

None of the Canadian securities regulatory authorities nor the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the proposed arrangements involving Lithium Chile Inc., Kairos Gold Inc. and Lithium Chile 2.0 Inc., or passed upon the merits or fairness of the arrangements or upon the adequacy or accuracy of the information contained in this notice of special meeting and management proxy circular. Any representation to the contrary is a criminal offence.



PLANS OF ARRANGEMENT INVOLVING

LITHIUM CHILE INC.

- and -

SHAREHOLDERS OF LITHIUM CHILE INC.

- and -

EACH OF KAIROS GOLD INC. AND LITHIUM CHILE 2.0 INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE OF APPLICATION TO THE COURT OF KING'S BENCH

MANAGEMENT INFORMATION CIRCULAR

September 9, 2024

These materials are important and require your immediate attention. The matters referred to in these materials require holders of common shares (the "**LITH Shareholders**") in the capital of Lithium Chile Inc. ("**LITH**") to make important decisions. If you are in doubt as to how to make such decisions please contact your financial, legal, tax or other professional advisors. The Board of Directors of LITH unanimously recommends that LITH Shareholders vote in favour of the plans of arrangement described in this management information circular at the special meeting of LITH Shareholders.

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ENCLOSURES

FORM OF PROXY



LETTER TO SHAREHOLDERS

September 9, 2024

Dear Shareholder:

You are invited to attend the special meeting (the "**Meeting**") of the holders (the "**LITH Shareholders**") of common shares (the "**LITH Shares**") in the capital of Lithium Chile Inc. ("**LITH**" or the "**Corporation**") to be held at the offices of DS Lawyers Canada LLP, Suite 800, 333 – 7th Avenue SW, Calgary, Alberta, on Thursday, October 17, 2024 at 11:00 a.m. (Calgary time).

At the Meeting, the LITH Shareholders will be asked, among other things, to consider, and, if thought advisable, approve:

- (i) a proposed plan of arrangement (the "**Kairos Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) involving, among other things, the reduction of the stated capital account maintained for the LITH Shares and the distribution of common shares (the "**Kairos SpinCo Shares**") in the capital of Kairos Gold Inc. ("**Kairos SpinCo**"), currently a wholly-owned subsidiary of the Corporation, to the LITH Shareholders on the basis of one (1) Kairos SpinCo Share for every ten (10) LITH Shares held;
- (ii) a proposed plan of arrangement (the "**LITH 2.0 Arrangement**" and, together with the Kairos Arrangement, the "**Arrangements**") under Section 193 of the *Business Corporations Act* (Alberta) involving, among other things, the reduction of the stated capital account maintained for the LITH Shares and the distribution of common shares (the "**LITH 2.0 SpinCo Shares**") in the capital of Lithium Chile 2.0 Inc. ("**LITH 2.0 SpinCo**"), currently a wholly-owned subsidiary of the Corporation, to the LITH Shareholders on the basis of one (1) LITH 2.0 SpinCo Share for every four (4) LITH Shares held; and
- (iii) the change of the name of the Corporation to "Charge Lithium Inc." or such other name as the board of directors of the Corporation (the "**LITH Board**"), in its sole discretion and subject to applicable regulatory approval, determines to be appropriate.

Kairos SpinCo will hold the Corporation's interests in its gold, silver and copper properties in Chile, and LITH 2.0 SpinCo will hold the Corporation's interest in its lithium properties in Chile.

The LITH Board believes that the creation of these separate mining companies, one focused on exploiting the Corporation's gold, copper and silver properties in Chile, and one focused on exploiting the Corporation's lithium deposits in Chile, while LITH retains its focus on its lithium properties in Argentina, will enhance their respective business operations, provide LITH Shareholders with additional investment choices and flexibility, and unlock the value of the Corporation's gold, copper and silver properties in Chile, its lithium properties in Chile and its lithium properties in Argentina.

The LITH Board unanimously determined, based upon such factors considered by the LITH Board to be relevant, that the Arrangement is fair to the LITH Shareholders and is in the best interests of the Corporation.

The LITH Board unanimously recommends that LITH Shareholders vote IN FAVOUR of the Arrangements

For the Kairos Arrangement to proceed, the special resolution to approve the Kairos Arrangement (the "**Kairos Arrangement Resolution**") must be approved by not less than 66⅔% of the votes cast by LITH Shareholders, represented either in person or by proxy at the Meeting, voting together as a single class.

For the LITH 2.0 Arrangement to proceed, the special resolution to approve the LITH 2.0 Arrangement (the "**LITH 2.0 Arrangement Resolution**") must be approved by not less than 66⅔% of the votes cast by LITH Shareholders, represented either in person or by proxy at the Meeting, voting together as a single class.

It is anticipated that the Kairos Arrangement will be completed on or about November 29, 2024, if the LITH Shareholders approve the Kairos Arrangement Resolution at the Meeting and, subject to the satisfaction or waiver of certain conditions including, but not limited to, the receipt of required regulatory approvals and other conditions typical for this type of transaction, and approval of the Kairos Arrangement by the Court of King's Bench of Alberta.

It is anticipated that the LITH 2.0 Arrangement will be completed concurrent or subsequent to LITH completing the review and evaluation of the various options available to LITH pursuant to the LITH Sales Process, if the LITH Shareholders approve the LITH 2.0 Arrangement Resolution at the Meeting and, subject to the satisfaction or waiver of certain conditions including, but not limited to, the receipt of required regulatory approvals and other conditions typical for this type of transaction, and approval of the LITH 2.0 Arrangement by the Court of King's Bench of Alberta.

It is important that your LITH Shares be represented at the Meeting. Whether or not you are able to attend, we urge you to complete the enclosed form of proxy and return them in the envelope provided to the attention of Odyssey Trust Company, by mail at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at 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. Late proxies may be accepted or rejected by the Chairman of the Meeting in his sole discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Also included with this letter, in addition to the form of proxy, is a notice of special meeting and a management information circular of LITH dated September 9, 2024 (the "**Circular**").

The Circular contains a detailed description of the Arrangements, as well as detailed information regarding LITH, Kairos SpinCo and LITH 2.0 SpinCo. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors. If you are unable to attend the Meeting in person, please complete and deliver the applicable form of proxy which is enclosed in order to ensure your representation at the Meeting.

Yours very truly,

(signed) "Steven Cochrane"

Steven Cochrane
President and Chief Executive Officer

**NOTICE OF SPECIAL MEETING OF
SHAREHOLDERS OF LITHIUM CHILE INC.
TO BE HELD THURSDAY, OCTOBER 17, 2024**

NOTICE IS HEREBY GIVEN that, pursuant to an order of the Court of King's Bench of Alberta (the "**Court**") dated August 28, 2024 (the "**Kairos Interim Order**"), and an order of the Court dated August 28, 2024 (the "**LITH 2.0 Interim Order**" and, together with the Kairos Interim Order, the "**Interim Orders**"), a special meeting (the "**Meeting**") of the holders (collectively, the "**LITH Shareholders**") of common shares (the "**LITH Shares**") in the capital of Lithium Chile Inc. ("**LITH**" or the "**Corporation**") will be held at the offices of DS Lawyers Canada LLP, Suite 800, 333 – 7th Avenue SW, Calgary, Alberta, on Thursday, October 17, 2024 at 11:00 a.m. (Calgary time) for the following purposes:

1. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**Kairos Arrangement Resolution**"), the full text of which is set forth in Schedule "A" to the Circular, to approve a plan of arrangement (the "**Kairos Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) ("**ABCA**"), all as more particularly described in the Circular;
2. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**LITH 2.0 Arrangement Resolution**" and, together with the Kairos Arrangement Resolution, the "**Arrangement Resolutions**"), the full text of which is set forth in Schedule "C" to the Circular, to approve a plan of arrangement (the "**LITH 2.0 Arrangement**" and, together with the Kairos Arrangements, the "**Arrangements**") under Section 193 of the *Business Corporations Act* (Alberta) ("**ABCA**"), all as more particularly described in the Circular;
3. to consider, and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Name Change Resolution**"), the full text of which is set forth in the Circular, authorizing the change of name of the Corporation to "Charge Lithium Inc." or such other name as the board of directors of the Corporation (the "**LITH Board**"), in its sole discretion and subject to applicable regulatory approval, determines to be appropriate; and
4. to transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The nature of the business to be transacted at the Meeting and the specific details regarding the Arrangements are described in further detail in the Circular.

The LITH Shareholders will be entitled to one vote at the Meeting for each LITH Share held. The Arrangement Resolutions and the Name Change Resolution must each be approved by not less than 66⅔% of the votes cast by LITH Shareholders, represented either in person or by proxy at the Meeting, voting together as a single class.

The LITH Board has set the close of business on August 28, 2024 (the "**Record Date**") as the record date for determining LITH Shareholders who are entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof. Each LITH Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolutions, the Name Change Resolution and any other matters to be considered at the Meeting. Only LITH Shareholders whose names have been entered in the registers for the LITH Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Holders of LITH Shares who acquire LITH Shares after the Record Date will not be entitled to vote such LITH Shares at the Meeting unless, after the Record Date, a holder of record transfers his or her LITH Shares and the transferee, upon producing properly endorsed certificates or DRS Advice evidencing such LITH Shares or otherwise establishing that he or she owns such LITH Shares, requests at least ten (10) days before the Meeting that the transferee's name be included in the list of LITH Shareholders entitled to vote, in which case such transferee shall be entitled to vote such LITH Shares at the Meeting.

Whether or not you intend to attend the Meeting, you are requested to complete, sign, date and return the enclosed form of proxy either in the enclosed addressed envelope to the attention of Odyssey Trust Company, by mail at Traders Bank Building 702, 67 Yonge Street Toronto, ON M5E 1J8, by email at 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. Late proxies may be accepted or rejected by the Chairman of the Meeting in his sole discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Pursuant to the Interim Orders, registered LITH Shareholders have the right to dissent with respect to either or both of the Kairos Arrangement Resolution and the LITH 2.0 Arrangement Resolution, and, if either or both of the Kairos Arrangement Resolution and the LITH 2.0 Arrangement Resolution become effective, as applicable with regards to the resolution to which a registered LITH Shareholder has exercised its right to dissent, to be paid the fair value of their LITH Shares in accordance with the provisions of Section 191 of the ABCA, as modified by the Interim Orders. A registered LITH Shareholder wishing to exercise a right of dissent with respect to either or both of the Kairos Arrangement or the LITH 2.0 Arrangement must send a written objection to either or both of the Kairos Arrangement Resolution or the LITH 2.0 Arrangement Resolution to LITH which written objection must be received by LITH, c/o its counsel DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine, by 5:00 p.m. (Calgary time) on October 15, 2024, or the Business Day that is two Business Days immediately preceding the date of any adjournment or postponement of the Meeting. A LITH Shareholder's right to dissent is more particularly described in the Circular, including in the Kairos Interim Order, the LITH 2.0 Interim Order and in the text of Section 191 of the ABCA, which are set forth in Schedules "E", "F" and "G", respectively, to the Circular.

Failure to strictly comply with the requirements set forth in Section 191 of the ABCA, as modified by the Interim Orders, may result in the loss of any right of dissent. Persons who are beneficial owners of LITH Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of LITH Shares are entitled to dissent. Accordingly, a beneficial owner of LITH Shares desiring to exercise this right must make arrangements for the LITH Shares beneficially owned by such holder to be registered in the beneficial owner's name prior to the time the written objection to either or both of the Kairos Arrangement Resolution or the LITH 2.0 Arrangement Resolution is required to be received by LITH or, alternatively, make arrangements for the registered holder of such LITH Shares to dissent on the beneficial owners' behalf. It is strongly recommended that any LITH Shareholder wishing to dissent seek independent legal advice, as failure to comply strictly with the provisions of the ABCA, as modified by the Interim Orders, may prejudice such LITH Shareholder's right to dissent. See "*Dissent Rights*" in the Circular for further information regarding the right to dissent.

If you are a registered LITH 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, 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 LITH 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 LITH Shares*" in the Circular.

Notice-and-Access

This year, as permitted by applicable Canadian securities laws, the Corporation is using "notice-and-access" to deliver Meeting materials to non-registered LITH Shareholders ("**Beneficial Shareholders**"). Notice-and-access allows issuers to post electronic versions of proxy-related materials (such as management information circulars and related materials) on-line, via SEDAR+ and one other website, rather than mailing paper copies of such materials to Beneficial Shareholders. Accordingly, this Notice of Meeting and the Circular have been or will be (prior to the Meeting) posted at <https://lithiumchile.ca/agm/> and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

DATED at Calgary, Alberta, this 5th day of September, 2024.

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

(signed) "Steven Cochrane"

Steven Cochrane

President and Chief Executive Officer

**IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF EDMONTON**

**IN THE MATTER OF SECTION 193 OF THE *BUSINESS
CORPORATIONS ACT*, R.S.A. 2000, c. B-9, AS AMENDED**

**AND IN THE MATTER OF PROPOSED PLANS OF
ARRANGEMENT INVOLVING LITHIUM CHILE INC., THE
SHAREHOLDERS OF LITHIUM CHILE INC. AND EACH OF
KAIROS GOLD INC. AND LITHIUM CHILE 2.0 INC.**

NOTICE OF APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Application**") has been filed with the Court of King's Bench of Alberta, Judicial Centre of Edmonton (the "**Court**") on behalf of Lithium Chile Inc. ("**LITH**") with respect to (i) a proposed plan of arrangement (the "**Kairos Arrangement**") under Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), involving LITH, the holders of common shares ("**LITH Shares**") of LITH (the "**LITH Shareholders**") and Kairos Gold Inc. ("**Kairos SpinCo**"), and (ii) a proposed plan of arrangement (the "**LITH 2.0 Arrangement**" and, together with the Kairos Arrangement, the "**Arrangements**") under Section 193 of the ABCA involving LITH, the LITH Shareholders and Lithium Chile 2.0 Inc. ("**LITH 2.0 SpinCo**"), which Arrangements are described in greater detail in the information circular (the "**Circular**") and proxy statement of LITH dated September 9, 2024 accompanying this Notice of Application.

