



LITHIUM CHILE COMMENCES DRILLING THE THIRD PRODUCTION WELL ON SALAR de ARIZARO IN ARGENTINA AND INCREASES ITS INTEREST IN THE PROJECT TO 62.2%

**TSX Venture Exchange: LITH
OTC-QB: LTMCF**

For Immediate Release

CALGARY, ALBERTA, January 18, 2023 – Lithium Chile Inc. (“**Lithium Chile**” or the “**Company**”) is pleased to announce that drilling has commenced on the third production well, Argento-3, on the Salar de Arizaro. The location of the third production well is 10 kms North of Argento-2 and is designed to expand the size and extent of the brine aquifer and to increase the existing lithium resource. The well is currently drilling through 55 meters with a 13.5-inch bit and is expected to take between 45 and 90 days to complete.

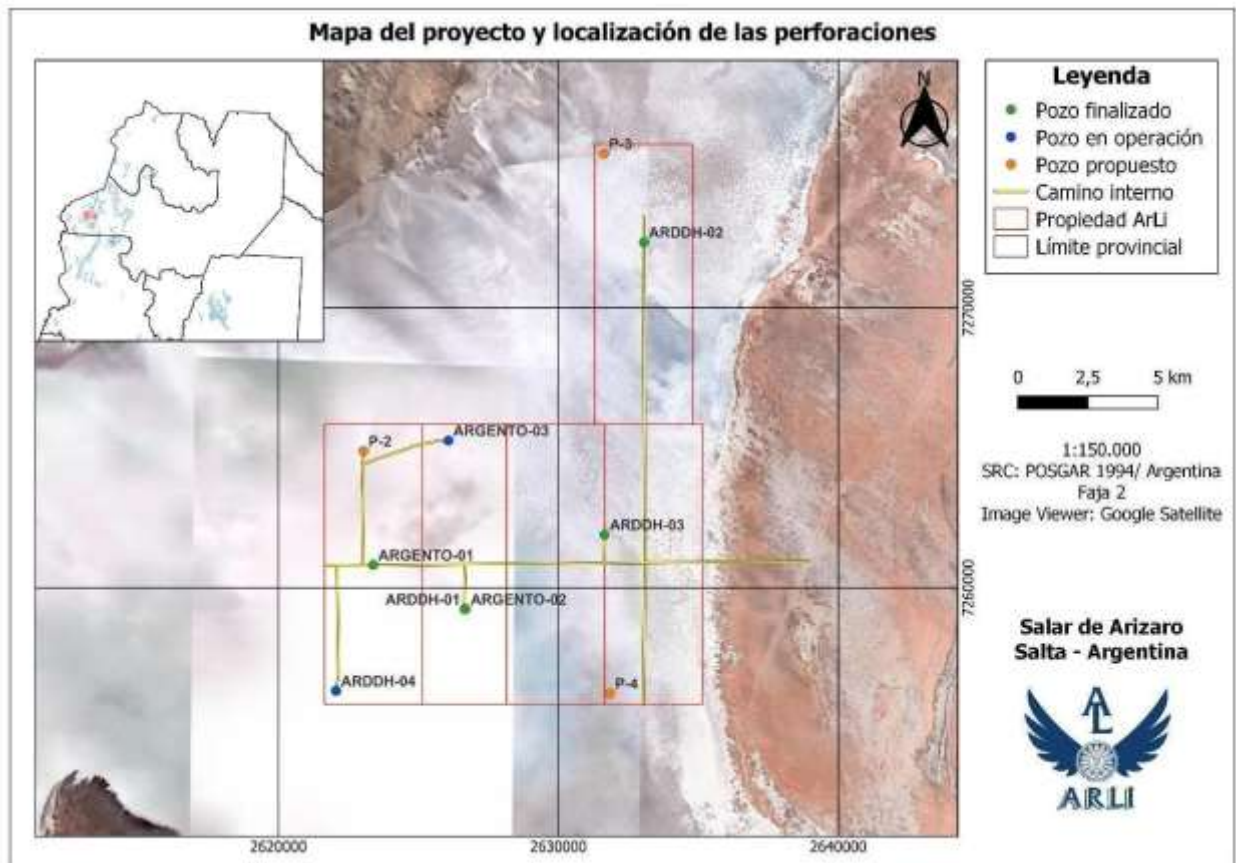
ADDITIONAL HIGHLIGHTS:

- 1) Lithium Chile has increased its interest in the Salar de Arizaro joint venture from 60% to 62.2% while reducing the cash payments due to SMG S.R.L (“**SMG**”), by \$145,000 US, for a total cost of \$1,855,000 US. The increased interest is a result of SMG returning the 2500-hectare, non-resource claims on Chascha Sur where the Company’s water well was drilled. The reduction in total claims resulted in Lithium Chile acquiring the additional interest in the claims where the lithium resource is being developed. Lithium Chile owns the water well and has filed a permit to use 70m³/hr for future lithium production. The first meeting with the Ministry of the Environment in relation to the water permit has been held and the permitting process is moving forward.
- 2) The Company is also pleased to announce that its new diamond drill rig arrived over Christmas and has begun drilling the fourth exploration hole on the Salar de Arizaro property. The diamond drill holes are designed to provide the Company with additional geological data on the structure of formations as well as supply brine samples for testing. This is the fourth of eight exploration holes planned that will help determine the best location for the fourth production well.
- 3) The Company continues to production test it’s Argento-2 well. Pump tests are ongoing while various tools such as a hydrasleeve and packers plus are employed to isolate and identify higher lithium grade zones. The overall porosity of this well is higher than what was encountered in the first well, Argento-1. Overall results will be announced once testing is completed.
- 4) A downhole pump has been purchased and installed on the Argento-1 production well. The installation of this pump will allow for continuous production of brine to facilitate ongoing evaporation studies, advanced metallurgical studies, and the development of a hydrological model of the basin. All the information gathered in Arizaro will be used to complete a Preliminary

Economic Assessment (PEA), Prefeasibility Study (PFS) as well as the final Environmental Impact Study (EIS); all expected to be completed by mid-2023.

- 5) The Company is also pleased to announce it has retained Leandro Sastre as Senior Geological Consultant to oversee the geological development at the Salar de Arizaro. Mr. Sastre is a geology professional with over 20 years of experience in the international mining sector. He has worked extensively throughout Latin America with a focus on Argentina, Chile and Peru. Most recently Mr. Sastre served as Vice President of Exploration for Latin America and Asia-Pacific region at Barrick Gold Corporation. Mr. Sastre's experience will be a valuable addition to the team.
- 6) On December 29th, Lithium Chile submitted its proposal for a joint venture with Recursos Energeticos Y Mineros De Salta S.A. ("**REMSA**"), the state-owned mining company of the Province of Salta, Argentina, to develop an additional 5000-hectares on the Salar de Arizaro. The proposal with REMSA is a result of the MOU signed in June 2022 at the PDAC conference in Toronto. Completion of the joint venture is expected by the end of the first quarter of 2023, providing the Company a second prospective lithium project on the Salar de Arizaro.

Steve Cochrane, President & CEO comments, *"We are extremely pleased with the results obtained from our Arizaro project to date and the speed at which the project is advancing. The credit goes to Jose de Castro and the amazing team we have on the ground at Salta - I am proud of all of them and their accomplishments to date. Their hard work is proving up a world class, lithium brine project that will not only reward their efforts but our shareholders as well."*



Lithium Chile: Project and Location Map, Salar de Arizaro, Argentina

ABOUT LITHIUM CHILE:

Lithium Chile is advancing a lithium property portfolio consisting of 111,978 hectares covering sections of 11 salars and 1 laguna complex in Chile and 20,800 hectares in Argentina.

The Company has a NI 43-101 report with an indicated and inferred resource of 2,587,000 tonnes of lithium carbonate equivalent (LCE) from its Salar de Arizaro, Argentina project. The Phase 2 development program on the Salar de Arizaro is underway with results to be included in an updated NI 43-101 report which is expected to be completed during the first quarter of 2023.

Lithium Chile also owns 5 properties, totaling 21,329 hectares, that are prospective for gold, silver and copper. Exploration efforts are continuing on Lithium Chile’s Carmona gold/silver/copper property which lies in the heart of the Chilean mega porphyry gold/ silver/copper belt.

Lithium Chile’s common shares are listed on the TSX-V under the symbol “LITH” and on the OTC-QB under the symbol “LTMCF”.

To find out more about Lithium Chile Inc., please contact Steven Cochrane, President and CEO via email: steve@lithiumchile.ca or Michelle DeCecco, Vice President and COO, via email michelle@lithiumchile.ca or at 403-390-9095.

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This news release may contain certain forward-looking information and forward-looking statements within the meaning of applicable securities legislation (collectively "forward-looking statements"). Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "expected", "anticipated", "aims to", "plans to" or "intends to" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Such forward-looking statements are based on various assumptions and factors that may prove to be incorrect, including, but not limited to, factors and assumptions with respect to: the general stability of the economic and political environment in which the Company operates and the timely receipt of required regulatory approvals. You are cautioned that the foregoing list of material factors and assumptions is not exhaustive. Although Lithium Chile believes that the assumptions and factors on which such forward-looking statements are based upon reasonable assumptions, undue reliance should not be placed on the forward-looking statements because Lithium Chile can give no assurance that they will prove to be correct or that any of the events anticipated by such forward-looking statements will transpire or occur, or if any of them do so, what benefits Lithium Chile will derive therefrom. Lithium Chile does not undertake to update any forward-looking statements herein, except as required by applicable securities laws. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement.