



**LITHIUM CHILE INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**IN RESPECT OF AN ANNUAL GENERAL AND  
SPECIAL MEETING OF SHAREHOLDERS TO BE HELD  
ON JUNE 28, 2022**

**MAY 27, 2022**

# LITHIUM CHILE INC.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Lithium Chile Inc. (the "**Corporation**") will be held at the offices of the Corporation, located at Suite 900, 903 – 8<sup>th</sup> Avenue SW, Calgary, Alberta, on Tuesday, June 28, 2022 at 11:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2021 together with the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at seven (7);
3. to elect the directors of the Corporation to hold office until the next annual meeting of Shareholders;
4. to appoint MNP LLP as auditors for the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to pass an ordinary resolution of disinterested shareholders in the form included in the management information circular dated May 27, 2022 (the "**Information Circular**") accompanying this Notice of Annual General and Special Meeting of Shareholders (this "**Notice of Meeting**") approving the stock option plan of the Corporation;
6. to consider and, if thought fit, to pass an ordinary resolution of disinterested shareholders in the form included in the Information Circular approving the equity incentive compensation plan of the Corporation; and
7. to transact such other business as may properly come before the Meeting.

This Notice of Meeting is accompanied by the Information Circular and a form of proxy (the "**Form of Proxy**"). **The Information Circular is expressly made part of this Notice of Meeting. The Information Circular should be consulted for further details on matters to be acted upon.**

**DATED** at Calgary, Alberta this 27<sup>th</sup> day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
LITHIUM CHILE INC.**

*"Steve Cochrane"*

Steve Cochrane

President, Chief Executive Officer and Director

### **IMPORTANT**

No person who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing, will be permitted to attend the Meeting in person. As the COVID-19 pandemic is a rapidly evolving situation, the Corporation will continue to monitor and abide by Provincial and Federal governmental orders in order to reduce the risk of spreading the virus at the Meeting, which may include imposing restrictions on attendance at the Meeting or adjourning, postponing or changing the format of the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com), where copies of such news releases, if any, will be posted.

**If you are a registered Shareholder**, please complete and submit the enclosed Form of Proxy or other appropriate form of proxy. Completed forms of proxy must be received by Odyssey Trust Company, by mail at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com), or by fax at 1-800-517-4553, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof. You may also vote by internet voting at <https://login.odysseytrust.com/pxlogin> not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof.

**If you are not a registered Shareholder**, please complete the voting instruction form from your intermediary/broker and follow the instructions set out under "*Advice to Beneficial Shareholders on Voting Their Common Shares*" in the Information Circular.

# LITHIUM CHILE INC.

## MANAGEMENT INFORMATION CIRCULAR

### INTRODUCTION

This management information circular (this "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Lithium Chile Inc. (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of holders ("**Shareholders**") of common Shares ("**Common Shares**") of the Corporation to be held at the office of the Corporation, located at Suite 900, 903 – 8<sup>th</sup> Avenue SW, Calgary, Alberta, on Tuesday, June 28, 2022 at 11:00 a.m. (Calgary time) and at any adjournment or postponement thereof for the purposes set out in the accompanying Notice of Annual General and Special Meeting of Shareholders (the "**Notice of Meeting**"). Unless otherwise stated, the information contained in this Information Circular is given as at May 27, 2022.

No person who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing, will be permitted to attend the Meeting in person. As the COVID-19 pandemic is a rapidly evolving situation, the Corporation will continue to monitor and abide by Provincial and Federal governmental orders in order to reduce the risk of spreading the virus at the Meeting, which may include imposing restrictions on attendance at the Meeting or adjourning, postponing or changing the format of the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com), where copies of such news releases, if any, will be posted.

In order to ensure as many Common Shares as possible are represented at the Meeting, Registered Shareholders (as defined below) are strongly encouraged to complete the enclosed form of proxy (the "**Form of Proxy**") and return it as soon as possible in the envelope provided for that purpose. Beneficial Shareholders (as defined below) are strongly encouraged to complete the voting instruction form received from their respective intermediary/broker ("**Intermediary**") as soon as possible and to follow the instructions set out under "*Advice to Beneficial Shareholders on Voting Their Common Shares*" in this Information Circular.

Unless otherwise stated, all amounts are reported in Canadian dollars

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

**This solicitation is made on behalf of the management of the Corporation.** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors, officers, employees or agents of the Corporation without special compensation. The costs associated with the solicitation of proxies by management will be borne by the Corporation.

#### Appointment and Revocation of Proxies

The information provided in this section applies to Shareholders who hold Common Shares in their own name and have a share certificate or direct registration system (DRS) statement (a "**Registered Shareholder**"). As a Registered Shareholder, you are identified on the share register maintained by the Corporation's register and transfer agent, Odyssey Trust Company, as being a Shareholder.

The persons named in the Form of Proxy are directors and/or officers of the Corporation. **A Registered Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and represent such Registered Shareholder at the Meeting other than the persons designated in the Form of Proxy.** To exercise this right, the Registered Shareholder should insert the name of the desired representative in the blank space provided in the Form of Proxy or submit another appropriate form of proxy.

In order to be effective, a proxy must be forwarded so as to reach, or be deposited with, the Corporation's registrar and transfer agent, Odyssey Trust Company, at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or by fax at 1-800-517-4553, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment or postponement thereof; provided that the Chairperson of the Meeting may, in his or her sole discretion, at the Meeting, elect to waive the requirement that proxies be deposited prior to the aforementioned time and accept any and all proxies deposited at or before the time of the Meeting or any adjournment or postponement thereof.

A Registered Shareholder may also vote by internet voting at <https://login.odysseytrust.com/pxlogin>. Votes by internet must be received not later than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof. **The internet may also be used to appoint a proxyholder to attend and vote at the Meeting on the Registered Shareholder's behalf and to convey a Registered Shareholder's voting instructions.**

An instrument of proxy may be revoked at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a Registered Shareholder may revoke a proxy by:

- (i) depositing an instrument in writing executed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation:
  - (a) at the offices of the registrar and transfer agent of the Corporation, Odyssey Trust Company, Stock Exchange Tower, Suite 350, 300 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3C4, Canada, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting, or an adjournment or postponement of the Meeting, at which the proxy is to be used;
  - (b) at the registered office of the Corporation, Suite 800, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of the Meeting, at which the proxy is to be used; or
  - (c) with the Chairperson of the Meeting before the Meeting begins or, if the Meeting is adjourned or postponed, before the adjourned or postponed Meeting begins;
- (ii) completing and signing another proxy form with a later date and delivering it to the registrar and transfer agent of the Corporation not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment or postponement thereof; or
- (iii) personally attending at the Meeting and voting the Common Shares represented by the proxy or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney of such corporation attending at the Meeting and voting such Common Shares.

Only Registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must arrange for their respective Intermediary to revoke the proxy on their behalf in accordance with any requirements of the Intermediaries.

#### **Voting of Proxies**

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the Form of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the management designees, if named as proxy, will vote FOR all the matters set out herein.**

**The Form of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the date of this Information Circular, the Corporation is not aware of any amendments to, or variations of, or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.**

#### **Advice to Beneficial Shareholders on Voting Their Common Shares**

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares or their proxyholders are permitted to vote at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Often Beneficial Shareholders are alternatively

provided with a toll-free telephone number to vote their shares or a website address where shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form or a proxy with a Broadridge sticker on it cannot use that voting instruction form or proxy to vote Common Shares directly at the Meeting. The voting instruction form or proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted at the Meeting. **If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary (or an agent of the Intermediary), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the proxy form or voting instruction form provided to them and return the same to their Intermediary (or the agent of the Intermediary) in accordance with the instructions provided by such Intermediary (or agent), well in advance of the Meeting. **Beneficial Shareholders should follow the instructions on the forms that they receive and contact their Intermediaries promptly if they require assistance.**

Beneficial Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "**NOBOs**". Those Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "**OBOs**".

Pursuant to National Instrument 54-101 *Communication With Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's Intermediary assumes the costs of delivery. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

#### **VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, of which 196,121,847 Common Shares and nil preferred shares are issued and outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the directors of the Corporation to be May 26, 2022 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held, except to the extent that:

1. such person transfers his, her or its Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his, her or its ownership of the Common Shares,

and makes a demand to the registrar and transfer agent of the Corporation, not later than ten (10) days before the Meeting, that his, her or its name be included on the Shareholders list for the Meeting.

The by-laws of the Corporation provide that two (2) persons present and representing in person or by proxy not less than ten percent (10%) of the outstanding Common Shares entitled to vote at the Meeting, constitutes a quorum for the Meeting.

To the knowledge of the directors and executive officers of the Corporation, the only person or company (other than securities depositories) that beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares is Chengze Lithium International Limited, which owns approximately 37,951,440 Common Shares representing 19.35% of the issued and outstanding Common Shares.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting. **However, if any other matter properly comes before the Meeting, the management designees, if named as proxy, will vote on such matter in accordance with the best judgment of the person or persons voting the proxy.**

##### **I. Receipt of Financial Statements**

The directors will place before the Meeting the audited financial statements of the Corporation for the year ended December 31, 2021 together with the auditors' report thereon. Shareholder approval is not required in relation to these

financial statements. The financial statements have been sent to applicable Shareholders in accordance with applicable securities laws and are also available on the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## II. Fixing Number of Directors

The board of directors of the Corporation (the "**Board**") presently consists of seven (7) directors. It is proposed that the number of directors for the ensuing year be set at seven (7) and that the persons named below will be nominated at the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed in accordance with the constating documents of the Corporation and the *Business Corporations Act* (Alberta) (the "**ABCA**"), unless his or her office is earlier vacated. **Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the resolution setting the number of directors to be elected at the meeting at seven (7) members.**

## III. Election of Directors

The following table sets out the names and places of residence of the persons proposed to be nominated by management for election as directors of the Corporation; all positions and offices in the Corporation held by them; their current principal occupation; the periods during which they have served as a director of the Corporation; and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by them, as of the date hereof. Each director elected at the Meeting will hold office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed in accordance with the constating documents of the Corporation and the ABCA, unless his or her office is earlier vacated.

**Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the election of each of the nominees specified above as directors of the Corporation.**

Name, Place of Residence and Position(s) with the Corporation	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Al J. Kroontje <sup>(2)</sup> <i>Calgary, Alberta</i> Chairman and Director	President of his private investment company, Tailwind Capital Partners Inc. Current or past director of several public companies listed on the TSX, the TSX Venture Exchange or the NEX board of the TSX Venture Exchange.	May 7, 2013	9,677,000
Kenneth L. DeWyn <sup>(2)(3)</sup> <i>Calgary, Alberta</i> Director	Executive Director for the CSCE since 2013 and a business performance consultant. Current or past director of several public companies listed on the TSX, the TSX Venture Exchange or the NEX board of the TSX Venture Exchange.	October 18, 2010	3,800,000
Terence Walker <i>La Serena, Chile</i> Vice President - Exploration and Director	Vice-President, Exploration of Lithium Chile Inc. Formerly, Vice President, Exploration of Polar Star Mining Corporation from January 2008 to February 2012. Mr. Walker is a Professional Geologist based in La Serena, Chile who has been active in mineral exploration in Chile for the past 28 years.	May 22, 2014	7,250,000
Steven Cochrane <i>Calgary, Alberta</i> President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation since August 2017. Former Vice President and Investment Advisor at Richardson GMP (and its predecessors) from March 2003 until August 2017.	December 11, 2017	3,226,000
Kenneth Booth <sup>(2)(3)</sup> <i>Vancouver, BC</i> Director	President of Highwood Advisory Services, a private financial consulting firm since 1998. Current or past officer of several public TSX Venture listed companies.	February 15, 2017	456,000

Name, Place of Residence and Position(s) with the Corporation	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Jose de Castro Alem <i>Buenos Aires, Argentina</i> Manger of Lithium Operations and Director	Manager, Lithium Operations of the Corporation. Former Operations Manager of several mining companies in South America.	January 7, 2019	Nil
Kelly Kimbley <sup>(3)</sup> <i>Calgary, Alberta</i> Director	President and Chief Executive Officer of the PetroFrontier Corp., a resource company listed on the TSX Venture Exchange; formerly an officer and director of several private and public companies listed on the Toronto Stock Exchange or the TSX Venture Exchange.	December 10, 2020	Nil

**Notes:**

- (1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the nominees, not being within the knowledge of the Corporation, has been provided to the Corporation by the nominees.
- (2) Member of the compensation, corporate governance and nominating committee, of which Al J. Kroontje is the Chair.
- (3) Member of the audit committee, of which Kenneth Booth is the Chair.

**Cease Trade Orders**

Other than as disclosed below, no proposed director of the Corporation is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Al J. Kroontje was a director of Cobalt Coal Ltd. ("**Cobalt**") from October 2009 until February 7, 2014. On October 5, 2012, the Alberta and British Columbia Securities Commissions issued cease trade orders as a result of Cobalt's failure to meet a deadline to file an updated technical report, compliant with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. The technical report was filed on the SEDAR website on November 15, 2012 and the commissions issued a full revocation on their respective trade orders on November 27, 2012.

Mr. Kroontje was appointed as a director of Whitemud Resources Inc. ("**Whitemud**") in August, 2011 pursuant to a court approved restructuring of Whitemud which was initiated by Mr. Kroontje. Prior to his appointment, certain cease trade orders issued by the BC Securities Commission, the Alberta Securities Commission, the Autorité des marchés financiers (Quebec), the Ontario Securities commission and the Manitoba Securities Commission were already in place for failure to file financial statements and certain other continuous disclosure documents. The cease trade orders were subsequently revoked by all of those agencies between April 3, 2013 and April 5, 2013 as a result of the successful restructuring of the affairs of Whitemud. Mr. Kroontje was not involved with Whitemud when it failed to file the required continuous disclosure documents that resulted in the cease trade orders.

**Bankruptcy**

Other than as disclosed above, no proposed director of the Corporation is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of a company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Personal Bankruptcy**

No proposed director of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

### **Penalties and Sanctions**

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **IV. Appointment of Auditors**

MNP LLP have been the auditors of the Corporation since their appointment on March 30, 2015. At the Meeting, the Shareholders will be asked to reappoint MNP LLP as auditors of the Corporation to serve until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

**Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the appointment of MNP LLP as auditors of the Corporation at remuneration to be fixed by the Board.**

## **V. Approval of Stock Option Plan**

On May 27, 2022 the Board adopted a new stock option plan (the "**Stock Option Plan**") in the form attached hereto as Schedule "A", amending the previous stock option plan of the Corporation to comply with certain amendments made by the TSX Venture Exchange Inc. (the "**Exchange**") to its policies regarding security based compensation. The Exchange requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan on an annual basis. As more particularly described below, the Stock Option Plan contains certain limitations on the aggregate number of Common Shares that may be issued pursuant to Security Based Compensation (as defined in the policies of the Exchange), including Options (as defined below), that may be granted or issued to Eligible Participants (as defined below) by the Corporation, unless disinterested shareholder approval is obtained. In order to approve the Stock Option Plan and permit the Corporation to issue Options in excess of such limitations, at the Meeting, disinterested Shareholders will be asked to vote on an ordinary resolution to approve, for the ensuing year, the Stock Option Plan as described below. For the purpose of this ordinary resolution, the approval by the disinterested Shareholders will exclude votes attaching to Common Shares which, as at the date of this Information Circular, is expected to be a total of 24,869,000 Common Shares, beneficially owned by Insiders (as such term is defined in the policies of the Exchange) to whom Options may be granted under the Stock Option Plan and their Associates and Affiliates (as such terms are defined in the policies of the Exchange).

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation and to individuals employed by a company providing management services to the Corporation (collectively, "**Eligible Participants**"), non-transferable options ("**Options**") to purchase Common Shares. The purpose of the Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The aggregate number of Common Shares issuable pursuant to Options granted under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis) as at the date of the grant of any Options under the Stock Option Plan. The period during which Options granted under the Stock Option Plan are exercisable may not exceed ten years from the date such Options are granted. The number of Common Shares issuable pursuant to Options granted (and any other Security Based Compensation granted or issued) in any 12-month period to any one person may not exceed five percent (5%) of the issued and outstanding Common Shares, unless disinterested shareholder approval is obtained. In addition, the number of Common Shares issuable pursuant to Options granted (and any other Security Based Compensation granted or issued) in any 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Option is granted to the consultant, and the number of Common Shares issuable pursuant to Options granted (or any other Security Based Compensation granted or issued) in any 12-month period to all Investor Relations Services Providers (as defined in the policies of the Exchange) in the aggregate must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any such Investor Relations Service Provider.

The maximum aggregate number of Common Shares issuable pursuant to Options granted (and any other Security Based Compensation granted or issued) to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained. Furthermore, the maximum aggregate number of Common Shares issuable pursuant to Options granted (and any other Security Based Compensation granted or issued) in any 12-month period to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any insider, unless disinterested shareholder approval is obtained.

Pursuant to the Stock Option Plan, the Board determines the price per Common Share and the number of Common Shares which may be allotted to each Eligible Participant and all other terms and conditions of the Options, subject to the rules of the Exchange. The price per Common Share set by the Board may not be less than the last closing price of the Common Shares on the Exchange prior to the date on which such Options are granted, less the applicable discount permitted (if any) by the Exchange. Pursuant to the Stock Option Plan, subject to the policies of the Exchange, an Eligible Participant may be eligible to exercise Options through a Cashless Exercise or Net Exercise (as such terms are defined in the policies of the Exchange).

If a holder of Options ceases to be an Eligible Participant for any reason other than death, such holder may, but only within a reasonable period, not exceeding 12 months, to be set out in the applicable stock option agreement, after the holder's ceasing to be an Eligible Participant (or 30 days in the case of a holder engaged in Investor Relations Activities), or prior to the expiry date of the Options, whichever is earlier, exercise any Options held by the holder, but only to the extent that the holder was entitled to exercise the Options at the date of such cessation. In the event of the death of a holder of Options, the options previously granted to such holder will be exercisable within one (1) year following the date of the death of the holder or prior to the expiry date of the Options, whichever is earlier, but only to the extent that the holder was entitled to exercise the Options at the date of such holder's death.

At the Meeting, the disinterested Shareholders will be asked to consider and, if thought fit, pass, with or without variation, the following resolution to approve the Stock Option Plan.

**"BE IT RESOLVED** as an ordinary resolution of the disinterested shareholders of Lithium Chile Inc. (the **"Corporation"**) that:

1. the stock option plan (the **"Stock Option Plan"**) of the Corporation in the form of the Stock Option Plan attached as Schedule "A" to the management information circular of the Corporation dated May 27, 2022, be and is hereby approved with such modifications as may be required by the TSX Venture Exchange;
2. the maximum number of common shares of the Corporation (**"Common Shares"**) which may be issued under the Stock Option Plan shall be equal to ten percent (10%) of the then issued and outstanding Common Shares from time to time;
3. the Corporation be permitted and authorized to grant or issue Security Based Compensation (as such term is defined in the policies of the Exchange), including non-transferable options to purchase Common Shares under the Stock Option Plan, that may result in:
  - (a) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as such term is defined in the policies of the Exchange) (as a group) exceeding 10% of the issued and outstanding Common Shares at any point in time;
  - (b) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) exceeding 10% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider; and
  - (c) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (as such term is defined in the policies of the Exchange) (and where permitted under the policies of the Exchange, any Companies (as such term is defined in the policies of the Exchange) that are wholly owned by that Person) exceeding 5% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Person;
4. the directors of the Corporation be and are hereby authorized and empowered to make such further amendments to the Stock Option Plan as the directors shall consider necessary or desirable in order to satisfy the requirements or requests of any regulatory authority or stock exchange, including, without limitation, the Exchange, without further notice to, or approval of, the shareholders of the Corporation; and

5. any director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Corporation (whether under the seal of the Corporation or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution."

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the disinterested Shareholders. **Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the resolution to approve the Stock Option Plan.**

#### **VI. Disinterested Shareholder Approval of Equity Incentive Compensation Plan**

The Corporation proposes to adopt a new equity incentive compensation plan (the "**Equity Incentive Plan**"), subject to receipt of disinterested shareholder approval.

The Equity Incentive Plan will function as a fixed plan and as such, the maximum number of Common Shares issuable pursuant to all Awards (as defined below) issued under the Equity Incentive Plan shall not exceed 19,612,185 Common Shares, being 10% of the outstanding Common Shares as of the date of this Information Circular (or such lesser amount as would equal 10% of the issued and outstanding Common Shares on the date in which disinterested shareholder approval is obtained).

The Equity Incentive Plan will operate as a separate plan to the Stock Option Plan. Options granted under the Stock Option Plan shall not be included in the maximum number of Shares issuable pursuant to the Equity Incentive Plan.

As more particularly described below, the Equity Incentive Plan contains certain limitations on the aggregate number of Common Shares that may be issued pursuant to Security Based Compensation, including Awards (as defined below), that may be granted or issued to Participants (as defined below) by the Corporation, unless disinterested shareholder approval is obtained. In order to approve the Equity Incentive Plan pursuant to the policies of the Exchange, and to permit the Corporation to issue Awards in excess of such limitations, at the Meeting, disinterested Shareholders will be asked to vote on an ordinary resolution to approve, for the ensuing year, the Equity Incentive Plan as described below. For the purpose of this ordinary resolution, the approval by the disinterested Shareholders will exclude votes attaching to Common Shares which, as at the date of this Information Circular, is expected to be a total of 24,869,000 Common Shares, beneficially owned by Insiders to whom Awards may be granted under the Equity Incentive Plan and their Associates and Affiliates (as such terms are defined in the policies of the Exchange).

The full text of the Equity Incentive Plan is set out in Schedule "B" hereto and a summary thereof is included below. The summary, however, is qualified in its entirety by the terms of the Equity Incentive Plan. A summary of the material terms of the plan are as follows:

The purposes of the Equity Incentive Plan will be to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of eligible participants in the Equity Incentive Plan ("**Participants**") with that of other shareholders of the Corporation generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Common Shares as long-term investments.

The Equity Incentive Plan will be administered by the Board of Directors or the Committee and will provide that the Board of Directors may from time to time, in its discretion, and in accordance with Exchange or any other stock exchange on which the Common Shares are listed requirements, grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards will include restricted share units ("**RSUs**") and deferred share units ("**DSUs**").

The term of any Award grant shall not exceed 10 years, subject to extension where the expiration of an Award falls within a blackout period, in accordance with the Equity Incentive Plan, as applicable. The number of Common Shares issuable pursuant to Awards granted (and any other Security Based Compensation granted or issued) in any 12-month period to any one person may not exceed 5% of the issued and outstanding Common Shares, calculated as at the date any Award is granted or issued to the person, unless disinterested shareholder approval is obtained. In addition, the number of Common Shares issuable pursuant to Awards granted (and any other Security Based Compensation granted or issued) in any 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Award is granted to the consultant.

The maximum aggregate number of Common Shares issuable pursuant to Awards granted (and any other Security Based Compensation granted or issued) to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained. Furthermore, the maximum aggregate number of Common Shares issuable pursuant to Awards granted (and any other Security Based Compensation granted or issued) in any 12-month period to insiders of the Corporation (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date the Award is granted to any insider, unless disinterested shareholder approval is obtained.

The Equity Incentive Plan will provide for customary adjustments or substitutions, as applicable, in the number of Common Shares that may be issued under the Equity Incentive Plan in the event of a merger, arrangement,

amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction. Except in connection with a share split or reverse share split, any such adjustments or substitutions will be subject to the Corporation obtaining prior acceptance from the Exchange.

In the event of an actual or potential Change of Control (as is customarily defined in the Equity Incentive Plan) of the Corporation, the Board shall have discretion as to the treatment of Awards, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control.

Unless otherwise specified in an Award agreement, and subject to any provisions of the Equity Incentive Plan or the applicable Award agreement relating to acceleration of vesting of Awards, Awards shall vest at the discretion of the Board, provided however that no Award may vest before the date that is one year following the date of the grant of the Award, unless the Award agreement permits acceleration of vesting in the event of the death of the Participant, or where the Participant ceases to be an eligible Participant in connection with a Change of Control, as further set out the Equity Incentive Plan. Awards that are settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Common Shares have been issued, shall continue to be issuable under the Equity Incentive Plan.

The following is a summary of the RSUs and DSUs issuable under the Equity Incentive Plan.

### ***Restricted Share Units***

Subject to the terms and conditions of the Equity Incentive Plan, the Board may grant RSUs to Participants in such amounts and upon such terms (including restrictions based upon time-based restrictions on vesting, restrictions under applicable laws or under the requirements of the Exchange) as the Board shall determine.

Unless otherwise specified in an Award agreement granting RSUs, RSUs shall vest at the discretion of the Board, subject to the policies of the Exchange, provided that, and subject to the Board's discretion: (i) upon a Participant's termination for cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out to the Participant's estate in accordance with the terms of the Equity Incentive Plan and the applicable Award agreement, provided, however, that any such payment or settlement of Restricted Share Units to the Participant's estate must be completed within a period not exceeding 12 months; (iii) in the case of the disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Equity Incentive Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Equity Incentive Plan, including a termination without cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Equity Incentive Plan.

When and if RSUs become payable, the Participant issued such RSUs shall be entitled to receive payment from the Corporation in settlement of such RSU: (i) in a number of Common Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of RSUs being settled, (ii) an amount in cash equivalent to the number of the outstanding RSUs held by such Participant multiplied by the fair market value as at the applicable settlement date or Termination Date, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Board at its sole discretion, subject to the policies of the Exchange.

Participants holding RSUs may, if the Board of Directors so determines, be credited with dividends paid with respect of the underlying Common Shares or dividend equivalents while they are so held in a manner determined by the Board of Directors in its sole discretion. In the event the Board determines to make such payment in Common Shares, the maximum aggregate number of Common Shares that may be paid must be included in calculating the limits set forth in the Equity Incentive Plan. Notwithstanding the foregoing, if a payment made in Common Shares would exceed any of the limits set out in the Equity Incentive Plan, the Corporation will pay the Participant the cash sum equal to the fair market value of the Common Shares multiplied by the number of Common Shares that would have exceeded the applicable limit if issued to the Participant.

### **Deferred Share Units**

Subject to the terms and conditions of the Equity Incentive Plan, the Board of Directors may grant DSUs to Participants in such amounts and upon such terms as the Board of Directors shall determine.

When DSUs become payable, the Participant issued such DSUs shall be entitled to receive payment from the Corporation in settlement of such DSU: (i) in a number of Common Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of DSUs being settled, (ii) an amount in cash equivalent to the number of the outstanding DSUs held by such Participant multiplied by the fair market value as at the applicable settlement date or Termination Date, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Board at its sole discretion, subject to the policies of the Exchange.

Participants holding DSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Common Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion. In the event the Board determines to make such payment in Common Shares, the maximum aggregate number of Common Shares that may be paid must be included in calculating the limits set forth in the Equity Incentive Plan. Notwithstanding the foregoing, if a payment made in Common Shares would exceed any of the limits set out in the Equity Incentive Plan, the Corporation will pay the Participant the cash sum equal to the fair market value of the Common Shares multiplied by the number of Common Shares that would have exceeded the applicable limit if issued to the Participant.

The extent to which a Participant shall have the right to retain DSUs following termination the Participant's employment or other relationship with the Corporation shall be determined in the sole discretion of the Board, and need not be uniform among all DSUs issued pursuant to the Equity Incentive Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with the applicable rules of the Exchange.

### **Approval of the Equity Incentive Compensation Plan**

At the Meeting, the disinterested Shareholders will be asked to consider and, if thought fit, pass, with or without variation, the following resolution to approve the Equity Incentive Plan.

**"BE IT RESOLVED** as an ordinary resolution of the disinterested shareholders of Lithium Chile Inc. (the **"Corporation"**) that:

1. subject to regulatory approval, including approval of the TSX Venture Exchange (the **"Exchange"**), the equity incentive compensation plan substantially in the form attached as Schedule "B" to the management information circular of the Corporation dated May 27, 2022 (the **"Equity Incentive Plan"**) is hereby approved, ratified and adopted by the Corporation with such modifications as may be required by the Exchange;
2. the Corporation be permitted and authorized to grant or issue Security Based Compensation (as such term is defined in the policies of the Exchange), including non-transferable awards under the Equity Incentive Plan, that may result in:
  - (a) the aggregate number of common shares of the Corporation (**"Common Shares"**) that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as such term is defined in the policies of the Exchange) (as a group) exceeding 10% of the issued and outstanding Common Shares at any point in time;
  - (b) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) exceeding 10% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider; and
  - (c) the aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one Person (as such term is defined in the policies of the Exchange) (and where permitted under the policies of the Exchange, any Companies (as such term is defined in the policies of the Exchange) that are wholly owned by that Person) exceeding 5% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Person;
3. the directors of the Corporation be and are hereby authorized and empowered to make such further amendments to the Equity Incentive Plan as the directors shall consider necessary or desirable in order to satisfy the requirements or requests of any regulatory authority or stock exchange, including, without limitation, the Exchange, without further notice to, or approval of, the shareholders of the Corporation;

4. the shareholders of the Corporation hereby expressly authorize the Board to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
5. any director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Corporation (whether under the seal of the Corporation or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution."

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by disinterested Shareholders. **Unless otherwise directed, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the resolution to approve the Equity Incentive Plan.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

For the purpose of this section, a "CEO" or "CFO" means each individual who acted as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or acted in a similar capacity, for any part of the most recently completed financial year. A "Named Executive Officer" or "NEO" means (a) each CEO; (b) each CFO; (C) each of the three (3) most highly compensated executive officers of the Corporation, including any subsidiary, or the three (3) most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of the most recently completed financial year.

### **Compensation Objectives and Philosophy**

The Board believes that the Corporation should provide a compensation package that is competitive and motivating, that attracts, holds and inspires qualified executives, that encourages performance by executives to enhance the growth and development of the Corporation and that balances the interests of the executives and the Shareholders. Achievement of these objectives is expected to contribute to an increase in Shareholder value.

### **Components of Compensation**

The Corporation's executive compensation program is comprised of the following three components: (i) base salary; (ii) short-term incentives; and (iii) long-term incentives.

#### *Base Salaries*

Base salary is designed to provide income certainty and to attract and retain executives, and therefore is based on the assessment of a number of factors such as current competitive market conditions, compensation levels within the peer group and factors particular to the executive, including individual performance, the scope of the executive's role with the Corporation and retention considerations.

#### *Short-Term Incentive Compensation - Bonuses*

In addition to base salary, the Corporation may award executives with short term incentive awards in the form of annual cash bonuses. Annual cash bonuses are intended to provide short-term incentives to executives and to reward them for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The amount is not pre-established and is at the discretion of the Board. While there is no target amount for annual cash bonuses, the Board will review similar factors as those discussed above in relation to base salary. For 2021, the Board awarded a bonus to Steve Cochrane in the amount of \$180,000 and a bonus to Jana Lillies in the amount of \$15,000. No other short-term incentives have been paid by the Corporation in 2021.

#### *Long-Term Incentive Compensation - Options*

Long-term incentive compensation is provided through the granting of Options under the Stock Option Plan. Equity incentive awards are designed to motivate executives to achieve long-term sustainable business results, align their interest with those of Shareholders and to attract and retain executives. Awards are based on a variety of factors, such as the need to attract or retain key individuals, competitive market conditions and internal equity. Previous grants are taken into account when considering new grants.

Please refer to "*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*" above for a description of the material features of the Stock Option Plan.

#### *Compensation Policies and Risk Management*

The Board recognizes that certain elements of compensation could promote unintended inappropriate or excessive risk-taking behaviours; however, the Corporation ensures that executive compensation packages appropriately balance short-term incentives, in the form of base salaries, and long-term incentives, in the form of option-based awards. As of

the date hereof, the Corporation is not aware of any material risks arising from the Corporation's current compensation policies or practices that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation does not currently have any policies in place that would prevent Named Executive Officers or directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that might be designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Named Executive Officers or directors.

### **Compensation Governance**

The purpose of the Compensation, Corporate Governance and Nominating Committee, in respect of compensation matters, is to provide evaluations and recommendations to the Board concerning management structure, compensation of the key management personnel, and to review and monitor management's compensation plan for the Corporation's officers and employees. It is the responsibility of the Compensation, Corporate Governance and Nominating Committee, together with the Board, to make decisions regarding executive compensation matters.

The Corporation's compensation program is intended to support its commitment to delivering strong performance for Shareholders. The Corporation's overall objective of its compensation philosophy is the attraction, motivation and retention of quality, experienced people to achieve the Corporation's strategic objectives and to align the interests of its executive officers and employees with the long-term interest of the Shareholders. The Corporation's executive compensation program is comprised of the following components: (i) base salary, (ii) short-term incentive (bonus), and (iii) long-term incentive (Options). Together, these components are designed to address the key objectives of the Corporation's compensation program.

The Compensation, Corporate Governance and Nominating Committee is comprised of Al Kroontje (Chair), Kenneth Booth and Kenneth DeWyn. Messrs. Kenneth Booth and Kenneth DeWyn are independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), while Mr. Kroontje is not independent within the meaning of NI 58-101.

All of the members of the Compensation, Corporate Governance and Nominating Committee have direct experience that is relevant to their responsibilities regarding the executive compensation of the Corporation. The members have extensive managerial and executive experience dealing with employee performance and compensation. Each member has knowledge of relevant compensation practices and trends. Given their wealth of experience and the resources available to them, they are well positioned to make decisions with respect to the Corporation's compensation policies and practices.

The responsibilities, powers and operation of the Compensation, Corporate Governance and Nominating Committee in respect of compensation matters, as set out in its charter, include among other things: (a) reviewing and recommending for approval to the Board the compensation philosophy and policy for the Corporation; (b) reviewing the overall compensation plan for the Corporation and salaries and compensation of the Corporation's officers for recommendation to the Board; (c) monitoring the implementation of the compensation plan of the Corporation; (d) conducting for approval of the Board the performance appraisal of the Chief Executive Officer and reviewing the Chief Executive Officer's performance reviews of other senior managers; (e) reviewing and recommending for approval to the Board grants of stock options; (f) reviewing the Corporation's employee incentive and benefit plans and reviewing and recommending for approval to the Board any amendments thereto; (g) reviewing management's reports to the Compensation, Corporate Governance and Nominating Committee on human resource issues; (h) reviewing and recommending for approval to the Board, the executive compensation disclosure of the Corporation in its management information circular; (i) reviewing and recommending for approval to the Board, the compensation arrangements for the directors of the Corporation and the Chairman of the Board in keeping with general industry standards; and (j) reviewing and approving any management contracts, change of control agreements, indemnity agreements, and significant consulting contracts.

Please refer to "*Compensation Discussion and Analysis*" above for a discussion of the Corporation's compensation program.

### **Summary Compensation Table**

The following table sets forth a summary of compensation paid to or earned by the NEOs during the financial years ended December 31, 2021, 2020 and 2019.

Name and Principal Position	Year Ended Dec. 31	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Steve Cochrane <sup>(2)</sup> <i>President, Chief Executive Officer and Director</i>	2021	180,000	Nil	137,580	Nil	Nil	Nil	180,000 <sup>(3)</sup>	497,580
	2020	180,000	Nil	Nil	Nil	Nil	Nil	Nil	180,000
	2019	175,000	Nil	Nil	Nil	Nil	Nil	Nil	175,000
Jana Lillies <sup>(4)</sup> <i>Chief Financial Officer</i>	2021	30,000	Nil	91,720	Nil	Nil	Nil	15,000 <sup>(3)</sup>	136,720
	2020	28,950	Nil	Nil	Nil	Nil	Nil	Nil	28,950
Terence Walker <i>Vice President<sup>(2)</sup>(5) - Exploration and Director</i>	2021	75,934	Nil	91,720	Nil	Nil	Nil	Nil	167,654
	2020	111,103	Nil	Nil	Nil	Nil	Nil	Nil	111,103
	2019	186,807	Nil	Nil	Nil	Nil	Nil	Nil	186,807
Jose De Castro Alem <sup>(2)(6)</sup> <i>Manager of Lithium Operations and Director</i>	2021	159,962	Nil	321,020	Nil	Nil	Nil	Nil	480,982
	2020	Nil	Nil	Nil	Nil	Nil	Nil	13,266	13,266

**Notes:**

- (1) Value is based on the grant date fair value of the stock options calculated using the Black-Scholes methodology based on the following key assumptions and estimates for 2021: a risk-free interest rate of 1.5%; an expected annual dividend of \$nil; an expected life of 10 years; and expected share price volatility of 133%. This methodology was selected due to its acceptance as an appropriate evaluation model used for similar TSXV-listed companies and is consistent with the Corporation's financial reporting under Generally Accepted Accounting Principles ("GAAP").
- (2) This individual was not compensated for his role as a director of the Corporation.
- (3) Represents bonuses paid during the financial year.
- (4) Ms. Lillies was appointed the Chief Financial Officer of the Corporation effective February 3, 2020.
- (5) Consulting fees paid to a corporation controlled by Mr. Walker for his services as VP Exploration
- (6) Consulting fees paid to a corporation controlled by Mr. De Castro for his services as Manager of Lithium Operations.