At the hearing of the Application, with respect to the Kairos Arrangement, LITH intends to seek an order:

1. approving the Kairos Arrangement pursuant to the provisions of Section 193 of the ABCA;
2. declaring that the terms and conditions of the Kairos Arrangement, and the procedures relating thereto, are fair to the LITH Shareholders and other affected persons, both from a substantive and procedural perspective;
3. declaring that the Kairos Arrangement will, upon the filing of Articles of Arrangement under the ABCA, be effective under the ABCA in accordance with its terms and be binding upon each of the parties on and after the effective date of the Kairos Arrangement; and
4. granting such further and other orders, declarations and directions as the Court may deem reasonable and necessary.

At the hearing of the Application, with respect to the LITH 2.0 Arrangement, LITH intends to seek an order:

1. approving the LITH 2.0 Arrangement pursuant to the provisions of Section 193 of the ABCA;
2. declaring that the terms and conditions of the LITH 2.0 Arrangement, and the procedures relating thereto, are fair to the LITH Shareholders and other affected persons, both from a substantive and procedural perspective;
3. declaring that the LITH 2.0 Arrangement will, upon the filing of Articles of Arrangement under the ABCA, be effective under the ABCA in accordance with its terms and be binding upon each of the parties on and after the effective date of the LITH 2.0 Arrangement; and
4. granting such further and other orders, declarations and directions as the Court may deem reasonable and necessary.

The Court has been advised that its final orders approving each of the Kairos Arrangement and the LITH 2.0 Arrangement, if granted, will constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the transfer of common shares of Kairos SpinCo pursuant to the Kairos Arrangement and the transfer of common shares of LITH 2.0 SpinCo pursuant to the LITH 2.0 Arrangement, respectively.

AND NOTICE IS FURTHER GIVEN that the said Application is directed to be heard before a Justice of the Court via video conference at the Edmonton Law Courts, 1A Sir Winston Churchill Square, Edmonton, Alberta, Canada on October 31, 2024 at 10:00 a.m. (Calgary time) or as soon thereafter as counsel may be heard. **Any LITH Shareholder or other interested party desiring to appear and make submissions at the hearing is required to file with the Court and serve upon LITH, on or before 5:00 p.m. (Calgary time) on October 15, 2024, a notice of intention to appear ("Notice of Intention to Appear") including such LITH Shareholder's or interested party's address**

for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such LITH Shareholder or interested party intends to support or oppose the Application or make submissions at the Application, together with a summary of the position such person intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service on LITH is to be effected by delivery to its solicitors at the address set forth below.

AND NOTICE IS FURTHER GIVEN that, at the hearing and subject to the foregoing, LITH Shareholders and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Arrangements. If you do not attend, either in person or by counsel, at that time, the Court may approve or refuse to approve the Arrangements as presented, or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that the Court, by the interim orders (the "**Interim Orders**") of the Court dated August 28, 2024, has given directions as to the calling and holding of a special meeting of the LITH Shareholders (the "**Meeting**") for the purposes of such LITH Shareholders voting upon special resolutions to approve the Arrangements and, in particular, has directed that registered LITH Shareholders have the right to dissent under the provisions of Section 191 of the ABCA, as modified by the terms of the Interim Orders and the Arrangements.

AND NOTICE IS FURTHER GIVEN that further notice in respect of these proceedings will only be given to those persons who have filed a Notice of Intention to Appear.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any LITH Shareholder or other interested party requesting the same by the undermentioned solicitors for LITH upon written request delivered to such solicitors as follows:

DS Lawyers Canada LLP
Suite 800, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1
Attention: Lindsay Amantea

DATED at the City of Calgary, in the Province of Alberta, this 9th day of September, 2024.

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

(signed) "*Steven Cochrane*" _____
Steven Cochrane
President and Chief Executive Officer
Lithium Chile Inc.

GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Circular, including the Summary Information hereof, the following terms shall have the meanings set forth below.

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended including the regulations promulgated thereunder;

"**Affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions*;

"**Applicable Laws**" means applicable laws (including, without limitation, common law), statutes, by-laws, published rules, regulations, published directives, instructions, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgments, awards or other requirements having the force of law, in each case of any Governmental Entity;

"**Beneficial Shareholder**" means LITH Shareholders who hold their LITH Shares through an intermediary such as a bank, trust company, securities broker, trustee or other nominee or who otherwise do not hold their LITH Shares in their own name;

"**Broadridge**" means Broadridge Financial Solutions, Inc.;

"**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in Calgary, Alberta;

"**Circular**" means this management information circular of LITH, together with all schedules hereto to be mailed or otherwise distributed by LITH to the LITH Shareholders or such other securityholders of LITH as may be required pursuant to the Kairos Interim Order and LITH 2.0 Interim Order in connection with the Meeting;

"**Court**" means the Court of King's Bench of Alberta;

"**Evans**" means Evans & Evans, Inc.;

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange;

"**IFRS**" means Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board;

"**Inversiones Kairos**" means Inversiones Kairos SpA, a wholly-owned Chilean subsidiary of LITH;

"**ITA**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), including the regulations promulgated thereunder, all as amended from time to time;

"**Kairos Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and subject to the conditions set out in the Kairos Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Kairos Plan of Arrangement or made at the direction of the Court in the Kairos Final Order;

"**Kairos Arrangement Agreement**" means the arrangement agreement dated August 13, 2024, as amended on September 4, 2024, entered into between LITH and Kairos SpinCo with respect to the Kairos Arrangement, attached hereto at Schedule "B";

"**Kairos Arrangement Resolution**" means the special resolution of LITH Shareholders to approve the Kairos Arrangement to be presented to the LITH Shareholders at the Meeting substantially in the form attached hereto at Schedule "A";

"**Kairos Articles of Arrangement**" means the articles of arrangement of LITH in respect of the Kairos Arrangement required under Subsection 193(10) of the ABCA to be filed with the Registrar after the Kairos Final Order has been granted giving effect to the Kairos Arrangement;

"Kairos Certificate of Arrangement" means the certificate or proof of filing to be issued by the Registrar pursuant to Subsection 193(11) or Subsection 193(12) of the ABCA in respect of the Kairos Articles of Arrangement giving effect to the Kairos Arrangement;

"Kairos Dissent Rights" means the right of a registered LITH Shareholder to dissent to the Kairos Arrangement Resolution and to be paid the fair value of all of the LITH Shares which the LITH Shareholder holds in respect of which the holder dissents, all in accordance with Section 191 of the ABCA, as modified by Section 5.1 of the Kairos Plan of Arrangement and the Kairos Interim Order;

"Kairos Dissenting Shareholders" means registered LITH Shareholders, who validly exercise, and have not withdrawn, Kairos Dissent Rights at the Kairos Effective Time;

"Kairos Distribution Record Date" means the close of business on the last trading day on the TSXV immediately prior to the Kairos Effective Date, which Kairos Distribution Record Date is currently expected to be on or about October 31, 2024, or such other date as the LITH Board may determine;

"Kairos Effective Date" means the date the Kairos Arrangement becomes effective pursuant to the ABCA, being the date shown on the Kairos Certificate of Arrangement;

"Kairos Effective Time" means the time at which the Kairos Arrangement becomes effective on the Kairos Effective Date pursuant to the ABCA;

"Kairos Final Order" means the final order of the Court approving the Kairos Arrangement pursuant to Subsection 193(9)(a) of the ABCA, in a form acceptable to LITH, as contemplated by the Kairos Arrangement Agreement, as such order may be amended by the Court (with the consent LITH) at any time prior to the Kairos Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to LITH) on appeal;

"Kairos Interim Order" means the interim order of the Court under Subsection 193(4) of the ABCA in a form acceptable to LITH, as contemplated by Section 4.2 of the Kairos Arrangement Agreement providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court (with the consent of LITH);

"Kairos Plan of Arrangement" means the plan of arrangement substantially in the form set forth in Exhibit I to the Kairos Arrangement Agreement and any amendments, variations or supplements hereto made in accordance with the terms thereof or the Kairos Arrangement Agreement or made at the direction of the Court in the Kairos Final Order, with the consent of LITH;

"Kairos Properties" means four (4) properties in Chile totaling 22,433 hectares that are prospective for gold, copper and silver, which includes the Las Garillas Claims;

"Kairos Share Purchase and Sale Agreement" means the share purchase and sale agreement to be entered into on or about October 17, 2024 whereby LITH will sell, and Kairos SpinCo will purchase, the shares in the capital of Minera Kairos legally and beneficially owned by LITH;

"Kairos Share Purchase Price" means Cdn\$3,805,000, to be paid by Kairos SpinCo to LITH by the issuance to LITH of ninety-nine (99) Kairos SpinCo Shares;

"Kairos SpinCo" means Kairos Gold Inc., a corporation incorporated under the ABCA and a wholly-owned subsidiary of LITH;

"Kairos SpinCo Board" means the board of directors of Kairos SpinCo as constituted from time to time;

"Kairos SpinCo Option Plan" means the proposed stock option plan of Kairos SpinCo, attached as Appendix "IV" to Schedule "H";

"Kairos SpinCo Options" means stock options of Kairos SpinCo entitling the holders thereof to purchase Kairos SpinCo Shares from treasury pursuant to the Kairos SpinCo Option Plan;

"Kairos SpinCo Private Placement" means the private placement for minimum gross proceeds of \$1,050,000, at a price to be determined by the directors of Kairos SpinCo;

"Kairos SpinCo Shareholders" means, collectively, the holders of Kairos SpinCo Shares;

"Kairos SpinCo Shares" means common shares in the capital of Kairos SpinCo;

"Kairos SpinCo Valuation" means the Comprehensive Valuation Report for LITH on Kairos SpinCo prepared by Evans and dated June 17, 2024;

"Las Garillas Claims" means nine (9) granted and owned exploration claims, totaling 1,900 hectares together with one (1) exploitation claim of 104 hectares which is under purchase option in favour of LITH;

"Las Garillas Initial Exploration Program" means an exploration program to be conducted on the Las Garillas Claims as recommended in the Las Garillas Technical Report. The exploration program contemplates analysis of existing drilling samples, additional geophysics in the form of magnetics and ground-truthing by a field geologist, estimated to cost approximately Cdn\$225,000. These expenditures are to be funded by the Kairos SpinCo Private Placement;

"Las Garillas Technical Report" means the technical report dated June 4, 2024 which was prepared by Eric L. Hanson, P. Geo and Qualified Person as defined in NI 43-101 and describes the Las Garillas Claims;

"Law" means, with respect to any Person, any and all applicable law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have (or are applied as if they have) the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended;

"LITH" or the **"Corporation"** means Lithium Chile Inc., a corporation incorporated under the ABCA;

"LITH Board" means the board of directors of LITH as constituted from time to time;

"LITH Option Plan" means the stock option plan of LITH, as constituted on the date hereof;

"LITH Options" means stock options of LITH entitling the holders thereof to purchase LITH Shares from treasury pursuant to the LITH Option Plan;

"LITH Sales Process" means the review and evaluation of the various options available to LITH including selling the Corporation or certain properties of LITH, being conducted by the LITH Board with the assistance of Ventum Financial Corp. (formerly PI Financial Corp.);

"LITH Shareholders" means, collectively, the holders of LITH Shares;

"LITH Shares" means the common shares in the capital of LITH;

"LITH 2.0 Arrangement" means the arrangement under the provisions of Section 193 of the ABCA on the terms and subject to the conditions set out in the LITH 2.0 Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the LITH 2.0 Plan of Arrangement or made at the direction of the Court in the LITH 2.0 Final Order;

"LITH 2.0 Arrangement Agreement" means the arrangement agreement dated August 13, 2024, as amended on September 4, 2024, entered into between LITH and LITH 2.0 SpinCo with respect to the LITH 2.0 Arrangement, attached hereto at Schedule "D";

"LITH 2.0 Arrangement Resolution" means the special resolution of LITH Shareholders to approve the LITH 2.0 Arrangement to be presented to the LITH Shareholders at the Meeting substantially in the form attached hereto at Schedule "C";

"LITH 2.0 Articles of Arrangement" means the articles of arrangement of LITH in respect of the LITH 2.0 Arrangement required under Subsection 193(10) of the ABCA to be filed with the Registrar after the LITH 2.0 Final Order has been granted giving effect to the LITH 2.0 Arrangement;

"LITH 2.0 Certificate of Arrangement" means the certificate or proof of filing to be issued by the Registrar pursuant to Subsection 193(11) or Subsection 193(12) of the ABCA in respect of the LITH 2.0 Articles of Arrangement giving effect to the LITH 2.0 Arrangement;

"LITH 2.0 Dissent Rights" means the right of a registered LITH Shareholder to dissent to the LITH 2.0 Arrangement Resolution and to be paid the fair value of all of the LITH Shares which the LITH Shareholder holds in respect of which the holder dissents, all in accordance with Section 191 of the ABCA, as modified by Section 5.1 of the LITH 2.0 Plan of Arrangement and the LITH 2.0 Interim Order;

"LITH 2.0 Dissenting Shareholders" means registered LITH Shareholders, who validly exercise, and have not withdrawn, LITH 2.0 Dissent Rights at the LITH 2.0 Effective Time;

"LITH 2.0 Distribution Record Date" means the close of business on the last trading day on the TSXV immediately prior to the LITH 2.0 Effective Date, which LITH 2.0 Distribution Record Date is currently expected to be on or about the date of the completion of the LITH Sales Process, or such other date as the LITH Board may determine;

