



ESSENTIAL FACT

Santiago, December 16, 2011.

Mr. Fernando Coloma C.
Superintendent
Superintendence of Securities and Insurance (Superintendencia de Valores y Seguros)
Avda. Lib. Bernardo O'Higgins 1449
Santiago.

Dear Mr. Coloma,

We hereby inform you that Sociedad y Minera de Chile S.A. (SQM) and Sierra Gorda SCM (SG) have subscribed, today, a Purchase/Sales Contract of Mining Concessions, Royalties, Constitution of Prohibitions and Others by means of which, in essence, SQM has sold to SG certain mining claims located in Region II and which the latter will use in the development of its "Sierra Gorda Mining Project" for copper, molybdenum, and gold. The total value indicated in said Contract includes the payment of US\$ 37,764,000- already received by SQM- and the payment of a minimum annual royalty of US\$ 2,000,000 that SG shall pay to SQM as of 2022. This, finally, will generate a net effect of approximately US\$30,000,000 in the results of SQM as of the fourth quarter of the year 2011.

We hereby notify the above as an essential fact and pursuant to that set forth for said purpose in articles 9 and 10 second paragraph of the Law N° 18,045. In addition, also in conformance with that indicated in the General Character Regulation N° 30 of the Chilean Superintendence of Securities and Insurance (Superintendencia de Valores y Seguros)

We are your entire disposal to clarify any additional aspect that you may deem pertinent in regard to the above.

Sincerely yours,

SOCIEDAD QUIMICA Y MINERA DE CHILE S.A.
Patricio Contesse G.
CEO

Cc: Bolsa de Comercio de Santiago Bolsa de Valores S.A.
Bolsa de Corredores Bolsa de Valores S.A.
Bolsa Electrónica de Chile Bolsas de Valores S.A.
New York Stock Exchange
Securities and Exchange Commission
The Bank of New York

MAS/vgm
FIS/030

SQM is an integrated producer and distributor of specialty plant nutrients, iodine, lithium, potassium fertilizers, and industrial chemicals. Its products are based on the development of high quality natural resources which allow it to be a leader in costs, supported by a specialized international commercialization network with sales in over 100 countries. SQM's development strategy aims at maintaining and strengthening worldwide leadership in each one of our businesses.

The leadership strategy is based on the Company's competitive advantages and on the sustainable growth of the various markets where it participates. SQM's main competitive advantages in most of its different businesses are:



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- Low production costs based on ample high quality natural resources.
 - Know-How and own technological development of its diverse productive processes.
 - Logistical infrastructure and high production volumes that allow low distribution costs.
- High market participation in all of its products.
- International trade network with own offices in more than 20 countries and sales in over 100 countries.
- Synergies derived from the production of a large variety of products based on two unique natural resources.
- Ongoing development of new products according to the specific needs of the different customers.
- Conservative and solid financial position.

Additional information:

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Statements made in this notification which are related to the Company's business outlook or future economic performance, anticipated earnings, income, expenditures or other financial items, anticipated cost synergies and growth of products or lines of business, along with any other statement, which are not historical facts, are Company estimates. These estimates reflect SQM's best judgment based on information available at the time of the Statement and involve a number of risks, uncertainties, and other factors that could cause the final results to significantly differ from those made in these statements