**Incentive Plan Awards****Outstanding Share-based Awards and Option-Based Awards**

The following table sets forth the share-based and option-based awards granted to the Named Executive Officers that were outstanding at the end of the financial year ended December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or Payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Steve Cochrane	600,000	0.45	August 10, 2022	180,000	N/A	N/A	N/A
	300,000	0.51	March 5, 2031	72,000			
Jana Lillies	175,000	0.25	February 22, 2022	87,500	N/A	N/A	N/A
	200,000	0.51	March 5, 2031	48,000			
Terence Walker	450,000	0.25	February 22, 2022	225,000	N/A	N/A	N/A
	200,000	0.51	March 5, 2031	48,000			
Jose de Castro Alem	300,000	0.47	September 17, 2031	84,000	N/A	N/A	N/A
	300,000	0.51	March 5, 2031	72,000			
	400,000	0.52	January 27, 2024	92,000			

**Note:**

- (1) Calculated based on the difference between the respective exercise prices of the stock options and \$0.75, being the closing price of the Common Shares on December 31, 2021, the last day on which the Common Shares traded during the 2021 financial year.

### Value Vested or Earned during the Year

The following table sets forth the value vested or earned, during the financial year ended December 31, 2021, of option-based awards, share-based awards and non-equity incentive plan compensation granted to Named Executive Officers.

Name	Option-based awards Value vested during the year <sup>(1)</sup> (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Steve Cochrane	Nil	N/A	N/A
Jana Lillies	Nil	N/A	N/A
Terence Walker	Nil	N/A	N/A

**Note:**

(1) Calculated based upon the difference between the exercise price of the stock options and the market price of the Common Shares on the date such options vested.

### Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits at, following, or in connection with retirement. The Corporation does not have a defined contribution plan or deferred compensation plans.

### Termination and Change of Control Benefits

Other than disclosed herein, the Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a current Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities.

The employment agreement for Mr. Cochrane provides for a lump sum severance payment equal to twelve months base salary if termination occurs without just cause or if the executive terminates the agreement on a change of control. The following table provides the estimated incremental payment to Mr. Cochrane for termination without cause or a termination following a change of control if such termination occurred on December 31, 2021.

Name of NEO	Base Salary (\$)	Bonus (\$)	Options (#)	Unpaid Vacation (\$)	Total Obligation (\$)
<b>Termination Without Cause or Change of Control</b>					
Steve Cochrane	\$180,000	Nil	Nil	Nil	\$180,000

### Directors Compensation

No cash compensation was paid to directors of the Corporation in their roles as directors. Quarterly meeting fees were paid to certain directors in 2018 and 2019. Stock options are granted to provide an incentive to the directors of the Corporation to achieve the longer-term objectives of the Corporation. The purpose of the Stock Option Plan is to, among other things, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation. At this time, other than the issuance of Options, no other compensation is paid to directors of the Corporation in their roles as directors.

### Directors Compensation Table

The following table sets forth the value of all compensation provided to directors of the Corporation, not including the directors who were also Named Executive Officers, during the financial year ended December 31, 2021.

Name <sup>(1)</sup>	Fees earned (\$)	Share- based awards (\$)	Option- based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Al Kroontje	Nil	Nil	91,720	Nil	Nil	Nil	91,720
Kenneth DeWyn	Nil	Nil	45,860	Nil	Nil	Nil	45,860
Kenneth Booth	Nil	Nil	91,720	Nil	Nil	Nil	91,720
Kelly Kimbley	Nil	Nil	137,580	Nil	Nil	Nil	137,580

**Notes:**

- (1) Information regarding the compensation received by Steve Cochrane, Terence Walker and Jose De Castro, who were directors and Named Executive Officers of the Corporation during the financial year ended December 31, 2021, may be found under the heading "Summary Compensation Table".
- (2) Value is based on the grant date fair value of the stock options calculated using the Black-Scholes methodology based on the following key assumptions and estimates for 2021: a risk-free interest rate of 1.5%; an expected annual dividend of \$nil; an expected life of 10 years; and expected share price volatility of 133%. This methodology was selected due to its acceptance as an appropriate evaluation model used for similar TSXV-listed companies and is consistent with the Corporation's financial reporting under GAAP.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth the share-based and option-based awards granted to directors of the Corporation, not including the directors who were also Named Executive Officers, that were outstanding at the end of the financial year ended December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or Payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Al Kroontje	450,000	0.25	February 22, 2022	225,000	N/A	N/A	N/A
	200,000	0.51	March 5, 2031	48,000			
Kenneth DeWyn	100,000	0.51	March 5, 2031	24,000	N/A	N/A	N/A
Kenneth Booth	350,000	0.25	February 22, 2022	175,000	N/A	N/A	N/A
	200,000	0.51	March 5, 2031	48,000			
Kelly Kimbley	300,000	0.51	March 5, 2031	72,000	N/A	N/A	N/A

**Note:**

- (1) Calculated based on the difference between the respective exercise prices of the stock options and \$0.75, being the closing price of the Common Shares on December 31, 2021, the last day on which the Common Shares traded during the 2021 financial year.

**Value Vested or Earned during the Year**

The following table sets forth the value vested or earned, during the financial year ended December 31, 2021, of option-based awards, share-based awards and non-equity incentive plan compensation granted to directors of the Corporation, not including the directors who were also Named Executive Officers.

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Al Kroontje	Nil	Nil	Nil
Kenneth DeWyn	Nil	Nil	Nil
Kenneth Booth	Nil	Nil	Nil
Kelly Kimbley	Nil	Nil	Nil

**Note:**

- (1) Calculated based upon the difference between the exercise price of the stock options and the market price of the Common Shares on the date such options vested.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth certain information pertaining to the Corporation's equity compensation plan as at December 31, 2021:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	6,875,000	\$0.48	7,964,517 <sup>(1)</sup>

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	6,875,000		7,964,517

**Note:**

(1) The number of authorized but unissued Common Shares that may be issued upon exercise of Options granted under the Stock Option Plan at any time may not exceed 10% of the issued and outstanding Common Shares from time to time. At December 31, 2021 there were 148,395,170 Common Shares issued and outstanding

Please refer to "*Particulars of Matters to be Acted Upon – Approval of Stock Option Plan*" above for a description of the material features of the Stock Option Plan.

**MANAGEMENT CONTRACTS**

Management functions of the Corporation are performed by the directors and executive officers of the Corporation.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

There is no indebtedness outstanding of any current or former director, executive officer or employee of the Corporation or any of its subsidiaries which is owing to the Corporation or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

Other than as disclosed in the table below, no director or executive officer of the Corporation, or any individual who was a director or executive officer of the Corporation at any time during the most recently completed financial year, or any proposed nominee for election as a director of the Corporation, or any associate of any such director, officer or proposed nominee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During Financial Year Ended December 31, 2021 (\$)	Amount Outstanding as at May 1, 2022 (\$)	Financially Assisted Securities Purchases During Financial Year Ended December 31, 2021 (\$)	Security for Indebtedness	Amount Forgiven During Financial Year Ended December 31, 2021 (\$)
Steve Cochrane <i>President, Chief Executive Officer and Director</i>	Lender	92,187	Nil	Nil	Common Shares purchased with loan	Nil

Pursuant to an employment agreement entered into during 2017, the Corporation loaned Mr. Cochrane \$93,200 to purchase 233,000 Common Shares. The loan was represented by a note which bore interest at 2% per annum, was repayable in annual instalments of 5% of the principal sum on January 1<sup>st</sup> of each year, and was due in full on October 30, 2022. The Common Shares purchased with the loan funds were held as security for the note receivable and were released on a proportionate basis following each annual loan repayment. The loan was repaid in full, with interest, during the year ended December 31, 2021.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted

upon at the Meeting other than the election of directors or the appointment of auditors. All of the directors and officers have received Options and may receive additional Options pursuant to the Stock Option Plan.

## AUDIT COMMITTEE DISCLOSURE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out in the Corporation's audit committee mandate.

### Audit Committee Charter

The Board has developed a written audit committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Schedule "C" to this Information Circular.

### Composition of the Audit Committee

The Audit Committee consists of Kenneth Booth, Kenneth DeWyn and Kelly Kimbley, all of whom are "financially literate" within the meaning of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Kenneth Booth, Kenneth DeWyn and Kelly Kimbley are considered to be "independent" within the meaning of NI 52-110.

### Relevant Education and Experience of Audit Committee Members

**Kenneth Booth** – Mr. Booth has an MBA and more than 35 years of experience in exploration, mining and corporate finance and public company administration. In mining corporate finance, he has worked for two of Canada's largest investment banks executing numerous equity financings for both junior and senior companies and was involved in a variety of significant mergers and acquisitions. For over 20 years he has served as an officer and director of several public mining exploration companies including serving as an audit committee member.

**Kenneth DeWyn** – Mr. DeWyn is a business performance consultant, former and current director with several energy companies, and Executive Director for CSCE. Previously, he was the owner/operator of a private aviation company in Calgary. Mr. DeWyn has also been a former director of a number of capital pool companies that were listed on the TSX Venture Exchange.

**Kelly Kimbley** – Mr. Kimbley has significant experience as a senior officer and board member of numerous Canadian public and private companies. Mr. Kimbley has significant capital markets experience and has served as an audit committee member of several public companies. Mr. Kimbley holds a Bachelor of Laws from the University of Saskatchewan and is a member of The Law Society of Alberta.