"LITH 2.0 Effective Date" means the date the LITH 2.0 Arrangement becomes effective pursuant to the ABCA, being the date shown on the LITH 2.0 Certificate of Arrangement;

"LITH 2.0 Effective Time" means the time at which the LITH 2.0 Arrangement becomes effective on the LITH 2.0 Effective Date pursuant to the ABCA;

"LITH 2.0 Final Order" means the final order of the Court approving the Kairos Arrangement pursuant to Subsection 193(9)(a) of the ABCA, in a form acceptable to LITH, as contemplated by the Kairos Arrangement Agreement, as such order may be amended by the Court (with the consent of LITH) at any time prior to the Kairos Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to LITH) on appeal;

"LITH 2.0 Interim Order" means the interim order of the Court under Subsection 193(4) of the ABCA in a form acceptable to LITH, as contemplated by Section 4.2 of the LITH 2.0 Arrangement Agreement providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court (with the consent of LITH);

"LITH 2.0 Plan of Arrangement" means the plan of arrangement substantially in the form set forth in Exhibit I to the LITH 2.0 Arrangement Agreement and any amendments, variations or supplements hereto made in accordance with the terms thereof or the LITH 2.0 Arrangement Agreement or made at the direction of the Court in the LITH 2.0 Final Order, with the consent of LITH;

"LITH 2.0 Properties" means a property portfolio consisting of 106,136 hectares in Chile prospective for lithium, which includes the Los Morros Claims;

"LITH 2.0 Share Purchase and Sale Agreement" means the share purchase and sale agreement to be entered into whereby LITH will sell, and LITH 2.0 SpinCo will purchase, the shares in the capital of Inversiones Kairos legally and beneficially owned by LITH;

"LITH 2.0 Share Purchase Price" means \$9,735,000 plus the amount of cash to be determined by the LITH Board to be provided by LITH purchasing securities of Inversiones Kairos, to be paid by LITH 2.0 SpinCo to LITH by the issuance to LITH of ninety-nine (99) LITH 2.0 SpinCo Shares;

"LITH 2.0 SpinCo" means Lithium Chile 2.0 Inc., a corporation incorporated under the ABCA and a wholly-owned subsidiary of LITH;

"LITH 2.0 SpinCo Board" means the board of directors of LITH 2.0 SpinCo as constituted from time to time;

"LITH 2.0 SpinCo Financing" means the issuance of securities in Inversiones Kairos to LITH in consideration for funds in an amount to be determined by the LITH Board based on the capital available to LITH at the time of issuance, to be completed prior to the execution of the LITH 2.0 Share Purchase and Sale Agreement;

"LITH 2.0 SpinCo Option Plan" means the proposed stock option plan of LITH 2.0 SpinCo, attached as Appendix "IV" to Schedule "I";

"LITH 2.0 SpinCo Options" means stock options of LITH 2.0 SpinCo entitling the holders thereof to purchase LITH 2.0 SpinCo Shares from treasury pursuant to the LITH 2.0 SpinCo Option Plan;

"LITH 2.0 SpinCo Shareholders" means, collectively, the holders of LITH 2.0 SpinCo Shares;

"LITH 2.0 SpinCo Shares" means common shares in the capital of LITH 2.0 SpinCo;

"LITH 2.0 SpinCo Valuation" means the Comprehensive Valuation Report for LITH on LITH 2.0 SpinCo prepared by Evans and dated June 27, 2024;

"Los Morros Claims" means 6 granted and owned exploration claims totaling 1,700 hectares;

"Los Morros Initial Exploration Program" means a two-phase exploration program to be conducted on the Los Morros Claims as recommended in the Los Morros Technical Report. Phase 1 contemplates

additional TEM lines and the drilling of two exploration holes, estimated to cost approximately Cdn\$916,000. These expenditures are to be funded by the LITH 2.0 SpinCo Financing;

"**Los Morros Technical Report**" means the technical report dated June 23, 2024 which was prepared by Eric Hanson, P. Geo and Qualified Person as defined in NI 43-101 and describes the Los Morros Claims;

"**MD&A**" means the management's discussion and analysis of operating and financial results;

"**Meeting**" means the special meeting of LITH Shareholders to be held at 11:00 a.m. (Calgary time) on Thursday, October 17, 2024 at the offices of DS Lawyers Canada LLP, Suite 800, 333 – 7th Avenue SW, Calgary, Alberta, to consider the Kairos Arrangement Resolution attached hereto as Schedule "A" and the LITH 2.0 Arrangement Resolution attached hereto as Schedule "C", and to transact such other business as may properly be brought before such meeting and any adjournment(s) or postponement(s) of such meeting;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Minera Kairos**" means Minera Kairos Chile SpA, a wholly-owned Chilean subsidiary of LITH;

"**Name Change**" has the meaning assigned thereto in the section headed "*Business to be Considered at the Meeting – Approval of Name Change*";

"**Name Change Resolution**" has the meaning assigned thereto in the section headed "*Matters to be Considered at the Meeting – Approval of Name Change*";

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 54-101**" means National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"**Person**" includes any individual, partnership, limited partnership, limited liability partnership, joint venture, association, body corporate, corporation, company, unincorporated association, limited liability company, unlimited liability company, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status;

"**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;

"**Regulatory Approvals**" means all sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under any Applicable Laws that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities required in connection with the Plan of Arrangement other than those (i) sanctions, rulings, consents, orders, exemptions, permits and other approvals, the failure of which to obtain individually or in the aggregate, would not reasonably be expected to materially impede or delay the completion of the Arrangement; and (ii) sanctions, rulings, consents, orders, exemptions, permits and other approvals required solely in connection with any pre-acquisition reorganization;

"**Securities Act**" means the *Securities Act*, R.S.A. 2000, c. S-4, as amended;

"**Securities Laws**" means the Securities Act and any other applicable provincial securities Laws;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, accessible at www.sedarplus.ca;

"**Subsidiary**" means, with respect to a Person, any entity, whether incorporated or unincorporated: (i) of which such Person or any other Subsidiary of such Person is a general partner; or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person and/or by any one or more of its Subsidiaries; and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise;

"Tax" or "Taxes" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party;

"Taxing Authority" means, with respect to any Tax, the Governmental Entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision, including any Governmental Entity or agency that imposes, or is charged with collecting, social security or similar charges or premiums;

"Transfer Agent" means the registrar and transfer agent of the LITH Shares, Odyssey Trust Company;

"TSXV" means the TSX Venture Exchange;

"United States" or "U.S." means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and

"U.S. Securities Laws" means the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time.

CIRCULAR

Introduction

This management information circular (this "**Circular**") is furnished in connection with the solicitation of proxies by the management of Lithium Chile Inc. ("**LITH**" or the "**Corporation**") for use at the special meeting (the "**Meeting**") of holders ("**LITH Shareholders**") of common shares of the Corporation ("**LITH Shares**") to be held at the offices of DS Lawyers Canada LLP, located at Suite 800, 333 – 7th Avenue SW, Calgary, Alberta, on Thursday, October 17, 2024 at 11:00 a.m. (Calgary time) and at any adjournment or postponement thereof for the purposes set out in the accompanying Notice of Special Meeting of Shareholders (the "**Notice of Meeting**"). Unless otherwise stated, the information contained in this Circular is given as at September 9, 2024.

In order to ensure as many LITH 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 LITH Shares*" in this Circular.

All summaries of, and references to, the Kairos Plan of Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Kairos Plan of Arrangement, a copy of which is attached as Exhibit I to the Kairos Arrangement Agreement which is attached as Schedule "B" hereto. **You are urged to carefully read the full text of the Kairos Plan of Arrangement.**

All summaries of, and references to, the LITH 2.0 Plan of Arrangement in this Circular are qualified in their entirety by reference to the complete text of the LITH 2.0 Plan of Arrangement, a copy of which is attached as Exhibit I to the LITH 2.0 Arrangement Agreement which is attached as Schedule "D" hereto. **You are urged to carefully read the full text of the LITH 2.0 Plan of Arrangement.**

Unless otherwise stated, all amounts are reported in Canadian dollars. All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "**Glossary of Terms**".

Notice-and-Access

This year, the Corporation has elected to use the "notice-and-access" provisions (the "**Notice-and-Access Provisions**") under Canadian National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for Beneficial Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that are intended to reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

The Corporation anticipates that notice-and-access will directly benefit the Corporation through substantial reductions in postage and printing costs. The Corporation believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy-related materials.

The Corporation will use procedures known as "stratification" in relation to the use of the Notice-and-Access Provisions, meaning that Beneficial Shareholders, but not Registered Shareholders, will be mailed a notification of availability of Meeting materials directing them to those websites where they can access the Notice of Meeting and the Circular (the "**Notice-and-Access Notification**").

A form of proxy ("**Form of Proxy**") will be mailed to Registered Shareholders and a voting instruction form ("**Voting Instruction Form**") together with the Notice-and-Access Notification (the "**Notice-and-Access Package**") will be mailed to Beneficial Shareholders.

In order to receive a paper copy of this Circular and related materials, requests by Beneficial Shareholders may be made up to one year from the date the Circular was filed on SEDAR+ by: (i) calling Odyssey Trust Company toll free at 1-888-290-1175 (within North America) or at 1-587-885-0960 (outside North America); or (ii) by visiting www.odysseycontact.com. The Corporation estimates that a Beneficial Shareholder's request for paper copies of the Circular and other relevant information will need to be received prior to October 3, 2024 in order for such Beneficial Shareholder to have sufficient time to receive and review the materials requested and return the completed Form of Proxy by the proxy cut-off set out under the heading

"General Proxy Information – Appointment and Revocation of Proxies" in this Circular. All materials will be forwarded to LITH Shareholders at the Corporation's expense.

Forward-looking Statements

This Circular and the Schedules attached hereto contain forward-looking information and forward-looking statements. All statements other than statements of historical fact contained in this Circular are forward-looking statements, including, without limitation, statements regarding the closing of the Kairos Arrangement and the LITH 2.0 Arrangement, the timing of the Kairos Final Order and the LITH 2.0 Final Order, the Kairos Effective Date and the LITH 2.0 Effective Date, treatment under government regulatory regimes, including receipt of any Regulatory Approvals, treatment of LITH Shareholders under tax laws, benefits of the Kairos Arrangement and the LITH 2.0 Arrangement, the listing or continued listing of LITH on the TSX Venture Exchange ("**TSXV**"), the future listing of Kairos SpinCo on a stock exchange, the completion of the Kairos SpinCo Private Placement, future financial position, business strategy, projected budgets, projected costs and plans and objectives of or involving LITH, Kairos SpinCo and LITH 2.0 SpinCo. LITH Shareholders can identify many, but not all, of these statements by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof.

There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including the terms of the Kairos Arrangement Agreement and the LITH 2.0 Arrangement Agreement and those discussed elsewhere in this Circular. Although LITH believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: the inability of LITH to obtain the required consents, permits or approvals including, but not limited to, Court approval, the approval of the LITH Shareholders and any other Regulatory Approvals, risks inherent in the mining industry; the risk that actual results will vary from the results forecasted and such variations may be material and the additional risks set out under the heading "*Risk Factors*" in Schedule "H" and Schedule "I" attached hereto.

The information contained under the heading "*Risk Factors*" in Schedule "H" attached hereto identifies additional factors that could affect the operating results and performance of LITH and Kairos SpinCo, and the information contained under the heading "*Risk Factors*" in Schedule "I" attached hereto identifies additional factors that could affect the operating results and performance of LITH and LITH 2.0 SpinCo. We urge you to carefully consider those factors.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Circular are made as of the date of this Circular and LITH undertakes no obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, unless so required by Applicable Laws.

Information for Non-Canadian Resident Shareholders

LITH Shareholders who are resident in (or citizens of) jurisdictions other than Canada should consult their advisors with respect to the consequences of the Kairos Arrangement and the LITH 2.0 Arrangement, including any foreign tax consequences and any associated filing requirements.

REPORTING CURRENCY AND FINANCIAL INFORMATION

Except as otherwise indicated in this Circular, references to "Canadian dollars", "Cdn" or "C\$" are to the currency of Canada and references to "U.S. dollars", "USD" or "US\$" are to the currency of the United States.

All financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to LITH, Kairos SpinCo and LITH 2.0 SpinCo have been prepared in accordance with IFRS, including the unaudited *pro forma* financial statements.

NOTICE REGARDING INFORMATION

Information in this Circular is given as at September 9, 2024 unless otherwise indicated and except for information contained in the documents incorporated herein by reference, which is given as at the respective dates stated therein.

No person is authorized to give any information or make any representation not contained or incorporated by reference in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Circular, including the Schedules hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the Schedules hereto. Terms with initial capital letters used in this summary are defined in the "Glossary of Terms".

The Meeting

The Meeting will be held at the offices of DS Lawyers Canada LLP, 800, 333 – 7th Avenue SW, Calgary, Alberta, on Thursday, October 17, 2024 at 11:00 a.m. (Calgary time) for the purposes set forth in the accompanying Notice of Meeting. At the Meeting, LITH Shareholders will be asked to consider the Kairos Arrangement Resolution and the LITH 2.0 Arrangement Resolution.

See "*Matters to be Considered at the Meeting*".

The LITH Board has set the close of business on August 28, 2024 as the Record Date for determining LITH Shareholders who are entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof. The LITH Shares will vote together as a single class at the Meeting and each LITH Shareholder shall be entitled to one vote for each LITH Share held by such holder at the Meeting in respect of the Kairos Arrangement Resolution, the LITH 2.0 Arrangement Resolution and any other matters to be considered at the Meeting.

