to the BCB that the use and destination of the credits to be contracted by ENDE and YPFB are of national priority according to the Economic and Social Development Plan within the Framework of the Integral Development for Living Well, and that the future flows will be used for the payment of such credits.

III. The Ministry of Energy, the Ministry of Hydrocarbons, the BCB, YLB, ENDE, YPFB and EBIH are authorized to sign the corresponding amendment contracts.

**FINAL PROVISIONS**

**FIRST:**

All the assets, liabilities and the assigned budget of the Gerencia Nacional de Recursos Evaporíticos, dependent on COMIBOL, shall be assumed by COMIBOL: COMIBOL, shall be assumed by Yacimientos de Litio Bolivianos - YLB, once the specific regulation indicated in the First Transitory Provision of the present Law has been approved.

**SECOND.**

I. Paragraph IV of Article 26 of Law No. 535 of May 28, 2014, on Mining and Metallurgy, is amended to read as follows:

"IV. Lithium and Potassium are declared as strategic elements, whose development shall be carried out by Yacimientos de Litio Bolivianos - YLB."

II. Article 73 of Law No. 535 of May 28, 2014, on Mining and Metallurgy is amended, with the following text:

"Article 73. (EVAPORITIC RESOURCES). The patrimony of the Industrial Complex of Evaporitic Resources of the Salar de Uyuni - CIRESU, is in charge of COMIBOL."

**THIRD.**

I. The credits authorized by the Laws of the General Budget of the State, to the Central Bank of Bolivia - BCB, in favor of COMIBOL, destined to evaporite resources, will be assumed by Yacimientos de Litio Bolivianos - YLB.

II. Pursuant to the preceding paragraph, Yacimientos de Litio Bolivianos - YLB, is responsible for the use and destination of the resources disbursed and to be disbursed to COMIBOL.

disbursed already disbursed by the BCB.

III. According to Paragraph 1 of this provision, the Ministry of Energy is responsible for the evaluation and follow-up of the execution of the resources of credits granted by the BCB.

IV. The Ministry of Energy, by means of a Ministerial Resolution, shall justify to the BCB that the use and destination of the credits to be contracted by Yacimientos de Litio Bolivianos - YLB, are of national priority according to the Economic and Social Development Plan in the Framework of the Integral Development for Living Well, and that the future flows will be used for the payment of such credits.

V. The Ministry of Economy and Public Finance, through the General Treasury of the Nation - TGN, is authorized to substitute, issue and grant Non-Negotiable Treasury Bonds in favor of the BCB, to guarantee the credits indicated in Paragraph 1 of this Provision, at the written request of the Ministry head of sector and jointly with the BCB.