



## **Li3 Energy Provides Update On Chilean Lithium Mining Law Developments**

### ***Chilean Government Announces Special Lithium Operations Contracts (CEOL's) To Be Granted By Late 2012, In Effort To Maintain Global Lithium Market Leadership***

SANTIAGO, CHILE—(Marketwire – February 10<sup>th</sup>, 2011) – Li3 Energy, Inc., (OTCBB: LIEG – News) (“Li3”, “Li3 Energy” or the “Company”), a US-listed and South American based global exploration and development company in the lithium and minerals sector, is pleased to provide an update regarding the Chilean law relating to the exploitation of lithium. Under current Chilean law, lithium is not exploitable via regular mining concessions and, no new lithium concessions have been issued since 1982. The Chilean Mining Code (“CMC”) establishes the reserve of lithium to the State of Chile and expressly provides that the exploration or exploitation of “non-concessible” substances (which includes lithium) can be performed only directly by the State of Chile, or its companies, or by means of administrative concessions or special operation contracts, fulfilling the requirements and conditions set forth by the President of the Republic of Chile for each case. Currently, neither the Company nor its subsidiaries have sufficient authority (or permits) to exploit lithium in Chile.

Over the last several days, numerous press releases have circulated in Chile outlining the government’s plans to improve its worldwide competitiveness. The Boost Competitive Agenda (a package of reforms to remove regulatory red tape, to encourage entrepreneurship, innovation, competition and boost productivity of the economy), is coordinated by the Office of Competitiveness of the Ministry of Economy and was initiated in August, 2011. With the bulk of the measures having already been met, on Tuesday February 7<sup>th</sup>, 2012, the Office of Competitiveness introduced ten new measures to extend the government’s commitment to ensure that development continues to reach Chile. According to the article, Pablo Longueira, the Minister of Economy, detailed each of the measures, including the seventh, “Re-launching the Chilean Lithium Industry”, which specifically addresses lithium by: “Unlocking its restrictions and implementing mechanisms to improve competitiveness within the industry, promote further investment and protect the country’s market-share and standing in the world lithium market”.

Senior Chilean official, Pablo Wagner, Vice Minister of Mining, outlined the basis for how the country plans to address existing laws in order to allow the exploitation of lithium with the objective of maintaining Chile’s leading lithium producer status. Among other things, Minister Wagner announced plans to conduct an auction for lithium production quotas and licenses (Special Lithium Operations Contracts, or CEOLs), in a manner that wouldn’t require any changes to existing mining laws. The CEOL’s to be tendered, will be for 100,000 tons of lithium metal (approximately 530,000 tons of lithium carbonate equivalent), be valid for twenty years

and consist of a yet to be determined upfront payment as well as a seven percent of sales royalty paid to the Chilean government. The Ministry of Mining has been preparing to issue CEOL's for well over a year and expects to issue the first CEOL the fourth quarter of 2012.

Li3 welcomes these initiatives and believes this represents a very positive step by the Chilean government in removing existing political uncertainty relating to, how new lithium mining projects in the region will be permitted. Previous mining legislation did not allow for the exploitation of lithium and, did not provide a clear mandate as to how the company could obtain the necessary Chilean permit to exploit the mineral. Li3 believes the auction of CEOL's will begin prior to the end of 2012 and, due to the advanced stage of development and the potentially competitive low-cost nature of its Maricunga Project, the Company believes it is in a strong position and, has begun the necessary steps to participate in the tender process.

Luis Saenz, Li3's CEO stated: "It is reassuring to know that the Chilean government is being proactive in recognizing the need to address the existing laws by now allowing for new lithium projects to be developed and commercialized in Chile. With our flagship Maricunga Project, Li3 is currently developing one of the top lithium projects in the world and, upon commercialization, the company is confident that this asset will contribute to keeping Chile in the forefront of lithium production worldwide".

Li3 cautions investors that while the company is very optimistic with its plans to obtain a Special Lithium Operations Contract, the company offers no assurances that it will be successful in obtaining the contract.

### **About Li3 Energy, Inc.**

Li3 Energy, Inc. is an exploration and developmental stage public company in the lithium mining and energy sector. Li3 aims to acquire, develop and commercialize a significant portfolio of lithium brine deposits in the Americas. With its controlling interest in its Maricunga Project, Li3's goals are to; a) support the global implementation of clean and green energy initiatives; b) meet growing lithium market demand; and c) become a mid-tier, low cost supplier of lithium, potassium nitrate, iodine and other strategic minerals, serving global clients in the energy, fertilizer and specialty chemical industries. Additional information regarding the Company can be found in our recent filings with the Securities and Exchange Commission ("SEC") as well as the information maintained on our website [www.li3energy.com](http://www.li3energy.com).

### **Forward-Looking Statements**

Any statements contained herein which are not statements of historical fact may be deemed to be forward-looking statements, including, without limitation, statements identified by or containing words like "believes," "expects," "anticipates," "intends," "estimates," "projects," "potential," "target," "goal," "plans," "objective," "should", or similar expressions. The Company gives no assurances the assumptions upon which such forward-looking statements are based will prove correct. Forward-looking statements involve risks, uncertainties and assumptions, and are based on information currently available to us. Actual results may differ materially from those expressed herein due to many factors, including, without limitation: issuance of necessary government consents; results of due diligence and whether the Company is able successfully to negotiate any proposed acquisition; initial exploration results; satisfaction of conditions precedent to POSCAN's additional investment; the Company's ability to raise additional capital for exploration; development and commercialization of the Company's projects; future findings and economic assessment reports; the Company's ability to identify appropriate corporate acquisition or joint venture opportunities in the lithium mining sector and to establish appropriate technical and managerial infrastructure; political stability in countries in which we operate; and

lithium prices. For further information about risks faced by the Company, and its Maricunga Project, see the "Risk Factors" section of the Company's Form S-1/A, filed with the SEC on January 6<sup>th</sup>, 2012. The Company undertakes no obligation to update any forward-looking statement contained herein to reflect events or circumstances which arise after the date of this release.

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