The Kairos Arrangement

The purpose of the Kairos Arrangement is to reorganize LITH into two separate growth-oriented public mining companies: (a) LITH, which will remain listed on the TSXV, focused on exploiting the Corporation's lithium deposits in Argentina; and (b) Kairos SpinCo, a reporting issuer that will be focused on exploiting the Corporation's Chilean gold, copper and silver properties. The Kairos Arrangement would result in, among other things, participating LITH Shareholders holding, immediately following completion of the Kairos Arrangement, all of the outstanding Kairos SpinCo Shares in proportion to their holdings of LITH Shares at the Effective Time. For a summary of the steps of the Kairos Arrangement and related transactions, see the section entitled "*The Kairos Arrangement – Details of the Kairos Arrangement*".

Reasons and Benefits of the Kairos Arrangement

The LITH Board believes that the separation of LITH's gold, copper and silver exploration business from its lithium exploration and development business will provide a number of benefits to LITH, Kairos SpinCo and the LITH Shareholders, including: providing LITH Shareholders with enhanced value by creating an independent investment opportunity in a gold, copper and silver exploration company, which management of LITH expects will unlock the value of the Kairos Properties; providing LITH Shareholders with 100% ownership of Kairos SpinCo at the closing of the Kairos Arrangement; providing both LITH and Kairos SpinCo with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans; enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company; enabling each company to pursue independent growth and capital allocation strategies. The reorganization is intended to occur on a tax-deferred basis for LITH Shareholders resident in Canada who hold their LITH Shares as capital property.

The foregoing summary of what was considered by the LITH Board is not intended to be exhaustive of all the factors that were considered in arriving at a conclusion and making the recommendation described herein. The LITH Board used their own knowledge of the business, financial conditions, and prospects of LITH and Kairos SpinCo. See "*The Kairos Arrangement – Reasons and Benefits of the Kairos Arrangement*".

Recommendation of the LITH Board

The LITH Board unanimously determined, based upon such factors considered by the LITH Board to be relevant that: (i) the Kairos Arrangement is fair to the LITH Shareholders; (ii) it will recommend that LITH Shareholders vote in favour of the Kairos Arrangement Resolution; and (iii) the Kairos Arrangement and entry into of the Kairos Arrangement Agreement are in the best interests of LITH and the LITH Shareholders. See "*The Kairos Arrangement Recommendation of the LITH Board*".

The LITH Board realizes that there are risks associated with the Kairos Arrangement, including that some of the potential benefits set forth above may not be realized or that there may be significant

costs associated with realizing such benefits. The LITH Board believes that the factors in favour of the Kairos Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "Risk Factors" in Schedule "H".

Fairness of the Kairos Arrangement

The Kairos Arrangement was determined to be fair to the LITH Shareholders by the LITH Board based upon the following factors, among others:

- the procedures by which the Kairos Arrangement will be approved, including the requirement for at least 66⅔% LITH Shareholder approval at the Meeting, and approval by the Court after a hearing at which fairness will be considered;
- each LITH Shareholder, as at the Kairos Effective Time, will participate in the Kairos Arrangement such that each LITH Shareholder, upon completion of the Kairos Arrangement will continue to hold the same proportionate interest in LITH and Kairos SpinCo that such LITH Shareholder held in LITH prior to the completion of the Kairos Arrangement;
- the continued listing of the LITH Shares on the TSXV will not reduce liquidity available to the LITH Shareholders;
- the Kairos SpinCo Valuation;
- Kairos SpinCo will be a reporting issuer in the same jurisdictions as LITH;
- LITH Shareholders will own securities of two listed companies, if the intended listing of the Kairos SpinCo Shares is completed; and
- the application to list the Kairos SpinCo Shares on the TSXV.

See further details under the section entitled "*The Kairos Arrangement – Fairness of the Kairos Arrangement*".

Details of the Kairos Arrangement

The following is a summary of the material terms of the Kairos Arrangement Agreement and the Kairos Plan of Arrangement and is subject to, and qualified in its entirety by, the full text of the Kairos Arrangement Agreement attached as Schedule "B" hereto and the Kairos Plan of Arrangement set forth in Exhibit I to the Kairos Arrangement Agreement.

Pursuant to the Kairos Arrangement, commencing at the Effective Time, the following shall occur and shall be deemed to occur, except as otherwise expressly provided in the Kairos Plan of Arrangement:

- (a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the Kairos SpinCo Shares, estimated to be \$3,805,000 or such other estimated amount as determined by the Board of Directors; and
- (b) LITH will distribute to the LITH Shareholders one (1) Kairos SpinCo Share for every ten (10) LITH Shares held by a LITH Shareholder.

See "*The Kairos Arrangement – Details of the Kairos Arrangement*".

Procedure for the Kairos Arrangement to Become Effective

The Kairos Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the Kairos Arrangement to become effective:

- (a) the Kairos Arrangement must be approved by not less than 66⅔% of the aggregate votes validly cast by LITH Shareholders voting together as a single class at the Meeting in the manner set forth in the Kairos Interim Order;
- (b) the Court must grant the Kairos Final Order approving the Kairos Arrangement;
- (c) all conditions precedent to the Kairos Arrangement, as set forth in the Kairos Arrangement Agreement must be satisfied or waived by the appropriate Party; and
- (d) the Kairos Final Order, the Kairos Articles of Arrangement and related documents, in the form prescribed by the ABCA, must be filed with the Registrar.

See "*Procedure for the Kairos Arrangement to Become Effective - Procedural Steps*".

LITH Shareholder Approval

The number of votes required to pass the Kairos Arrangement Resolution shall be not less than 66⅔% of the aggregate votes validly cast by the LITH Shareholders who are in person or represented by proxy at the Meeting and voting together as a single class.

See "*Procedure for the Kairos Arrangement to Become Effective - Shareholder Approval*" and "*Matters to be Considered at the Meeting*".

Court Approval

On August 28, 2024, LITH obtained the Kairos Interim Order providing for the calling and holding of the Meeting and other procedural matters. The Kairos Interim Order is attached as Schedule "E" hereto.

Implementation of the Kairos Arrangement requires the satisfaction of several conditions and the approval of the Court. An application for the Kairos Final Order approving the Kairos Arrangement is expected to be made on October 31, 2024 at 10:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Law Courts, 1A Sir Winston Churchill Square, Edmonton, Alberta if the Kairos Arrangement is approved by the requisite majority of LITH Shareholders at the Meeting. On the application, the Court will consider the fairness of the terms and conditions of the Kairos Arrangement.

See "*Procedure for the Kairos Arrangement to Become Effective - Court Approval*".

Regulatory Matters

It is a condition to the implementation of the Kairos Arrangement that all of the requisite Regulatory Approvals be obtained.

See "*Procedure for the Kairos Arrangement to Become Effective - Regulatory Matters*".

Kairos SpinCo Stock Exchange Listing and Kairos SpinCo Private Placement

Kairos SpinCo will be a reporting issuer but the Kairos SpinCo Shares are not listed or posted for trading on any stock exchange or dealer network, and there is consequently no market for the Kairos SpinCo Shares.

Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV. Any listing will be subject to Kairos SpinCo fulfilling all of the listing requirements of the TSXV and TSXV approval. As a condition of receiving TSXV approval for the listing, Kairos SpinCo is required to complete the Kairos SpinCo Private Placement.

LITH Following the Kairos Arrangement

Following completion of the Kairos Arrangement, LITH will continue to operate as a lithium exploration mining company. The LITH Shares will continue to trade on the TSXV under the symbol "LITH".

Kairos SpinCo Following the Kairos Arrangement

Kairos SpinCo will be a new stand-alone company and will be a reporting issuer in the same jurisdictions as LITH. Kairos SpinCo will hold the Kairos Properties, including but not limited to the Las Garillas Claims, and is expected to operate as a gold, copper and silver exploration company.

For a detailed description of Kairos SpinCo following the completion of the Kairos Arrangement, see Schedule "H".

Selected Unaudited Pro-Forma Consolidated Financial Information for Kairos SpinCo

The following selected unaudited pro-forma financial information for Kairos SpinCo is based on the assumptions described in the notes to Kairos SpinCo's unaudited pro-forma condensed statement of financial position as at June 30, 2024. See Appendix "III" to Schedule "H", which has been prepared based on the assumptions that, among other things, the Kairos Arrangement occurred on June 30, 2024.

	As at June 30, 2024 (unaudited pro-forma)
Cash	-
Exploration and Evaluation Properties – Mineral Properties	3,805,000
Total Assets	\$3,805,000

	As at June 30, 2024 (unaudited pro-forma)
Share Capital	\$3,805,000
Total Liabilities and Shareholders' Equity	\$3,805,000

Summary of Canadian Federal Income Tax Considerations

This Circular contains a summary of certain Canadian federal income tax considerations generally applicable to certain LITH Shareholders who, under the Kairos Arrangement, acquire one or more Kairos SpinCo Shares. See the discussion under the section entitled "*Tax Considerations to LITH Shareholders*". LITH Shareholders should consult their own tax advisors for advice with respect to the Canadian income tax consequences to them in respect of the Kairos Arrangement.

Tax Considerations in Other Jurisdictions

This Circular does not address any tax considerations of the Kairos Arrangement other than certain Canadian federal income tax considerations. LITH Shareholders who are resident in (or citizens of) jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the Kairos Arrangement, including any associated filing requirements, in such jurisdictions. See the discussion under the section entitled "*Tax Considerations in Other Jurisdictions*". LITH Shareholders should also consult their own tax advisors regarding provincial, state, local or territorial tax considerations of the Kairos Arrangement.

Timing

Subject to satisfaction or waiver of all conditions precedent to the Kairos Arrangement as set forth in the Kairos Arrangement Agreement, the Kairos Arrangement will become effective upon the filing with the Registrar of the Kairos Articles of Arrangement, including a copy of the Kairos Final Order, together with such other materials as may be required by the Registrar. LITH's objective is to have the Kairos Effective Date occur on or about November 29, 2024. The Kairos Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Kairos Final Order. **The Kairos Arrangement Agreement may be terminated by either Party if the Kairos Effective Time has not occurred on or prior to December 31, 2024.** See "*Timing*".

Distribution of Kairos SpinCo Share Certificates

The Transfer Agent will distribute the Kairos SpinCo Shares to the LITH Shareholders as soon as possible after the Kairos Effective Date.

Dissent Rights

Pursuant to the Kairos Interim Order, registered LITH Shareholders have the right to dissent with respect to the Kairos Arrangement Resolution by providing a written objection to the Kairos Arrangement Resolution to LITH, c/o DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine, by 5:00 p.m. (Calgary time) on October 15, 2024 or the Business Day that is two Business Days immediately preceding the date of any adjournment or postponement of the Meeting.

In the event the Kairos Arrangement becomes effective, each registered LITH Shareholder who properly dissents and becomes a Kairos Dissenting Shareholder will be entitled to be paid by LITH the fair value of the LITH Shares in respect of which such holder dissents in accordance with Section 191 of the ABCA, as modified by the Kairos Plan of Arrangement and the Kairos Interim Order. A LITH Shareholder who votes for the Kairos Arrangement shall not be entitled to dissent.

A Kairos Dissenting Shareholder may dissent only with respect to all of the LITH Shares held by such Kairos Dissenting Shareholder or on behalf of any one beneficial owner and registered in the name of the Kairos Dissenting Shareholder. See Schedules "E" and "G" hereto for a copy of the Kairos Interim Order and the provisions of Section 191 of the ABCA, respectively.

The statutory provisions covering the right of dissent are technical and complex. **Failure to strictly comply with such requirements set forth in Section 191 of the ABCA, as modified by the Kairos Plan of Arrangement and the Kairos Interim Order, may result in the loss of any right of dissent.**

The Kairos Arrangement Agreement provides that, unless otherwise waived by LITH, it is a condition to the completion of the Kairos Arrangement that the aggregate number of LITH Shares

held by those LITH Shareholders who have validly exercised and not withdrawn Kairos Dissent Rights shall not exceed 1% of the aggregate number of LITH Shares outstanding as of the Effective Time. See "*Kairos Dissent Rights*".

Securities Laws Matters

The Kairos SpinCo Shares to be distributed to LITH Shareholders pursuant to the Kairos Arrangement will be distributed pursuant to exemptions from the registration and prospectus requirements contained in applicable Securities Laws in Canada. Under applicable Securities Laws, the Kairos SpinCo Shares may be resold in Canada without hold period restrictions, provided that the sale is not a "control distribution" as defined by applicable Securities Laws, no unusual effort is made to prepare the market or create a demand for the Kairos SpinCo Shares, no extraordinary commission or consideration is paid in respect of the sale and, if the selling holder of the Kairos SpinCo Shares is an insider or officer of Kairos SpinCo, such holder has no reasonable grounds to believe that Kairos SpinCo is in default of Securities Laws.

See further details under the section entitled "*Securities Laws Matters*".

Risk Factors

There are risks associated with the completion of the Kairos Arrangement.

Some of these risks include that the Kairos Arrangement Agreement may be terminated in certain circumstances, in which case the fair market value of the LITH Shares may be adversely affected and that the closing of the Kairos Arrangement is conditional on, among other things, the receipt of consents and approvals from Governmental Entities that could delay completion of the Kairos Arrangement. See "*Risk Factors*" in Schedule "H" hereto.

The LITH 2.0 Arrangement

The purpose of the LITH 2.0 Arrangement is to reorganize LITH into two separate public mining companies: (a) LITH, which will remain listed on the TSXV at least until the completion of the LITH Sales Process, holding the Corporation's lithium properties in Argentina; and (b) LITH 2.0 SpinCo, a reporting issuer that will be focused on exploiting the Corporation's lithium properties in Chile (the "**LITH 2.0 Properties**"). During the LITH Sales Process LITH has obtained feedback that potential acquirers may not be interested in purchasing the LITH 2.0 Properties. The LITH 2.0 Arrangement would result in, among other things, participating LITH Shareholders holding, immediately following completion of the LITH 2.0 Arrangement, all of the outstanding LITH 2.0 SpinCo Shares in proportion to their holdings of LITH Shares at the Effective Time. The LITH Board's decision to proceed with the LITH 2.0 Arrangement may be contingent on LITH successfully completing the LITH Sales Process. For a summary of the steps of the LITH 2.0 Arrangement and related transactions, see the section entitled "*The LITH 2.0 Arrangement – Details of the LITH 2.0 Arrangement*".