### Audit Committee Oversight

At no time since the commencement of the Corporation's fiscal year ended December 31, 2021 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), in subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), in subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemption*).

The Corporation is classified as a "venture issuer" within the meaning of applicable securities laws and, accordingly, is relying upon the exemption contained in section 6.1 of NI 52-110.

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter under the heading "*Approval of Audit and Remitted Non-Audit Services Provided by External Auditors*".

### External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Corporation for professional services rendered by MNP LLP for the fiscal years ended December 31, 2021 and 2020:

	2021	2020
Audit Fees <sup>(1)</sup>	36,000	32,700
Audit-Related Fees <sup>(2)</sup>	-	2,289

	2021	2020
Tax Fees <sup>(3)</sup>	3,500	3,200
All other Fees <sup>(3)</sup>	--	--
<b>Total<sup>(4)</sup></b>	<b>39,500</b>	<b>38,189</b>

**Notes:**

- (1) Audit fees are for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the corporation's auditors related to interim reports and equity pick-up procedures.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Corporation's auditors.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf.

**CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are in the interests of Shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

**Board of Directors**

NI 58-101, when taken together with Section 1.4 of NI 52-110, provides that a member is "independent" if the member has no direct or indirect material relationship with the issuer, a "material relationship" being one which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

The Board is currently comprised of seven (7) members, of which three (3) are independent directors for the purposes of NI 58-101. The independent directors are Kenneth Booth, Kenneth DeWyn and Kelly Kimbley. Al J. Kroontje is not considered to be independent as a result of being the Chairman of the Corporation; Terence Walker is considered to not be independent as a result of being the Vice President – Exploration of the Corporation; Steve Cochrane is considered to not be independent as a result of being President and Chief Executive Officer of the Corporation; and Jose de Castro is considered to not be independent as a result of being Manager – Lithium Operations of the Corporation. Management is nominating the same seven (7) individuals for election to the Board at the Meeting.

The Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Board is responsible for monitoring the Corporation's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

**Directorships**

Other than as set forth below, none of the directors hold directorships in other reporting issuers (or the equivalent) in jurisdictions in Canada or a foreign jurisdiction.

Director	Other Reporting Issuers
Al J. Kroontje	San Lorenzo Gold Corp. Whitemud Resources Inc. Stuve Gold Corp. Hoshi Capital Corp.

<u>Director</u>	<u>Other Reporting Issuers</u>
Steve Cochrane	Angkor Resources Corp. Fission 3.0 Corp China Keli Electric Company Ltd. Stuve Gold Corp.
Kenneth DeWyn	PetroFrontier Corp.
Terence Walker	San Lorenzo Gold Corp. Stuve Gold Corp.
Kenneth Booth	Angkor Resources Corp. Heliostar Metals Ltd. Gitennes Exploration Inc. San Lorenzo Gold Corp.
Jose de Castro Alem	N/A
Kelly Kimbley	PetroFrontier Corp. San Lorenzo Gold Corp.

### **Orientation and Continuing Education of Board Members**

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as policies, recent financial statements, prospectuses, proxy solicitation materials, filing statements, marketing and business plans and various other operating, financial and budget reports) will be provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations. The Corporation will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

### **Measures to Encourage Ethical Business Conduct**

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of its overall stewardship responsibility. The Board does not currently have a written code of ethics. The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

When discussing potential transactions and agreements where a director has an interest, that director will be expected to disclose that interest to the Board and if necessary, the Board may ask that director not to participate in the ensuing discussion and/or voting on that particular transaction and/or agreement

### **Nomination of Board Members**

The Compensation, Corporate Governance and Nominating Committee, together with the Board, will consider the size of the Board each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. While there are no specific criteria for Board membership, the Corporation will attempt to attract and maintain directors with appropriate competencies and skills which would assist in guiding the officers of the Corporation. As such, nominations will tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Compensation, Corporate Governance and Nominating Committee and the Board as a whole.

### **Compensation of Directors and Officers**

The Compensation, Corporate Governance and Nominating Committee, together with the Board, is responsible for determining compensation payable to executive officers and directors of the Corporation. The current members of the Compensation, Corporate Governance and Nominating Committee are Al Kroontje (Chair), Kenneth Booth and Kenneth DeWyn. The Compensation, Corporate Governance and Nominating Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

See "*Statement of Executive Compensation*".

**Other Board Committees**

The Corporation has no standing committees at this time, other than the Audit Committee and the Compensation, Corporate Governance and Nominating Committee discussed above.

The purpose of the Compensation, Corporate Governance and Nominating Committee in respect of corporate governance matters includes assisting the Board in the discharge of the Board's duties with respect to adopting and ensuring compliance with the governance policies of the Corporation.

**Assessment of Directors, the Board and Board Committees**

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board consider a formal assessment process to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Corporation, no director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2021, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

**LEGAL PROCEEDINGS**

The directors and senior officers of the Corporation are not aware of any material litigation outstanding, threatened or pending, as of the date hereof by or against the Corporation.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Securityholders of the Corporation may contact the Corporation at its office address at 900, 903 - 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 0P7, to request copies of the Corporation's financial statements and management's discussion and analysis.

**SCHEDULE "A"**  
**STOCK OPTION PLAN**

**1. Purpose**

The purpose of this Plan is to provide an incentive to the directors, officers, Employees, Consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

**2. Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **"Board of Directors"** means the board of directors of the Corporation;
- (b) **"Cashless Exercise"** has the meaning ascribed thereto in Exchange Policies;
- (c) **"Common Shares"** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (d) **"Corporation"** means Lithium Chile Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (e) **"Discounted Market Price"** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (f) **"Exchange"** means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (g) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (h) **"Insider"** has the meaning ascribed thereto in Exchange Policies;
- (i) **"Net Exercise"** has the meaning ascribed thereto in Exchange Policies;
- (j) **"Option"** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (k) **"Option Period"** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (l) **"Optionee"** means a person who is a director, officer, Employee, Consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (m) **"Plan"** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in this Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Employee", "Insider", "Investor Relations Activities", "Investor Relations Service Provider", "Management Company Employee", "Participant", "Person", "Security Based Compensation" and "Security Based Compensation Plan".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

**3. Administration**

This Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of this Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of this Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in this Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of this Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

**4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to this Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation and any Optionee shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionee.

**5. Participation**

Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to this Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, Employee or Consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a Consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time Employee of or a Consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

**6. Common Shares Subject to Options**

The aggregate number of Common Shares issuable pursuant to Options granted under this Plan must not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis) as at the date of the grant of any Options under this Plan. The number of Common Shares reserved for issuance to any one person pursuant to Options granted under this Plan and any other Security Based Compensation Plan of the Corporation shall be subject to the following restrictions:

- (a) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any person (and where permitted under the Exchange Policies, any Companies that are wholly owned by that person) must not

exceed 5% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the person, unless disinterested shareholder approval is obtained;

- (b) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless disinterested shareholder approval is obtained;
- (c) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider, unless disinterested shareholder approval is obtained;
- (d) the maximum aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Consultant must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date any Security Based Compensation is granted or issued to the Consultant; and
- (e) the maximum aggregate number of Common Shares that are issuable pursuant to all Options granted in any 12-month period to all Investor Relations Service Providers in the aggregate must not exceed 2% of the issued and outstanding Common Shares, calculated as at the date the Option is granted to any such Investor Relations Service Provider.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of this Plan.

## **7. Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "**Stock Option Agreement**"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## **8. Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under this Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount no lower than the Discounted Market Price of the Common Shares.

## **9. Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, including with

respect to the vesting of Options granted to any Investor Relations Service Provider, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised. Additionally, subject to Exchange Policies, the Optionee may be eligible to exercise such Options through the Cashless Exercise or Net Exercise provisions; in such event, the Optionee shall complete the notice of cashless settlement form (as provided by the Corporation) and return the executed form to the Corporation.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the *United States Securities and Exchange Act of 1934, as amended*, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time.

As a condition to the exercise of an Option, the Corporation may require, among other things, that the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

**10. Blackout Extension Period**

If an Option is to expire during a period when the Optionee is prohibited by the Corporation from exercising such Option or from trading in Common Shares of the Corporation pursuant to its applicable policies in respect of insider trading (a "**Blackout Period**"), the expiration date of such Option shall be extended for a period of ten (10) business days immediately following the end of the Blackout Period. This Section applies to all Options outstanding under this Plan.

**11. Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be an eligible Participant under this Plan for any reason other than death, the Optionee may, but only within a reasonable period, not exceeding 12 months, to be set out in the applicable Stock Option Agreement at the time of the grant, following the Optionee's ceasing to be an eligible Participant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an Employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an Employee for the purposes of this Plan.

**12. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

**13. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under this Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of this Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

**14. Takeover or Change of Control**

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation; or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

**15. Anti-Dilution of the Option**

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, subject to the prior acceptance of the Exchange, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

**16. Costs**

The Corporation shall pay all costs of administering this Plan.

**17. Termination and Amendment**

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option,

as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.

- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) This Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

**18. Withholding Tax**

Upon exercise of an Option, the Optionee will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Common Shares, pay to the Corporation amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Corporation for such requirements. In order to implement this provision, the Corporation or any related corporation will have the right to retain and withhold from any payment of cash or Common Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such exercise. At its discretion, the Corporation may require an Optionee receiving Common Shares upon the exercise of an Option to reimburse the Corporation for any such taxes required to be withheld by the Corporation and withhold any distribution to the Optionee in whole or in part until the Corporation is so reimbursed. In lieu thereof, the Corporation will have the right to withhold from any cash amount due or to become due from the Corporation to the Optionee an amount equal to such taxes.

