

# Lithium Chile Finalizes Terms of Copper/Gold/Silver Property Spin Out and Announces Special Meeting of Shareholders to Approve the Transaction

TSX Venture Exchange: "LITH"

CALGARY, Feb. 14, 2018 /CNW/ - Lithium Chile Inc. ("Lithium Chile" or the "Company") is pleased to announce that it has finalized the terms of the "spin out" of its Copper/Gold/Silver property portfolio into a new, publicly traded, company to be listed on the TSX Venture Exchange.

## Highlights

- **Shareholder Meeting:** Lithium Chile has called a special meeting of its shareholders to be held on April 12, 2018 (the "**Special Meeting**") wherein shareholders of record as of March 8, 2018 will be asked to approve a plan of arrangement whereby Lithium Chile will dividend out the shares of its newly formed and 100% owned subsidiary to its shareholders (the "**Share Dividend**"). On the effective date of the Share Dividend, the subsidiary will own 100% of Lithium Chile's extensive Copper/Gold/Silver property portfolio in Chile (the "**CGS Properties**").
- **New Subsidiary Name:** Lithium Chile incorporated Kairos Metals Corp. ("**Kairos Metals**") on January 15, 2018. Kairos Metals has issued 24,260,772 of its common shares to Lithium Chile, being an amount equal to ¼ of the issued and outstanding shares of Lithium Chile.
- **Particulars of Transaction:** The CGS Properties are currently owned by Lithium Chile's wholly owned Chilean subsidiary, Minera Kairos Limitada. The CGS Properties are being transferred to Minera San Lorenzo Limitada; a wholly owned Chilean subsidiary of Kairos Metals, at a deemed value of \$1,200,000 (the "**Purchase Price**") which is based on Lithium Chile's carrying cost of the CGS Properties.
- **Loan from Lithium Chile to Kairos Metals:** Included in the plan of arrangement will be a loan from Lithium Chile to Kairos Metals in the amount of \$1,000,000 (the "**Loan**"). Kairos Metals will use the Loan proceeds to fund further exploration work on the CGS Properties – principally on the Salvadora property and potentially, and to a lesser extent, on the Nancagua property.
- **Promissory Note from Kairos Metals to Lithium Chile:** to pay the Purchase Price and the Loan, Kairos Metals will issue a two (2) year promissory note to Lithium Chile in the amount of \$2,200,000 which will bear interest at the prime rate of interest of the Royal Bank of Canada from time to time (the "**Promissory Note**") as payment of the Purchase Price and the Loan.
- **Effective Date of Dividend:** The effective date of the Share Dividend is expected to be two (2) days after the Special Meeting has been held and the Company's shareholders have approved the plan of arrangement.
- **Resulting Ownership:** Shareholders of Lithium Chile, will own the same percentage of Kairos Metals as they held in Lithium Chile on the effective date of the Share Dividend, on a pro-rata, 4:1 basis.

Terry Walker V.P. Exploration commented "Lithium Chile's highly prospective copper/gold/silver projects are as equally impressive as its Lithium assets. It is our belief that dividing these assets into separate public entities will allow for specialization, focus and concurrent development of all our projects while unlocking hidden value for all shareholders."

**NI 43-101 Compliant Report:** A technical report on the Salvadora Property, compliant with NI 43-101 requirements and updated to reflect recent drilling, has been submitted to the TSXV for review and comment. Upon acceptance, the report will be filed on SEDAR and incorporated into the information circular to be mailed to shareholders. As it is expected that the majority of the Loan proceeds will be expended on Salvadora property exploration activities, the Salvadora property will be Kairos Metal's "principal property" for TSXV listing purposes. Readers are advised that Lithium Chile previously filed NI 43-101 compliant reports on its Salvadora and Fortuna properties on SEDAR (January 20, 2014). These reports may be viewed on [www.Sedar.com](http://www.Sedar.com)

This news release has been reviewed by Terence Walker, P. Geo., Chief Geologist and Vice President of Exploration of the Company and a qualified person as that term is defined in National Instrument 43-101.

## About Lithium Chile (TSX-V: LITH)

Lithium Chile Inc. is advancing a lithium property portfolio consisting of 140,100 hectares covering sections of 13 salars and 1 laguna complex in Chile. The properties include 56 square kilometres on the Salar de Atacama which hosts the world's highest concentration lithium brine production and is currently the source of about 30% of the world's lithium production. Lithium Chile also owns a significant Copper/Gold/Silver property portfolio consisting of 28,184 hectares over 6 different properties located in Chile. Lithium Chile Inc.'s common shares are listed on the TSX-V under the symbol "LITH".

## About Kairos Metals

Kairos Metals is advancing a Copper/Gold/Silver portfolio of 28,184 hectares over six projects in Chile. Successful, previous exploration has located zones of mineralization at every property. This includes Salvadora, where four zones have been identified. Panel samples assays from veins at one of the Salvadora zones assayed from 1.45%CU + 0.2g/t Au to 15.45% Cu + 2.14 g/t Au over 2-5 metre widths and a gold high of 154.5g/t over 1.8m. Limited drill testing intercepted up to 1.48% Cu + .22 g/t Au over 34 metres. Early exploration work on a second highly prospective property, Nancagua encountered high grade gold intercepts and gold chip samples to 50.3 g/t over 2.1 metres. Kairos Metals intends to initiate exploration work on all of its prospects either alone or through JV's.

On Behalf of the Board of Directors,  
LITHIUM CHILE INC.

Steven Cochrane  
CEO

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***Forward Looking Statements***

*This news release may contain certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "**forward-looking statements**"). Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "believes", "aims to", "plans to" or "intends to" or variations of such words and phrases or statements that certain actions, events or results "will" occur. In particular, this news release contains forward-looking statements relating to, among other things, management of the Company's views regarding its properties and the ability of the Company to conduct exploration on its properties, the anticipated drilling program of the Company and the proposed Spin-Out Transaction.*

*You are cautioned that the following list of material factors and assumptions is not exhaustive. Specific material factors and assumptions include, but are not limited to: the general stability of the economic and political environment in which the Company operates; the timely receipt of required regulatory approvals; the ability of the Company to obtain future financing on acceptable terms; currency, exchange and interest rates; operating costs; and the success the Company will have in exploring its prospects and the results from such prospects. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements herein, except as required by applicable securities laws. All forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

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**For further information:** To find out more about Lithium Chile Corp, please contact Jeremy Ross, VP Business Development, at (604) 537-7556 or via email to: [info@lithiumchile.ca](mailto:info@lithiumchile.ca).

CO: Lithium Chile Inc.

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