Reasons and Benefits of the LITH 2.0 Arrangement

The LITH Board believes that the separation of LITH's lithium properties in Argentina and its lithium properties in Chile into two separate companies will provide a number of benefits to LITH, LITH 2.0 SpinCo and the LITH Shareholders, including: providing LITH Shareholders with enhanced value by creating independent investment opportunities in a lithium exploration company in Chile, which management of LITH expects will unlock the value of the LITH 2.0 Properties and help the LITH Sales Process come to a successful conclusion by removing the Chilean lithium properties; providing LITH Shareholders with 100% ownership of each of LITH and LITH 2.0 SpinCo at the closing of the LITH 2.0 Arrangement; providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans; enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company; enabling each company to pursue independent growth and capital allocation strategies. The reorganization is intended to occur on a tax-deferred basis for LITH Shareholders resident in Canada who hold their LITH Shares as capital property.

The foregoing summary of what was considered by the LITH Board is not intended to be exhaustive of all the factors that were considered in arriving at a conclusion and making the recommendation described herein. The LITH Board used their own knowledge of the business, financial conditions, and prospects of LITH and LITH 2.0 SpinCo. See "*The LITH 2.0 Arrangement – Reasons and Benefits of the LITH 2.0 Arrangement*". The LITH Board may not proceed with the LITH 2.0 Arrangement if the LITH Sales Process is not successfully completed.

Recommendation of the LITH Board

The LITH Board unanimously determined, based upon such factors considered by the LITH Board to be relevant that: (i) the LITH 2.0 Arrangement is fair to the LITH Shareholders; (ii) it will recommend that LITH Shareholders vote in favour of the LITH 2.0 Arrangement Resolution; and (iii) the LITH 2.0 Arrangement and entry into of the LITH 2.0 Arrangement Agreement are in the best interests of LITH and the LITH Shareholders. See "*The LITH 2.0 Arrangement Recommendation of the LITH Board*".

The LITH Board realizes that there are risks associated with the LITH 2.0 Arrangement, including that some of the potential benefits set forth above may not be realized or that there may be significant costs associated with realizing such benefits. The LITH Board believes that the factors in favour of the LITH 2.0 Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "*Risk Factors*" in Schedule "I".

Fairness of the LITH 2.0 Arrangement

The LITH 2.0 Arrangement was determined to be fair to the LITH Shareholders by the LITH Board based upon the following factors, among others:

- the procedures by which the LITH 2.0 Arrangement will be approved, including the requirement for at least 66⅔% LITH Shareholder approval at the Meeting, and approval by the Court after a hearing at which the fairness of the LITH 2.0 Arrangement will be considered;
- each LITH Shareholder at the Effective Time will participate in the LITH 2.0 Arrangement such that each LITH Shareholder will hold, upon completion of the LITH 2.0 Arrangement, the same proportionate interest in LITH and LITH 2.0 SpinCo that such LITH Shareholder held in LITH immediately prior to the LITH 2.0 Arrangement;
- the continued listing of the LITH Shares on the TSXV will continue to provide liquidity to LITH Shareholders unless the LITH Sales Process is successfully completed;
- LITH 2.0 SpinCo will be a reporting issuer in the same jurisdictions as LITH; and
- the LITH 2.0 SpinCo Valuation.

See further details under the section entitled "*The LITH 2.0 Arrangement – Fairness of the LITH 2.0 Arrangement*".

Details of the LITH 2.0 Arrangement

The following is a summary of the material terms of the LITH 2.0 Arrangement Agreement and the LITH 2.0 Plan of Arrangement and is subject to, and qualified in its entirety by, the full text of the LITH 2.0 Arrangement Agreement attached as Schedule "D" hereto and the LITH 2.0 Plan of Arrangement set forth in Exhibit I to the LITH 2.0 Arrangement Agreement.

Pursuant to the LITH 2.0 Arrangement, commencing at the Effective Time, the following shall occur and shall be deemed to occur, except as otherwise expressly provided in the LITH 2.0 Plan of Arrangement:

- (a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the LITH 2.0 SpinCo Shares, estimated to be equal to the LITH 2.0 Share Purchase Price or such other estimated amount as determined by the Board of Directors; and
- (b) LITH will distribute to the LITH Shareholders one (1) LITH 2.0 SpinCo Share for each four (4) LITH Shares held by a LITH Shareholder.

See "*The LITH 2.0 Arrangement – Details of the LITH 2.0 Arrangement*".

Procedure for the LITH 2.0 Arrangement to Become Effective

The LITH 2.0 Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the LITH 2.0 Arrangement to become effective:

- (a) the LITH 2.0 Arrangement must be approved by not less than 66⅔% of the aggregate votes validly cast by LITH Shareholders voting together as a single class at the Meeting in the manner set forth in the LITH 2.0 Interim Order;
- (b) the Court must grant the LITH 2.0 Final Order approving the LITH 2.0 Arrangement;

- (c) all conditions precedent to the LITH 2.0 Arrangement, as set forth in the LITH 2.0 Arrangement Agreement must be satisfied or waived by the appropriate Party; and
- (d) the LITH 2.0 Final Order, the LITH 2.0 Articles of Arrangement and related documents, in the form prescribed by the ABCA, must be filed with the Registrar.

See "*Procedure for the LITH 2.0 Arrangement to Become Effective - Procedural Steps*".

LITH Shareholder Approval

The number of votes required to pass the LITH 2.0 Arrangement Resolution shall be not less than 66⅔% of the aggregate votes validly cast by the LITH Shareholders who are in person or represented by proxy at the Meeting and voting together as a single class.

See "*Procedure for the LITH 2.0 Arrangement to Become Effective - Shareholder Approval*" and "*Matters to be Considered at the Meeting*".

Court Approval

On August 28, 2024, LITH obtained the LITH 2.0 Interim Order providing for the calling and holding of the Meeting and other procedural matters. The LITH 2.0 Interim Order is attached as Schedule "F" hereto.

Implementation of the LITH 2.0 Arrangement requires the satisfaction of several conditions and the approval of the Court. An application for the LITH 2.0 Final Order approving the LITH 2.0 Arrangement is expected to be made on October 31, 2024 at 10:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Law Courts, 1A Sir Winston Churchill Square, Edmonton, Alberta if the LITH 2.0 Arrangement is approved by the requisite majority of LITH Shareholders at the Meeting. On the application, the Court will consider the fairness of the terms and conditions of the LITH 2.0 Arrangement.

See "*Procedure for the LITH 2.0 Arrangement to Become Effective - Court Approval*".

Regulatory Matters

It is a condition to the implementation of the LITH 2.0 Arrangement that all of the requisite Regulatory Approvals be obtained.

See "*Procedure for the LITH 2.0 Arrangement to Become Effective - Regulatory Matters*".

LITH 2.0 SpinCo Stock Exchange Listing

LITH 2.0 SpinCo will be a reporting issuer but the LITH 2.0 SpinCo Shares are not listed or posted for trading on any stock exchange or dealer network, and there is consequently no market for the LITH 2.0 SpinCo Shares. No application has been made to list or post the LITH 2.0 SpinCo Shares on any stock exchange or dealer network.

LITH Following the LITH 2.0 Arrangement

Following completion of the LITH 2.0 Arrangement, LITH will continue to operate as a lithium exploration and development company. The LITH Shares will continue to trade on the TSXV under the symbol "LITH".

LITH 2.0 SpinCo Following the LITH 2.0 Arrangement

LITH 2.0 SpinCo will be a new stand-alone company and will be a reporting issuer in the same jurisdictions as LITH. LITH 2.0 SpinCo will hold the LITH 2.0 Properties, including but not limited to the Los Morros Claims, and plans to operate as a lithium exploration company with properties in Chile.

For a detailed description of LITH 2.0 SpinCo following the completion of the LITH 2.0 Arrangement, see Schedule "I".

Selected Unaudited Pro-Forma Consolidated Financial Information for LITH 2.0 SpinCo

The following selected unaudited pro-forma financial information for LITH 2.0 SpinCo is based on the assumptions described in the notes to LITH 2.0 SpinCo's unaudited pro-forma condensed statement of financial position as at June 30, 2024. See Appendix "III" to Schedule "I", which has been prepared based on the assumptions that, among other things, the LITH 2.0 Arrangement occurred on June 30, 2024.

	As at June 30, 2024 (unaudited pro-forma)
Cash	-
Exploration and Evaluation Properties – Mineral Properties	\$9,735,000
Total Assets	\$9,735,000
Share Capital	\$9,735,000
Total Liabilities and Shareholders' Equity	\$9,735,000

Summary of Canadian Federal Income Tax Considerations

This Circular contains a summary of certain Canadian federal income tax considerations generally applicable to certain LITH Shareholders who, under the LITH 2.0 Arrangement, acquire one or more LITH 2.0 SpinCo Shares. See the discussion under the section entitled "*Tax Considerations to LITH Shareholders*". LITH Shareholders should consult their own tax advisors for advice with respect to the Canadian income tax consequences to them in respect of the LITH 2.0 Arrangement.

Tax Considerations in Other Jurisdictions

This Circular does not address any tax considerations of the LITH 2.0 Arrangement other than certain Canadian federal income tax considerations. LITH Shareholders who are resident in (or citizens of) jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of the LITH 2.0 Arrangement, including any associated filing requirements, in such jurisdictions. See the discussion under the section entitled "*Tax Considerations in Other Jurisdictions*". LITH Shareholders should also consult their own tax advisors regarding provincial, state, local or territorial tax considerations of the LITH 2.0 Arrangement.

Timing

Subject to satisfaction or waiver of all conditions precedent to the LITH 2.0 Arrangement as set forth in the LITH 2.0 Arrangement Agreement, the LITH 2.0 Arrangement will become effective upon the filing with the Registrar of the LITH 2.0 Articles of Arrangement, including a copy of the LITH 2.0 Final Order, together with such other materials as may be required by the Registrar. The LITH 2.0 Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the LITH 2.0 Final Order. **The LITH 2.0 Arrangement Agreement may be terminated by either Party if the LITH 2.0 Effective Time has not occurred on or prior to June 30, 2025.** See "*Timing*".

Distribution of LITH 2.0 SpinCo Share Certificates

The Transfer Agent will distribute the LITH 2.0 SpinCo Shares to the LITH Shareholders as soon as possible after the LITH 2.0 Effective Date.

Dissent Rights

Pursuant to the LITH 2.0 Interim Order, registered LITH Shareholders have the right to dissent with respect to the LITH 2.0 Arrangement Resolution by providing a written objection to the LITH 2.0 Arrangement Resolution to LITH, c/o DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine, by 5:00 p.m. (Calgary time) on October 15, 2024 or the Business Day that is two Business Days immediately preceding the date of any adjournment or postponement of the Meeting.

In the event the LITH 2.0 Arrangement becomes effective, each registered LITH Shareholder who properly dissents and becomes a LITH 2.0 Dissenting Shareholder will be entitled to be paid by LITH the fair value of the LITH Shares in respect of which such holder dissents in accordance with Section 191 of the ABCA, as modified by the LITH 2.0 Plan of Arrangement and the LITH 2.0 Interim Order. A LITH Shareholder who votes for the LITH 2.0 Arrangement shall not be entitled to dissent.

A LITH 2.0 Dissenting Shareholder may dissent only with respect to all of the LITH Shares held by such LITH 2.0 Dissenting Shareholder or on behalf of any one beneficial owner and registered in the name of the LITH 2.0 Dissenting Shareholder. See Schedules "F" and "G" hereto for a copy of the LITH 2.0 Interim Order and the provisions of Section 191 of the ABCA, respectively.

The statutory provisions covering the right of dissent are technical and complex. **Failure to strictly comply with such requirements set forth in Section 191 of the ABCA, as modified by the LITH 2.0 Plan of Arrangement and the LITH 2.0 Interim Order, may result in the loss of any right of dissent.**

The LITH 2.0 Arrangement Agreement provides that, unless otherwise waived by LITH, it is a condition to the completion of the LITH 2.0 Arrangement that the aggregate number of LITH Shares held by those LITH Shareholders who have validly exercised and not withdrawn LITH 2.0 Dissent Rights shall not exceed 1% of the aggregate number of LITH Shares outstanding as of the Effective Time. See "*LITH 2.0 Dissent Rights*".

Securities Laws Matters

The LITH 2.0 SpinCo Shares to be distributed to LITH Shareholders pursuant to the LITH 2.0 Arrangement will be distributed pursuant to exemptions from the registration and prospectus requirements contained in applicable Securities Laws in Canada. Under applicable Securities Laws, the LITH 2.0 SpinCo Shares may be resold in Canada without hold period restrictions, provided that the sale is not a "control distribution" as defined by applicable Securities Laws, no unusual effort is made to prepare the market or create a demand for the LITH 2.0 SpinCo Shares, no extraordinary commission or consideration is paid in respect of the sale and, if the selling holder of the LITH 2.0 SpinCo Shares is an insider or officer of LITH 2.0 SpinCo, such holder has no reasonable grounds to believe that LITH 2.0 SpinCo is in default of Securities Laws.

See further details under the section entitled "*Securities Laws Matters*".

Name Change Resolution

LITH Shareholders will be asked to consider, and, if deemed advisable, to pass a special resolution changing the name of the Corporation to "Charge Lithium Inc." or such other name as the LITH Board, in their sole discretion and subject to applicable regulatory approval, determines to be appropriate.