**19. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

**20. Prior Plans**

On the effective date (as set out in Section 21 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) this Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to this Plan.

**21. Effective Date**

This Plan shall become effective as of and from, and the effective date of this Plan shall be May 27, 2022, upon receipt of all necessary shareholder and regulatory approvals.

**22. Legends on Hold Periods**

If required by the Exchange policies or applicable securities laws, the Common Shares issued on exercise of the Options will be legended.

**SCHEDULE "B"**  
**EQUITY INCENTIVE COMPENSATION PLAN**

**Article I**  
**ESTABLISHMENT, PURPOSE AND DURATION**

- 1.1 Establishment of the Plan. The following is the equity incentive compensation plan of Lithium Chile Inc. (the "**Corporation**") pursuant to which security based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the Lithium Chile Inc. Equity Incentive Compensation Plan (the "**Plan**").

The Plan permits the grant of Restricted Share Units and Deferred Share Units (as such terms are defined below). The Plan was approved by the Board (as defined below) on May 27, 2022 and is being put forth before the shareholders of the Corporation for approval on June 28, 2022 and will be effective upon receipt of disinterested shareholder and Exchange approvals, until the date it is terminated by the Board in accordance with the Plan.

- 1.2 Purposes of the Plan. The purposes of the Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with that of other shareholders of the Corporation generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Shares (as defined below) as long-term investments.

**Article II**  
**DEFINITIONS**

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

**"Affiliate"** means any corporation, partnership or other entity (i) in which the Corporation, directly or indirectly, has majority ownership interest or (ii) which the Corporation controls. For the purposes of this definition, the Corporation is deemed to "control" such corporation, partnership or other entity if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

**"Award"** means, individually or collectively, a grant under the Deferred Share Units, and Restricted Share Units, in each case subject to the terms of the Plan.

**"Award Agreement"** means either (i) a written agreement entered into by the Corporation or an Affiliate of the Corporation and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Corporation or an Affiliate of the Corporation to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its sole discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance.

**"Blackout Period"** means a period of time during which the Participant cannot exercise an Award or sell Shares, due to applicable law or policies of the Corporation in respect of insider trading.

**"Board"** or **"Board of Directors"** means the Board of Directors of the Corporation as may be constituted from time to time.

**"Change of Control"** means the occurrence of any one or more of the following events:

- (a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate more than 50% of the number of Shares then issued and outstanding, of any offer, whether by way of a takeover bid or otherwise, for all or any of the Shares of the Corporation; or

- (b) the acquisition, by whatever means (including, without limitation, amalgamation, arrangement, consolidation or merger), by a person (or two or more persons who in such acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of the beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting rights of the Corporation's then outstanding Shares, inclusive of the Shares that would be outstanding on the full exercise of all rights to Shares; or
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or Shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement as that which existed prior to the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest, for or an item of business relating to the election of directors shall not constitute a majority of the Board following such election.

**"Committee"** means the Board of Directors or if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

**"Consultant"** has the meaning set out in the policies of the Exchange or such replacement definition for so long as the Shares are listed on the Exchange, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Corporation"** means Lithium Chile Inc. and its successors and Subsidiaries.

**"Deferred Share Unit"** or **"DSU"** means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under Article VII herein and subject to the terms of the Plan.

**"Director"** means any individual who is a member of the Board of Directors of the Corporation.

**"Disability"** means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Corporation (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

**"Dividend Equivalent"** means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

**"Employee"** means any employee or officer of the Corporation or an Affiliate of the Corporation. Directors who are not otherwise employed by the Corporation or an Affiliate of the Corporation shall not be considered Employees under the Plan.

**"Exchange"** means the TSX Venture Exchange, or any other stock exchange on which the Common Shares of the Corporation are listed.

**"Exchange Policies"** mean the policies of the Exchange, including those set forth in the corporate finance manual of the Exchange, including Policy 4.4 of the Exchange entitled "Incentive Stock Options", Policy 1.1 of the Exchange entitled "Interpretation" and any other policies of the Exchange applicable to security based compensation arrangements.

**"FMV"** means, unless otherwise required by any applicable provision of any regulations thereunder or by any applicable accounting standard for the Corporation's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the Exchange less any discount permitted by the rules or policies of the Exchange.

**"Insider"** shall have the meaning ascribed thereto in Exchange Policies.

**"Notice Period"** means any period of contractual notice or reasonable notice that the Corporation or an Affiliate of the Corporation may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Corporation or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**"Officer"** means an officer (as defined under applicable securities laws)

**"Participant"** means an Employee, Director, Officer or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

**"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**"Person"** shall have the meaning ascribed to such term in Exchange Policies.

**"Restricted Share Unit" or "RSU"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article VI herein and subject to the terms of the Plan.

**"Retirement" or "Retire"** means a Participant's permanent withdrawal from employment or office with the Corporation or an Affiliate of the Corporation on terms and conditions accepted and determined by the Board.

**"Security Based Compensation"** shall have the meaning ascribed to such term in Exchange Policies.

**"Shares"** means common shares of the Corporation.

**"Stock Option Plan"** means the 10% rolling stock option plan of the Corporation, as amended from time to time.

**"Subsidiary"** means a body corporate that is controlled by the Corporation and, for the purposes of this definition, a body corporate will be deemed to be controlled by the Corporation if the Corporation, directly or indirectly, has the power to direct the management and policies of the body corporate by virtue of ownership of, or direction over, voting securities in the body corporate.

**"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Corporation or any Affiliate of the Corporation for any reason, including death, Retirement, resignation or termination with or without cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Corporation or an Affiliate of the Corporation shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Corporation or the Affiliate whether such day is selected by agreement with the

individual, unilaterally by the Corporation or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

"**Voting Securities**" shall mean any securities of the Corporation ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

### **Article III ADMINISTRATION**

- 3.1 General. The Committee shall be responsible for administering the Plan. The Committee may employ legal counsel, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Corporation, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Corporation, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Corporation with respect to any such determination or action in the manner provided for by the Corporation and its subsidiaries.
- 3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article XIII, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and its Affiliates operate.
- 3.3 Delegation. The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

### **Article IV SHARES SUBJECT TO THE PLAN AND GENERAL TERMS APPLICABLE TO AWARDS**

- 4.1 Maximum Number of Shares Available for Awards. The maximum number of Shares issuable pursuant to RSUs and DSUs issued under the Plan shall not exceed 19,612,185, being the number that is equal to 10% of the issued and outstanding Shares, on a fixed basis, at the time the Plan was approved by the Corporation's shareholders on June 28, 2022. Stock options granted under the Stock Option Plan shall not be included in the maximum number of Shares issuable pursuant to this Plan. Awards that have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Shares have been issued, shall continue to be issuable under the Plan.
- 4.2 Award Grants to Individuals. The maximum aggregate number of Shares that may be issuable pursuant to all Security Based Compensation (including Awards) granted or issued in any 12-month period to one Person (and where permitted under the policies of the Exchange, any companies that are wholly owned by that Person) shall not exceed 5% of the outstanding Shares, calculated as at the date any Security Based Compensation (including Awards) is granted or issued to the Person, unless the Corporation obtains disinterested shareholder approval as required by the policies of the Exchange. The maximum aggregate number of Shares that may be issuable pursuant to all Security Based Compensation (including Awards) granted or issued in any 12-month period to any one Consultant shall not exceed 2% of the outstanding Shares, calculated as at the date any Security Based Compensation (including Awards) is granted or issued to the Consultant.

- 4.3 Award Grants to Insiders. Unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum aggregate number of Shares that may be issuable pursuant to all Security Based Compensation (including Awards) granted or issued to Insiders (as a group) shall not exceed 10% of the outstanding Shares at any point in time; and (ii) the maximum aggregate number of Shares that may be issuable pursuant to all Security Based Compensation (including Awards) granted or issued in any 12-month period to Insiders (as a group) shall not exceed 10% of the outstanding Shares, calculated as at the date any Security Based Compensation (including Awards) is granted or issued to any Insider.
- 4.4 Adjustments in Authorized Shares. Subject to the Corporation obtaining prior acceptance from the Exchange, except in connection with a share split or reverse share split, in the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Corporation or the capitalization of the Corporation) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, share split, reverse share split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the FMV applicable to outstanding Awards, the limit on issuing Awards equal to at least the FMV of a Share on the date of grant and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction.
- The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and lengths of Restricted Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with all regulatory requirements.
- Subject to the provisions of Article XI, and any applicable law or regulatory requirement, including Exchange acceptance, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.
- 4.5 Term. The term of any Award grant shall not exceed ten (10) years, subject to extension where the expiration of an Award falls within a Blackout Period, in accordance with Section 6.3 and Section 7.4 of this Plan, as applicable.
- 4.6 Vesting of Awards. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Awards, Awards shall vest at the discretion of the Committee, provided however that no Award may vest before the date that is one (1) year following the date of the grant of the Award, unless the Award Agreement permits acceleration of vesting in the event of the death of the Participant, or where the Participant ceases to be an eligible Participant in connection with a Change of Control, as further set out in Article X.
- 4.7 Restricted Periods; Legends. Where applicable, Awards and the Shares underlying such awards shall be subject to resale restrictions in accordance with applicable securities laws and the policies of the Exchange. Award Agreements entered into with Participants pursuant to this Plan shall bear the legend or legends evidencing such restrictions.

## **Article V**

### **ELIGIBILITY AND PARTICIPATION**

- 5.1 Eligibility. Awards under the Plan shall be granted only to *bona fide* Employees, Officers, Directors and Consultants, as per the policies of the Exchange. Pursuant to the policies of the Exchange, Consultants

or persons providing Investor Relations Activities (as defined in the policies of the Exchange) are not eligible to receive Awards under the Plan.

- 5.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## **Article VI RESTRICTED SHARE UNITS**

- 6.1 Grant of Restricted Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.
- 6.2 Restricted Share Unit Agreement. Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, and the settlement date for Restricted Share Units, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than allowed by the policies of the Exchange. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the time-based restrictions on vesting or settlement and, restrictions under applicable laws or under the requirements of the Exchange.
- 6.3 Black Out Periods. If the date on which a Restricted Share Unit is scheduled to expire falls during or within 10 business days of a Blackout Period applicable to the relevant Participant, and neither the Corporation nor the Participant is subject to a cease trade order (or similar order under Canadian securities laws) in respect of the securities of the Corporation, then the expiry date for that Award shall be the date that is the tenth business day after the expiry of the Blackout Period.
- 6.4 Non-transferability of Restricted Share Units. The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the date of settlement through delivery or other payment, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.
- 6.5 Dividends and Other Distributions. During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of Dividend Equivalents, including cash or Shares. In the event the Committee determines to pay Dividend Equivalents in Shares, the maximum aggregate number of Shares that may be paid must be included in calculating the limits set forth in this Plan, including, but not limited to, the limits set forth in Sections 4.1, 4.2 and 4.3. In the event that a Dividend Equivalent payable in Shares would exceed any of the limits set out herein, the Corporation shall pay the Participant the cash sum equal to the FMV of the Shares multiplied by the number of Shares that would have exceeded the applicable limit if issued to the Participant.
- 6.6 Death, Disability, Retirement and Termination or Resignation of Employment. If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:
- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Corporation or an Affiliate:
    - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and

- (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement, provided, however, that any such payment or settlement of Restricted Share Units to the Participant's estate must be completed within a period not exceeding twelve (12) months.
- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 90 days (or such longer period not to exceed 12 months as may be determined by the Board of Directors in its sole discretion) after the Termination Date, provided that any Restricted Share Units that have not vested within 90 days (or such longer period not to exceed 12 months as may be determined by the Board of Directors in its sole discretion) after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date.
- (d) Termination for cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in sections 6.7(a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

6.7 Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Corporation in settlement of such Restricted Share Units: (i) in a number of Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of Restricted Share Units being settled, (ii) an amount in cash equivalent to the number of the outstanding Restricted Share Units held by such Participant multiplied by the FMV as at the applicable settlement date or Termination Date, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion, subject to the policies of the Exchange. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units.

## **Article VII DEFERRED SHARE UNITS**

- 7.1 Grant of Deferred Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.
- 7.2 Deferred Share Unit Agreement. Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine.
- 7.3 Non-transferability of Deferred Share Units. The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the

Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

- 7.4 Black Out Periods. If the date on which a Deferred Share Unit is scheduled to expire falls during or within 10 business days of a Blackout Period applicable to the relevant Participant, and neither the Corporation nor the Participant is subject to a cease trade order (or similar order under Canadian securities laws) in respect of the securities of the Corporation, then the expiry date for that Award shall be the date that is the tenth business day after the expiry of the Blackout Period.
- 7.5 Dividends and Other Distributions. Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of Dividend Equivalents, including cash or Shares. In the event the Committee determines to pay Dividend Equivalents in Shares, the maximum aggregate number of Shares that may be paid must be included in calculating the limits set forth in this Plan, including, but not limited to, the limits set forth in Sections 4.1, 4.2 and 4.3. In the event that a Dividend Equivalent payable in Shares would exceed any of the limits set out herein, the Corporation shall pay the Participant the cash sum equal to the FMV of the Shares multiplied by the number of Shares that would have exceeded the applicable limit if issued to the Participant.
- 7.6 Termination of Employment, Consultancy or Directorship. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Corporation or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that provisions shall comply with applicable rules of the Exchange.
- 7.7 Payment in Settlement of Deferred Share Units. When Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Corporation in settlement of such Deferred Share Units: (i) in a number of Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of Deferred Share Units being settled, (ii) an amount in cash equivalent to the number of the outstanding Deferred Share Units held by such Participant multiplied by the FMV as at the applicable settlement date or Termination Date, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion, subject to the policies of the Exchange. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

#### **Article VIII BENEFICIARY DESIGNATION**

- 8.1 Beneficiary. A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.
- 8.2 Discretion of the Committee. Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article X, or both, in favor of another method of determining beneficiaries.

#### **Article IX RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

- 9.1 Employment. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Corporation or an Affiliate of the Corporation to terminate any Participant's employment, consulting

or other service relationship with the Corporation or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Corporation or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Corporation or an Affiliate of the Corporation, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Corporation or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Corporation and an Affiliate or among Affiliates of the Corporation, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Corporation or an Affiliate of the Corporation shall not be deemed a termination of employment for purposes of an Award.

- 9.2 Participation. No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.
- 9.3 Rights as a Shareholder. A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

## **Article X CHANGE OF CONTROL**

- 10.1 Change of Control and Termination of Employment. Subject to section 10.2 and the terms and provisions of any Award Agreement, in the event of a Change of Control, any Awards held by a Participant shall, if determined by the Committee in its sole discretion, automatically vest either during the term of the Award or within 90 days after the date of sale or change of control, whichever first occurs.
- 10.2 Discretion to Board. Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Corporation will receive in the Change of Control; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.
- 10.3 Nonoccurrence of Change of Control. In the event that any Awards are conditionally exercised pursuant to section 10.2 above and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Corporation shall be returned to the Participant.
- 10.4 Agreement with Purchaser in a Change of Control. In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

## **Article XI AMENDMENT AND TERMINATION**

- 11.1 Amendment and Termination. The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules and Exchange Policies of the Exchange, the Board

may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

- 11.2 Reduction of Grant Price. Disinterested shareholder approval as required by the policies of the Exchange shall be obtained for any reduction in the Grant Price, or an extension of the term of an Award, if the Participant is an Insider of the Corporation at the time of the proposed amendment.

## **Article XII WITHHOLDING**

- 12.1 Withholding. The Corporation or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Corporation withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies, provided however, that any such withholding arrangement must comply with the policies of the Exchange and shall not, without limitation, result in an alteration of the exercise price of an Award or create a "net exercise" feature, except where permitted under this Plan and pursuant to Exchange policies.
- 12.2 Acknowledgement. Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Corporation. Participant further acknowledges that the Corporation: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Corporation may be required to withhold or account for taxes in more than one jurisdiction.

## **Article XIII SUCCESSORS**

- 13.1 Any obligations of the Corporation or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Corporation or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Corporation or the Affiliate, as applicable.

## **Article XIV GENERAL PROVISIONS**

- 14.1 Delivery of Title. The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:
- (a) Obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and
  - (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Corporation determines to be necessary or advisable.
- 14.2 Investment Representations. The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

- 14.3 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.
- 14.4 Other Compensation and Benefit Plans. Nothing in the Plan shall be construed to limit the right of the Corporation or an Affiliate of the Corporation to establish other compensation or benefit plans, programs, policies or arrangements, including, without limitation, the Stock Option Plan. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.
- 14.5 No Constraint on Corporate Action. Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Corporation's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Corporation or its Affiliates to take any action which such entity deems to be necessary or appropriate.
- 14.6 Compliance with Canadian Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.
- 14.7 Compliance with U.S. Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Corporation shall not be required to issue any Shares otherwise issuable hereunder.

#### **Article XV LEGAL CONSTRUCTION**

- 15.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.
- 15.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- 15.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Corporation or an Affiliate of the Corporation shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Corporation or an Affiliate of the Corporation to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Corporation or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

- 15.4 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

**SCHEDULE "C"**  
**AUDIT COMMITTEE CHARTER**

**LITHIUM CHILE INC.**  
(the "Corporation")

**AUDIT COMMITTEE MANDATE**

**OVERALL ROLE AND RESPONSIBILITY**

The Audit Committee shall:

1.1 Assist the board of directors of the Corporation (the "**Board of Directors**") in its oversight role with respect to:

- (a) the quality and integrity of financial information;
- (b) the independent auditor's performance, qualifications and independence;
- (c) the performance of the Corporation's internal audit function, if applicable;
- (d) the Corporation's compliance with legal and regulatory requirements; and

1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

**MEMBERSHIP AND MEETINGS**

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, the majority of whom shall not be officers or employees of the Corporation or any of the Corporation's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Audit Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

**STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board of Directors.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

**SPECIFIC DUTIES**

**Oversight of the Independent Auditor**

- Make recommendations to the Board of Directors for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

### **Financial Reporting**

- Review and discuss with management and the independent auditor:
  - prior to the annual audit the scope, planning and staffing of the annual audit;
  - the annual audited financial statements;
  - the Corporation's annual and quarterly disclosures made in management's discussion and analysis;
  - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation;
  - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards;
  - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements;
  - any significant changes in the Corporation's selection or application of accounting principles;
  - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies; and
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

### **AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

### **FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

**APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.