

CODELCO AND RIO TINTO PARTNER TO DEVELOP A USD900 MILLION LITHIUM PROJECT

Codelco and Rio Tinto ink Chilean lithium JV

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Four Sullivan & Cromwell LLP offices and Carey in Santiago have helped Chilean state-owned miner Codelco sign a public-private-partnership (PPP) with UK-Australian mining company Rio Tinto to develop a lithium project in northern Chile, in a deal set to generate up to US\$900 million in investment.

Rio Tinto enlisted Cariola, Diez, Pérez-Cotapos in Santiago.

Latin Lawyer understands that Rio Tinto also relied on Ashurst in the deal, but could not confirm this before publishing.

The deal was signed on 19 May.

The transaction is expected to close in the first quarter of 2026.

Through the partnership, Codelco and Rio Tinto will develop a lithium exploration and exploitation project in the Maricunga salt flat in the Atacama region of northern Chile.

Codelco will be the controlling shareholder, with 50.01% of the shares. Rio Tinto will hold the remaining shares. There will be five members on the board of directors for this project: three appointed by Codelco and two by Rio Tinto.

Rio Tinto will invest up to US\$900 million in the project by 2030, with an initial injection of US\$350 million upon closing.

The UK-Australian miner will later put up another US\$500 million of the total value, while the final US\$50 million payment is dependent on the project succeeding in producing lithium carbonate before the end of 2030.

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The deal is set to position Codelco as one of the largest lithium producers in the world, given its existing agreement with Chilean miner SQM in the Salar de Atacama to boost lithium production in the Atacama salt flats from 2031 until 2060.

This deal aligns with Chilean President Gabriel Boric's national lithium strategy. Announced in 2023, the initiative aims to facilitate the cost-effective, environmentally friendly and socially sustainable development of lithium in the country – seeing the government collaborate with private companies as strategic partners.

Codelco and Rio Tinto already have an alliance in the copper sector through their Nuevo Cobre JV, which was signed in 2023. However, this PPP marks their first joint foray into the lithium sector.

Earlier this year, Codelco also entered into a US\$5 billion partnership with UK-headquartered mining company Anglo American to develop copper mines in central Chile.

According to Latin Lawyer news reporting and Deal Tracker submissions, Codelco has been involved in eight deals since 2024, including this JV.

Of those deals, four were M&A transactions, while two were capital markets deals and two were financings.

Of the eight Codelco deals that have been recorded since 2024, Carey was the busiest firm on those mandates and advised on a total of six. Garrigues (Chile) followed with three deals, while several other Chilean firms each advised on one deal. Cleary Gottlieb Steen & Hamilton LLP ranked as the international firm that advised on the most Codelco deals, working on two.

Counsel to Codelco

In-house counsel – Macarena Vargas and Rodrigo Leichtle

Sullivan & Cromwell LLP

Partners Sergio Galvis, Werner Ahlers and RiuHui Yu, and associates Estefania Souza, Andrew Brod, Christian Hodges and Shray Gupta in

New York; partner Craig Jones and associate Erica Arcudi in London; partner Eric Kadel Jr in Washington, DC; and partner Adam Paris in Los Angeles

Carey

Partners Rafael Vergara, Cristián Eyzaguirre, Francisco Carey, Patricia Silberman, José Pardo and Julio Recordon, and associates Maximiliano Urrutia, Enxo Devoto, Ismael Bahamonde, Andrés Ibarra and José Pablo Sáez in Santiago

Counsel to Rio Tinto

In-house counsel – Paul Brimacombe, Michael Cottee and Gianina Veniú

Cariola, Diez, Pérez-Cotapos

Partners Gonzalo Grez and Juan Cristóbal Gumucio, and associates María Belén Fuenzalida, Lucas Antúnez, Agustín Gonzalez and Catalina González in Santiago