For more information, see the section headed "*Business to be Considered at the Meeting – Approval of Name Change*".

Risk Factors

There are risks associated with the completion of the LITH 2.0 Arrangement.

Some of these risks include that the LITH 2.0 Arrangement Agreement may be terminated in certain circumstances, in which case the fair market value of the LITH Shares may be adversely affected and that the closing of the LITH 2.0 Arrangement is conditional on, among other things, the receipt of consents and approvals from Governmental Entities that could delay completion of the LITH 2.0 Arrangement. See "*Risk Factors*" in Schedule "I" hereto.

LITH Stock Exchange Listing

The outstanding LITH Shares are listed and posted for trading on the TSXV under the symbol "LITH". On April 17, 2024, the last trading day prior to the date of the announcement of the proposed Kairos Arrangement and proposed LITH 2.0 Arrangement, the closing price of the LITH Shares on the TSXV was \$0.85. On September 6, 2024, the last trading day prior to the date of this Circular, the closing price of the LITH Shares on the TSXV was \$0.55.

GENERAL PROXY MATTERS

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.

The Meeting is being called pursuant to the Kairos Interim Order and the LITH 2.0 Interim Order of the Court to seek the requisite approval of LITH Shareholders to the Kairos Arrangement and the LITH 2.0 Arrangement in accordance with Section 193 of the ABCA. See "*The Arrangement*" and "*Matters to be Considered at the Meeting*".

Appointment and Revocation of Proxies

The information provided in this section applies to LITH Shareholders who hold LITH 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 LITH 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 LITH 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 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 1230, 300 5th 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 LITH 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 LITH 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 LITH 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 LITH 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 LITH Shares

The information set forth in this section is of significant importance to many LITH Shareholders, as a substantial number of LITH Shareholders do not hold their LITH Shares in their own name. LITH Shareholders who do not hold their LITH Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only LITH Shareholders whose names appear on the records of the Corporation as the registered holders of LITH Shares or their proxyholders are permitted to vote at the Meeting. If LITH Shares are listed in an account statement provided to a LITH Shareholder by a broker, then, in almost all cases, those shares will not be registered in the LITH Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the LITH 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). LITH 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 LITH Shares are communicated to the appropriate person.**

Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of LITH 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 LITH 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 LITH 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 LITH Shares voted at the Meeting. **If you have any questions**

respecting the voting of LITH 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 LITH 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 LITH Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their LITH 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 NI 54-101, the Corporation has distributed copies of applicable proxy-related materials in connection with this Meeting indirectly to all Beneficial Shareholders. The Corporation will not pay for Intermediaries to forward the proxy related materials and the voting instruction form to OBOs under NI 54-101 and accordingly, OBOs will not receive such materials unless their Intermediary assumes the cost of delivery.

Voting Securities of LITH and Principal Holders thereof

The Corporation is authorized to issue an unlimited number of LITH Shares and an unlimited number of preferred shares, of which 206,327,657 LITH Shares and nil preferred shares are issued and outstanding.

The holders of LITH Shares of record at the close of business on the record date, set by the directors of the Corporation to be August 28, 2024 (the "**Record Date**"), are entitled to vote such LITH Shares at the Meeting on the basis of one (1) vote for each LITH Share held, except to the extent that:

1. such person transfers his, her or its LITH Shares after the Record Date; and
2. the transferee of those LITH Shares produces properly endorsed share certificates or otherwise establishes his, her or its ownership of the LITH 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 LITH 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 LITH 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, LITH Shares carrying 10% or more of the voting rights attached to all outstanding LITH Shares is Gator Capital Ltd., which owns approximately 37,971,281 LITH Shares representing 18.40% of the issued and outstanding LITH Shares.

MATTERS TO BE CONSIDERED AT THE MEETING

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. The Kairos Arrangement

Procedure and Votes Required

The Kairos Interim Order provides that each holder of LITH Shares at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting.

Pursuant to the Kairos Interim Order:

- (a) the only persons entitled to notice of the Meeting shall be the LITH Shareholders as set out in the registers of LITH in respect of the LITH Shares on the Record Date and the directors and auditors of LITH;
- (b) the only persons entitled to vote on the Kairos Arrangement Resolution at the Meeting shall be, whether present in person or represented by proxy, the LITH Shareholders as set out in the registers of LITH in respect of the LITH Shares on the Record Date;
- (c) the LITH Shares shall vote together as a single class and each LITH Share entitled to vote at the Meeting will entitle the holder to one vote at the Meeting in respect of the Kairos Arrangement Resolution;
- (d) in order for the Kairos Arrangement to become effective, the requisite majority for approval of the Kairos Arrangement Resolution shall be, subject to further order of the Court, not less than $66\frac{2}{3}\%$ of the votes cast by the LITH Shareholders who are present in person or represented by proxy at the Meeting and voting together as a single class;
- (e) the quorum required at the Meeting will be at least two (2) LITH Shareholders present in person, or represented by proxy, at the opening of the Meeting, and holding or representing not less than 10% of the LITH Shares entitled to be voted at the Meeting; and
- (f) if a quorum is not present at the opening of the Meeting, the LITH Shareholder(s) present or represented may adjourn the meeting to a fixed time and place but may not transact any other business until a quorum is present.

Notwithstanding that the Kairos Arrangement Resolution has been passed by the LITH Shareholders or that the Kairos Arrangement has been approved by the Court, the directors of LITH are authorized and empowered, at their discretion, without further notice to or approval of the LITH Shareholders: (i) to amend, modify, supplement or terminate the Kairos Arrangement Agreement or the Kairos Plan of Arrangement to the extent permitted by the Kairos Arrangement Agreement and approved by the Court; and (ii) subject to the terms of the Kairos Arrangement Agreement, not to proceed with the Kairos Arrangement, at any time prior to the issuance of the certificate giving effect to the Kairos Arrangement. See Schedule "A" to this Circular for the full text of the Kairos Arrangement Resolution.

General

The purpose of the Kairos Arrangement is to reorganize LITH and its assets and operations into two separate companies: LITH and Kairos SpinCo. Upon the Kairos Arrangement becoming effective, the stated capital account maintained in respect to the LITH Shares will be reduced by an amount equal to the fair market value of the Kairos SpinCo Shares and LITH Shareholders of record as of the close of business on the Kairos Distribution Record Date will become shareholders in both companies and will receive one (1) Kairos SpinCo Share for every ten (10) LITH Shares held by such LITH Shareholders on such date.

On or about April 18, 2024, LITH announced the exploration of a potential "spin out" transaction of the Corporation's Kairos Properties into a separate company from LITH in an effort to maximize shareholder value. The Kairos Arrangement has been proposed in order to facilitate the proposed "spin out" transaction. LITH will continue to hold and explore the Corporation's lithium properties. Prior to the completion of the Kairos Arrangement, LITH and Kairos SpinCo shall complete the transactions contemplated in the Kairos Share Purchase and Sale Agreement. Following the Kairos Effective Date, Kairos SpinCo shall complete the Kairos SpinCo Private Placement to fund Kairos SpinCo's Las Garillas Initial Exploration Program and for general working capital purposes. See "*Corporate Structure*" in Schedule "H".

Reasons and Benefits of the Kairos Arrangement

The LITH Board believes that the separation of LITH's gold exploration business from its lithium exploration and development business will provide a number of benefits to LITH, Kairos SpinCo and the LITH Shareholders, including:

- providing LITH Shareholders with enhanced value by creating an independent investment opportunity in a gold exploration mining company, which management of LITH expects will unlock the value of the Corporation's Kairos Properties;

- providing LITH Shareholders with 100% ownership of each of Kairos SpinCo and LITH at the closing of the Kairos Arrangement;
- LITH Shareholders will benefit by holding shares in two separate public companies;
- providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;
- enabling each company to pursue independent growth and capital allocation strategies; and
- allowing the reorganization to occur on a tax-deferred basis for LITH Shareholders resident in Canada who hold their LITH Shares as capital property.

The foregoing summary of what was considered by the LITH Board is not intended to be exhaustive of all the factors that were considered in arriving at a conclusion and making the recommendation described herein. The LITH Board used their own knowledge of the business, financial conditions, and prospects of LITH and Kairos SpinCo. Given the numerous factors that were considered in connection with evaluating the Kairos Arrangement, it was not practical to quantify or assign relative weight to specific facts relied upon by the LITH Board in reaching its conclusions and recommendations. In addition, individual members of the LITH Board may have given different weight to different factors. The conclusions and recommendations of the LITH Board were arrived at after giving consideration to the totality of the information and factors involved.

Recommendation of the LITH Board

The LITH Board unanimously determined, based upon such factors considered by the LITH Board to be relevant, that: (i) the Kairos Arrangement is fair to the LITH Shareholders; (ii) it will recommend that LITH Shareholders vote in favour of the Kairos Arrangement Resolution; and (iii) the Kairos Arrangement and entry into of the Kairos Arrangement Agreement are in the best interests of LITH and the LITH Shareholders.

The LITH Board realizes that there are risks associated with the Kairos Arrangement, including that some of the potential benefits set forth above may not be realized or that there may be significant costs associated with realizing such benefits. The LITH Board believes that the factors in favour of the Kairos Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "Risk Factors" in Schedule "H".

Fairness of the Kairos Arrangement

The Kairos Arrangement was determined to be fair to the LITH Shareholders by the LITH Board based upon the following factors, among others:

- the procedures by which the Kairos Arrangement will be approved, including the requirement for at least 66⅔% LITH Shareholder approval at the Meeting, and approval by the Court after a hearing at which fairness will be considered;
- each LITH Shareholder, as at the Kairos Effective Time, will participate in the Kairos Arrangement such that each LITH Shareholder, upon completion of the Kairos Arrangement will continue to hold the same proportionate interest in LITH and Kairos SpinCo that such LITH Shareholder held in LITH prior to the completion of the Kairos Arrangement;
- the continued listing of the LITH Shares on the TSXV will not reduce liquidity available to the LITH Shareholders;
- the Kairos SpinCo Valuation;
- Kairos SpinCo will be a reporting issuer in the same jurisdictions as LITH;
- LITH Shareholders will own securities of two listed companies, if the intended listing of the Kairos SpinCo Shares is completed; and
- the application to list the Kairos SpinCo Shares on the TSXV.

Details of the Kairos Arrangement

The following is a summary of the material terms of the Kairos Arrangement Agreement and the Kairos Plan of Arrangement and is subject to, and qualified in its entirety by, the full text of the Kairos Arrangement Agreement which is attached as Schedule "B" hereto and the Kairos Plan of Arrangement which is attached as Exhibit I to the Kairos Arrangement Agreement.

Pursuant to the Kairos Arrangement, commencing at the Kairos Effective Time, the following shall occur and shall be deemed to occur, except as otherwise expressly provided in the Kairos Plan of Arrangement:

- (a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the Kairos SpinCo Shares, estimated to be Cdn\$3,805,000 or such other estimated amount as determined by the Board of Directors; and
- (b) LITH will distribute to the LITH Shareholders one (1) Kairos SpinCo Share for every ten (10) LITH Shares held by a LITH Shareholder.

Kairos SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta. Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV. As a condition of receiving TSXV approval for the listing, Kairos SpinCo is required to complete the Kairos SpinCo Private Placement.

Authority of the LITH Board

By passing the Kairos Arrangement Resolution, the LITH Shareholders will also be giving authority to the LITH Board to use its judgment to proceed with and cause LITH to complete the Kairos Arrangement or to abandon the Kairos Arrangement without any requirement to seek or obtain any further approval of the LITH Shareholders.

The Kairos Arrangement Resolution also provides that the terms of the Kairos Plan of Arrangement may be amended by the LITH Board before or after the Meeting without further notice to LITH Shareholders, unless directed by the Court. Although the LITH Board has no current intention to amend the terms of the Kairos Plan of Arrangement, it is possible that the LITH Board may determine that certain amendments are appropriate, necessary or desirable.

The Kairos Arrangement Agreement

General

The Kairos Arrangement will be effected pursuant to the terms of the Kairos Plan of Arrangement and the Kairos Arrangement Agreement. The Kairos Arrangement Agreement contains covenants, representations and warranties of LITH and Kairos SpinCo, and various conditions precedent.

Unless all of such conditions are satisfied or waived by the party for whose benefit such conditions exist, to the extent they may be capable of waiver, the Kairos Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

The following is a summary of certain provisions of the Kairos Arrangement Agreement and is qualified in its entirety by the full text of the Kairos Arrangement Agreement, a copy of which is attached as Schedule "B" hereto. LITH Shareholders are urged to read the Kairos Arrangement Agreement in its entirety.

Mutual Conditions Precedent

The obligations of the parties to complete the transactions contemplated by the Kairos Arrangement Agreement, and in particular the Kairos Arrangement, are subject to the satisfaction, on or before the Kairos Effective Date or such other time specified, of each of the following conditions precedent:

- (a) the Kairos Interim Order shall have been granted in form and substance satisfactory to LITH;
- (b) the Kairos Arrangement Resolution, with or without amendment, shall have been approved and adopted at the LITH Meeting by the LITH Shareholders;
- (c) the Kairos Final Order shall have been obtained in form and substance satisfactory to LITH;

- (d) the TSXV shall have conditionally approved the Kairos Arrangement;
- (e) the TSXV will have conditionally approved the listing of the Kairos SpinCo Shares, subject to compliance with the requirements of the TSXV;
- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in the Kairos Arrangement Agreement and the Kairos Plan of Arrangement shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to LITH;
- (g) the closing of the Kairos Share Purchase and Sale Agreement;
- (h) notices of dissent shall not have been delivered by LITH Shareholders holding greater than 1% of the outstanding LITH Shares; and
- (i) the Kairos Arrangement Agreement shall not have been terminated.

For the complete text of the applicable provisions, see Section 5.1 of the Kairos Arrangement Agreement.

PROCEDURE FOR THE KAIROS ARRANGEMENT TO BECOME EFFECTIVE

Procedural Steps

The Kairos Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the Kairos Arrangement to become effective:

- (a) the Kairos Arrangement must be approved by not less than 66⅔% of the aggregate votes validly cast by the LITH Shareholders voting together as a single class at the Meeting in the manner set forth in the Kairos Interim Order;
- (b) the Court must grant the Kairos Final Order approving the Kairos Arrangement;
- (c) all conditions precedent to the Kairos Arrangement, as set forth in the Kairos Arrangement Agreement, must be satisfied or waived by the appropriate party, including receipt of all Regulatory Approvals;
- (d) the TSXV shall have conditionally approved the Kairos Arrangement; and
- (e) the Kairos Final Order, the Kairos Articles of Arrangement and related documents, in the form prescribed by the ABCA, must be filed with the Registrar.

There is no assurance that the conditions set out in the Kairos Arrangement Agreement will be satisfied or waived on a timely basis or at all.

Upon the conditions precedent set forth in the Kairos Arrangement Agreement being fulfilled or waived, LITH intends to file a copy of the Kairos Final Order and the Kairos Articles of Arrangement with the Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to cause the Registrar to issue a certificate to give effect to the Kairos Arrangement.

LITH Shareholder Approval

At the Meeting, LITH Shareholders will be asked to consider, and if deemed advisable, approve the Kairos Arrangement Resolution. Approval of the Kairos Arrangement Resolution requires the affirmative vote of not less than 66⅔% of the votes validly cast by LITH Shareholders, represented either in person or by proxy at the Meeting, voting together as a single class.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy in favour of the Kairos Arrangement Resolution set forth in Schedule "A" to this Circular.

Notwithstanding the foregoing, the Kairos Arrangement Resolution proposed for consideration by the LITH Shareholders authorizes the LITH Board, without further notice to or approval of such LITH Shareholders, subject to the terms of the Kairos Arrangement Agreement and the Kairos Interim Order, to amend the Kairos Arrangement Agreement or the Kairos Plan of Arrangement to the extent permitted by the Kairos Arrangement Agreement and approved by the Court and, subject to the terms of the Kairos Arrangement

Agreement, to not proceed with the Kairos Arrangement. See Schedule "A" to this Circular for the full text of the Kairos Arrangement Resolution.

Court Approval

Kairos Interim Order

On August 28, 2024, LITH obtained the Kairos Interim Order providing for the calling and holding of the Meeting and other procedural matters. The Kairos Interim Order is attached as Schedule "E" to this Circular.

Kairos Final Order

The Kairos Arrangement requires Court approval. Subject to the terms of the Kairos Arrangement Agreement, if the Kairos Arrangement Resolution is approved at the Meeting, LITH will make an application to the Court for the Kairos Final Order at the Law Courts, 1A Sir Winston Churchill Square, Edmonton, Alberta, Canada, on October 31, 2024 at 10:00 a.m. (Calgary time) or as soon thereafter as counsel may be heard if the Kairos Arrangement is approved by the requisite majority of LITH Shareholders at the Meeting. The Notice of Application for the Kairos Final Order accompanies this Circular. At the application the Court will be requested to approve the Kairos Arrangement and to consider, among other things, the fairness of the Kairos Arrangement.

Any LITH Shareholder, or other interested party desiring to support or oppose the Application with respect to the Kairos Arrangement, may appear at the hearing in person or by counsel for that purpose, subject to filing with the Court and serving on LITH on or before 5:00 p.m. (Calgary time) on October 15, 2024, a notice of intention to appear setting out their address for service and indicating whether they intend to support or oppose the Application or make submissions, together with any evidence or materials which are to be presented to the Court. Service of such notice on LITH is required to be effected by service upon the solicitors for LITH: DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine.

LITH has been advised by its counsel that the Court has broad discretion under the ABCA when making orders with respect to the Kairos Arrangement and that the Court, in hearing the application for the Kairos Final Order, will consider, among other things, the fairness of the Kairos Arrangement to the LITH Shareholders and any other interested party as the Court determines appropriate. The Court may approve the Kairos Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine appropriate. LITH may determine not to proceed with the Kairos Arrangement in the event that any amendment ordered by the Court is not satisfactory to LITH.

Regulatory Matters

Other than the final acceptance from the TSXV for the Kairos Arrangement and the granting of the Kairos Final Order, LITH is not aware of any material regulatory approval or other action by any Governmental Entity that would be required to be obtained prior to the Kairos Effective Date. If any filings or consents are required, such filings or consents will be sought but these additional requirements could delay the Kairos Effective Date or prevent the completion of the Kairos Arrangement.

Although LITH's objective is to have the Kairos Effective Date occur as soon as possible after the Meeting, the Kairos Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Kairos Final Order or any delay in obtaining any required approvals or clearances, including approval from the TSXV for the listing of the Kairos SpinCo Shares. LITH may determine not to complete the Kairos Arrangement without prior notice to or action on the part of LITH Shareholders.

Distribution of Kairos SpinCo Certificates

The Transfer Agent will distribute the Kairos SpinCo Shares to the LITH Shareholders as soon as possible after the Kairos Effective Date.

Treatment of Fractional Kairos SpinCo Shares

No fractional Kairos SpinCo Shares will be issued to LITH Shareholders pursuant to the Kairos Arrangement. In the event that a LITH Shareholder would otherwise be entitled to a fractional Kairos SpinCo Share pursuant to the Kairos Arrangement, the number of Kairos SpinCo Shares issued to such

LITH Shareholder will be rounded up to the nearest whole number of Kairos SpinCo Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the nearest whole number of Kairos SpinCo Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all LITH Shares registered in the name of or beneficially held by such LITH Shareholder shall be aggregated.

INTERESTS OF CERTAIN PERSONS IN THE KAIROS ARRANGEMENT

Certain directors and officers of LITH have interests in the transactions contemplated by the Kairos Arrangement that may be different from, and/or in addition to, the interests of LITH Shareholders generally. The LITH Board was aware of these potential interests and considered them, along with other matters, in reaching its decision to approve the Kairos Arrangement and to recommend that LITH Shareholders vote in favour of the Kairos Arrangement Resolution. Except as described below, to the knowledge of LITH, the directors, officers, employees and consultants of LITH have no material interest in the Kairos Arrangement that differs from the interests of LITH Shareholders generally.

Al Kroontje, Steven Cochrane, Michelle DeCecco and Jana Lillies, directors and/or officers of LITH, have been appointed directors and/or officers of Kairos SpinCo. See "Schedule "H" - Directors and Executive Officers".

SECURITIES LAWS MATTERS

Resale of Kairos SpinCo Shares

The Kairos SpinCo Shares to be distributed to LITH Shareholders pursuant to the Kairos Arrangement will be distributed pursuant to exemptions from the registration and prospectus requirements contained in applicable Securities Laws in Canada. Under applicable Securities Laws, the Kairos SpinCo Shares may be resold in Canada without hold period restrictions, provided that the sale is not a "control distribution" as defined by applicable Securities Laws, no unusual effort is made to prepare the market or create a demand for the Kairos SpinCo Shares, no extraordinary commission or consideration is paid in respect of the sale and, if the selling holder of the Kairos SpinCo Shares is an insider or officer of Kairos SpinCo, such holder has no reasonable grounds to believe that Kairos SpinCo is in default of Securities Laws.

The foregoing discussion is only a general overview of the requirements of Canadian Securities Laws for the resale of the Kairos SpinCo Shares received upon completion of the Kairos Arrangement. All holders of Kairos SpinCo Shares are urged to consult with their own legal counsel to ensure that any resale of their Kairos SpinCo Shares complies with applicable securities legislation.

Status of LITH Shares on the TSXV

The LITH Shares are currently listed on the TSXV under the symbol "LITH" and shall continue to be listed on the TSXV under the symbol "LITH" after the closing of the Kairos Arrangement. After the Kairos Arrangement, Kairos SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta. The TSXV has conditionally accepted the Kairos Arrangement and Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV. Any listing will be subject to Kairos SpinCo fulfilling all of the listing requirements of the TSXV and TSXV approval.

MI 61-101

As a TSXV listed issuer, LITH is subject to the requirements of MI 61-101. MI 61-101 regulates certain related party transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a simple majority of security holders (excluding interested or related parties), and, in certain circumstances, independent valuations and/or approval and oversight of the transaction by a special committee of independent directors. The provisions of MI 61-101 may apply to, among other transactions, Business Combinations (as such term is defined in MI 61-101) which may terminate the interests of security holders without their consent in circumstances, or to Related Party Transactions (as such term is defined in MI 61-101) where, at the time the transaction is agreed to, a Related Party (as such term is defined in MI 61-101) of the issuer is a party to the transaction. The provisions of MI 61-101 do not apply to the Kairos Arrangement. The Kairos Arrangement is not a Business Combination under MI 61-101. While the Kairos Arrangement may be considered to be a Related Party Transaction under MI 61-101, the instrument does not apply to Related Party Transactions that are solely between an issuer such as LITH and its wholly-owned subsidiary, Kairos SpinCo.

Evans was engaged by the Corporation to prepare a comprehensive valuation report with respect to the fair market value of the Corporation's wholly-owned subsidiary Kairos SpinCo as at April 30, 2024. Upon arriving at the fair market value of Kairos SpinCo under the net book value method and guideline public company method, Evans calculated the fair market value of Kairos SpinCo as at April 30, 2024 based on the scope of work and assumptions by Evans in the range of \$3,480,000 to \$4,130,000 as midpoints of the lows and highs of the fair market value ranges under the two methods. For the purposes of determining the Kairos Share Purchase Price, the Corporation used Cdn\$3,805,000. For further information please see "Comprehensive Valuation Report for Lithium Chile Inc. on Kairos Gold Inc." attached hereto as Schedule "J".

LEGAL DEVELOPMENTS

Section 193 of the ABCA provides that, where it is impracticable for a corporation to effect an arrangement under any other provision of the ABCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. Pursuant to this section of the ABCA, such an application will be made by LITH for approval of the Kairos Arrangement. There have been a number of judicial decisions considering this section and its application; however, there have not been, to the knowledge of LITH, any recent significant decisions which would apply in this instance.

LITH Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Kairos Arrangement.

DISSENT RIGHTS

The ABCA does not contain a provision requiring LITH to purchase LITH Shares from LITH Shareholders who dissent from the Kairos Arrangement. However, pursuant to the terms of the Kairos Interim Order and the Kairos Plan of Arrangement, LITH has granted the LITH Shareholders who object to the Kairos Arrangement Resolution the right to dissent in respect of the Kairos Arrangement. **The following description of the Kairos Dissent Rights to which registered LITH Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Kairos Dissenting Shareholder who seeks payment of the fair value of such Kairos Dissenting Shareholder's LITH Shares and is qualified in its entirety by the reference to the full text of the Kairos Interim Order, Kairos Plan of Arrangement and the text of Section 191 of the ABCA, which are attached to this Circular as Schedule "E", Exhibit I to Schedule "B" and Schedule "G", respectively.**

A registered LITH Shareholder who intends to exercise Kairos Dissent Rights should carefully consider and comply with the provisions of the ABCA, as modified by the Kairos Plan of Arrangement and by the Kairos Interim Order. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder. Accordingly, each registered LITH Shareholder who might desire to exercise Kairos Dissent Rights should consult their own legal advisor.

A Court hearing the application for the Kairos Final Order has the discretion to alter the Kairos Dissent Rights described herein based on the evidence presented at such hearing. Registered LITH Shareholders are entitled, in addition to any other right such LITH Shareholder may have, to dissent and to be paid by LITH the fair value of the LITH Shares held by such LITH Shareholder in respect of which such LITH Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the Kairos Arrangement Resolution from which such LITH Shareholder dissents was approved. **A registered LITH Shareholder may dissent only with respect to all of the LITH Shares held by such LITH Shareholder or on behalf of any one beneficial owner and registered in the LITH Shareholder's name. Only registered LITH Shareholders may dissent. Persons who are beneficial owners of LITH Shares registered in the name of a broker, dealer, bank, trust company or other nominee who wish to dissent, should be aware that they may only do so through the registered owner of such LITH Shares. A registered LITH Shareholder, such as a broker, who holds LITH Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise Kairos Dissent Rights on behalf of such beneficial owners with respect to all of the LITH Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of LITH Shares covered by it.**

Kairos Dissenting Shareholders must provide a written objection to the Kairos Arrangement Resolution to LITH c/o DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine, by 5:00 p.m. (Calgary time) on October 15, 2024 or the Business Day that is two Business Days immediately preceding the date of any adjournment or postponement of the Meeting. **No LITH**

Shareholder who has voted in favour of the Kairos Arrangement Resolution shall be entitled to dissent with respect to the Kairos Arrangement.

An application may be made to the Court by LITH or by a Kairos Dissenting Shareholder after the adoption of the Kairos Arrangement Resolution to fix the fair value of the Kairos Dissenting Shareholder's LITH Shares. If such an application to the Court is made by LITH or a Kairos Dissenting Shareholder, LITH must, unless the Court otherwise orders, send to each Kairos Dissenting Shareholder a written offer to pay the Kairos Dissenting Shareholder an amount considered by the LITH Board to be the fair value of the LITH Shares. The offer, unless the Court otherwise orders, will be sent to each Kairos Dissenting Shareholder at least ten (10) days before the date on which the application is returnable, if LITH is the applicant, or within ten (10) days after LITH is served with notice of the application, if a Kairos Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Kairos Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Kairos Dissenting Shareholder may make an agreement with LITH for the purchase of such Kairos Dissenting Shareholder's LITH Shares in the amount of the offer made by LITH, or otherwise, at any time before the Court pronounces an order fixing the fair value of the LITH Shares.

A Kairos Dissenting Shareholder will not be required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the LITH Shares of all Kairos Dissenting Shareholders who are parties to the application, giving judgment in that amount against LITH and in favour of each of those Kairos Dissenting Shareholders, and fixing the time within which LITH must pay that amount payable to the Kairos Dissenting Shareholders. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Kairos Dissenting Shareholder calculated from the date on which the Kairos Dissenting Shareholder ceases to have any rights as a LITH Shareholder, until the date of payment.

On the Kairos Arrangement becoming effective, or upon the making of an agreement between LITH and the Kairos Dissenting Shareholder as to the payment to be made to the Kairos Dissenting Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the Kairos Dissenting Shareholder will cease to have any rights as a LITH Shareholder other than the right to be paid the fair value of such holder's LITH Shares in the amount agreed upon or in the amount of the judgment, as the case may be. Until one of these events occurs, the Kairos Dissenting Shareholder may withdraw the Kairos Dissenting Shareholder's dissent, or if the Kairos Arrangement has not yet become effective, LITH may rescind the Kairos Arrangement Resolution, and in either event, the dissent and appraisal proceedings in respect of that Kairos Dissenting Shareholder will be discontinued.

LITH will not make a payment to a Kairos Dissenting Shareholder if there are reasonable grounds for believing that LITH is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of LITH would thereby be less than the aggregate of its liabilities. In such event, LITH will notify each Kairos Dissenting Shareholder that it is unable lawfully to pay Kairos Dissenting Shareholders for their LITH Shares, in which case the Kairos Dissenting Shareholder may, by written notice to LITH within thirty (30) days after receipt of such notice, withdraw such holder's written objection, in which case the holder shall be deemed to have participated in the Kairos Arrangement as a LITH Shareholder. If the Kairos Dissenting Shareholder does not withdraw such holder's written objection, such Kairos Dissenting Shareholder retains status as a claimant against LITH to be paid as soon as LITH is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of LITH but in priority to its shareholders.

All LITH Shares held by Kairos Dissenting Shareholders who exercise their Kairos Dissent Rights will be deemed to be transferred to LITH and cancelled as of the Kairos Effective Time in exchange for the fair value thereof or will, if such Kairos Dissenting Shareholders ultimately are not so entitled to be paid the fair value thereof, be treated as if the holder had participated in the Kairos Arrangement on the same basis as a non-dissenting LITH Shareholder and had elected to receive the Kairos SpinCo Shares on the same basis as every other non-dissenting LITH Shareholder.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Kairos Dissenting Shareholders who seek payment of the fair value of their LITH Shares. Section 191 of the ABCA, other than as modified by the Kairos Plan of Arrangement and the Kairos Interim Order, requires adherence to the procedures established therein and failure to do so may result in the loss

of all rights thereunder. **Accordingly, LITH Shareholders who might desire to exercise Kairos Dissent Rights should carefully consider and comply with the provisions of Section 191 of the ABCA, the full text of which is set out in Schedule "G" to this Circular and consult their own legal advisor.**

The Kairos Arrangement Agreement provides that, unless otherwise waived by LITH, it is a condition to the completion of the Kairos Arrangement that the aggregate number of LITH Shares held by those LITH Shareholders who have validly exercised and not withdrawn Kairos Dissent Rights shall not exceed 1% of the aggregate number of LITH Shares outstanding as of the Kairos Effective Time.

TAX CONSIDERATIONS TO LITH SHAREHOLDERS

In the opinion of DS Lawyers Canada LLP, tax counsel ("**Tax Counsel**") to LITH, the following summary fairly describes, as of the date of this Circular, the principal Canadian federal income tax considerations generally applicable under the ITA to a beneficial LITH Shareholder who, for purposes of the ITA: (i) holds such LITH Shares, and will hold any Kairos SpinCo Shares received under the Kairos Arrangement, as capital property; (ii) deals at arm's length with LITH and Kairos SpinCo; and (iii) is not "affiliated" with either LITH or Kairos SpinCo for the purposes of the ITA (a "**Holder**").

LITH Shares and Kairos SpinCo Shares will generally be considered to be capital property to a Holder unless such securities are held by the Holder in the course of carrying on a business of buying and selling securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the ITA and Tax Counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the ITA (the "**Proposed Amendments**") announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in the form proposed. There can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Kairos Arrangement.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the ITA for the purposes of the "mark-to-market property" rules contained in the ITA; (ii) that is a "specified financial institution" or "restricted financial institution" as defined in the ITA; (iii) who has acquired LITH Shares on the exercise of a LITH Option; (iv) an interest in which is, or whose LITH Shares are, a "tax shelter investment" as defined in the ITA; (v) to who has made a "functional currency" reporting election under section 261 of the ITA apply; or (vi) that has entered, or will enter, into a "derivative forward agreement", as defined in the ITA, with respect to the LITH Shares or Kairos SpinCo Shares. Such Holders should consult their own tax advisors.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER AND NO REPRESENTATIONS WITH RESPECT TO THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER ARE MADE. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Holders Resident in Canada

The following portion of this summary applies to a Holder who, at all relevant times is or is deemed to be resident in Canada for purposes of the ITA (a "**Resident Holder**").

Certain Resident Holders whose LITH Shares or Kairos SpinCo Shares might not otherwise be capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the ITA to have such shares, and every other "Canadian security" as defined in the ITA owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. **Any Resident Holder contemplating making a subsection 39(4) election should**

consult their tax advisor for advice as to whether the election is available or advisable in their particular circumstances.

Reduction of Stated Capital

LITH has informed Tax Counsel that in its opinion, the aggregate fair market value of the Kairos SpinCo Shares to be distributed by LITH is estimated to be Cdn\$3,805,000, and as such will not exceed the "paid-up capital" (as defined in the ITA) of the LITH Shares immediately before the Kairos Effective Date.

Pursuant to the ITA, the distribution of the Kairos SpinCo Shares on the reduction of the stated capital of the LITH Shares by LITH will not give rise to immediate income tax consequences under the ITA and no deemed dividend will be deemed to arise to the LITH Shareholders as the amount of such distribution will not exceed the "paid-up capital" (for income tax purposes) of such LITH Shares. However, the adjusted cost base ("**ACB**") of such LITH Shares to the LITH Shareholders thereof will be reduced pro rata by an amount equal to the amount of such distribution per LITH Share.

Dividends on LITH Shares and Kairos SpinCo Shares

A Resident Holder who is an individual and who is deemed to receive a dividend on its LITH Shares or who receives a dividend paid on its Kairos SpinCo Shares will be required to include in income such dividend, and will be subject to the normal gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends that may be designated by LITH or Kairos SpinCo, as the case may be, as "eligible dividends", as defined in the ITA.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its LITH Shares or that it receives or is deemed to receive on its Kairos SpinCo Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A "private corporation" as defined in the ITA or a "subject corporation" as defined in the ITA may be liable under Part IV of the ITA to pay a refundable tax of 38 $\frac{1}{3}$ % on any dividend that it receives or is deemed to receive on its LITH Shares or Kairos SpinCo Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Disposition of Kairos SpinCo Shares

A Resident Holder that disposes or is deemed to dispose of a Kairos SpinCo Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Kairos SpinCo Share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and capital losses. See "Holders Resident in Canada - Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Subject to Tax Proposals released on June 10, 2024 (the "**June Proposals**"), one-half of any capital gain (the "**taxable capital gain**") realized by a Resident Holder will be included in the Resident Holder's income for the year of disposition, and one-half of any capital loss so realized (the "**allowable capital loss**") must be deducted by the Resident Holder against taxable capital gains for the year of disposition. Subject to the detailed rules in the ITA, any excess of allowable capital losses over taxable capital gains of the Resident Holder may be carried back up to three taxation years and forward indefinitely and deducted against net taxable capital gains in those other years.

The June Proposals will increase a Resident Holder's capital gains inclusion rate for capital gains realized on or after June 25, 2024. Specifically, the June Proposals will generally increase the capital gains inclusion rate from one-half to two-thirds, for corporations and trusts, and from one-half to two-thirds for individuals on the portion of capital gains realized in a taxation year (or the portion of the year beginning on June 25, 2024, in the case of the 2024 taxation year) that exceed \$250,000. Under the June Proposals, two-thirds of capital losses realized prior to 2024 will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate.

A capital loss realized on the disposition of a Kairos SpinCo Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the ITA, be reduced by the amount of dividends received or deemed to have been received by the corporation on such Kairos SpinCo Shares (or on a share for which such Kairos SpinCo Share is substituted or exchanged). Similar rules may apply where Kairos SpinCo Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own advisors.

Alternative Minimum Tax on Resident Holders who are Individuals

A capital gain realized, or a dividend received, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability for alternative minimum tax under the ITA.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" as defined in the ITA may be required to pay an additional 10 $\frac{2}{3}$ % refundable tax on certain investment income, including certain amounts in respect of net taxable capital gains, dividends or deemed dividends and interest.

Eligibility for Investment

Kairos SpinCo Shares will not be a qualified investment under the ITA for a trust governed by a registered retirement savings account, registered retirement income fund, registered education savings plan, registered disability savings plan or a tax-free savings account (each a "**Registered Plan**") or a deferred profit sharing plan, at any particular time, unless and until the Kairos SpinCo Shares are listed on a "designated stock exchange" (which currently includes the TSX and the TSXV). Listing will be subject to Kairos SpinCo fulfilling all of the requirements of the TSXV. Kairos SpinCo will rely upon the TSXV to list Kairos SpinCo common shares on the TSXV with trading halted as of the day before the Kairos SpinCo Shares are issued on the Kairos Effective Date and otherwise proceed in the manner described above to render the Kairos SpinCo Shares issued on the Kairos Effective Date to be unconditionally listed on a "designated stock exchange" within the meaning of the ITA at the time of issuance. If the TSXV does not proceed with the listing as anticipated, the Kairos SpinCo Shares will not be "qualified investments" for the purposes of the ITA.

If the Kairos SpinCo Shares become a "qualified investment" for a Registered Plan, the holder or annuitant of such Registered Plan, as the case may be, will be subject to a penalty tax as set out in the ITA if the Kairos SpinCo Shares are a "prohibited investment" for the purposes of a Registered Plan. The Kairos SpinCo Shares will not be a prohibited investment for a Registered Plan provided the holder or annuitant thereof, as the case may be, (i) deals at arm's length with Kairos SpinCo for purposes of the ITA, and (ii) does not have a "significant interest" (as defined in subsection 207.01(4) of the ITA) in Kairos SpinCo. In addition, the Kairos SpinCo Shares will not be a "prohibited investment" for a Registered Plan if such shares are "excluded property" as defined in the ITA for trusts governed by such Registered Plan. Resident Holders who intend to hold Kairos SpinCo Shares in a Registered Plan in the future are advised to consult their own tax advisors.

Dissenting Resident Holders

A Resident Holder who dissents in respect of the Kairos Arrangement (a "**Resident Kairos Dissenter**") and who is entitled to receive payment from LITH equal to the fair value of the Resident Kairos Dissenter's LITH Shares will be considered to have disposed of the LITH Shares for proceeds of disposition equal to the amount received by the Resident Kairos Dissenter, less the amount of any interest awarded by a court, as the case may be. A Resident Kairos Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares, and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or a capital loss) on the disposition of such LITH Shares. The tax treatment accorded to any deemed dividend is discussed above under the heading, "Holders Resident in Canada - Dividends on LITH Shares and Kairos SpinCo Shares".

A Resident Kairos Dissenter will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such LITH Shares, as reduced by the amount of any deemed dividend as discussed above, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition and any reasonable costs of disposition. The tax treatment of capital gains and capital losses (including the potential

reduction of a capital loss due to the receipt of a deemed dividend) is discussed above under the heading, "Holders Resident in Canada - Taxation of Capital Gains and Capital Losses".

Interest awarded by a court to a Resident Kairos Dissenter will be included in the Resident Kairos Dissenter's income for a particular taxation year to the extent the amount is received or receivable in that year, depending upon the method regularly followed by the Resident Kairos Dissenter in computing income. Where the Resident Kairos Dissenter is a corporation, partnership or, subject to certain exceptions, a trust, the Resident Kairos Dissenter must include in income for a taxation year the amount of interest that accrues to it before the end of the taxation year, or becomes receivable or is received before the end of the year (to the extent not included in income for a preceding taxation year). **Resident Kairos Dissenters who are contemplating exercising their dissent rights should consult their own tax advisors.**

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Securities in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This portion of the summary is also not applicable to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisors with respect to their particular circumstances in their country of residence.

Reduction of Stated Capital

The income tax consequences to Non-Resident Holders of the stated capital reduction are the same as those discussed above under the heading "Holders Resident in Canada - Reduction of Stated Capital".

Dividends on LITH Shares or Kairos SpinCo Shares

Any dividends paid or credited, or deemed to be paid or credited, on the LITH Shares or the Kairos SpinCo Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention, to which the Non-Resident Holder is entitled to the benefits of, between Canada and the Non-Resident Holder's country of residence.

Disposition of LITH Shares and Kairos SpinCo Shares

A Non-Resident Holder will only be taxable in Canada on the disposition or deemed disposition of LITH Shares or Kairos SpinCo Share if such shares constitute "taxable Canadian property" to such Non-Resident Holder. Unless a Non-Resident Holder owned 25% or more of the LITH Shares at any time in the prior 60 month period, the LITH Shares will not constitute "taxable Canadian property" to a Non-Resident Holder because not more than 50% of the value of the LITH Shares relates to real or immovable property situated in Canada, Canadian resource properties, timber resource properties, or options thereon. The Kairos SpinCo Shares will not constitute "taxable Canadian property" to a Non-Resident Holder because at any time in the prior 60 month period not more than 50% of the value of the Kairos SpinCo Shares relates to real or immovable property situated in Canada, Canadian resource properties, timber resource properties, or options thereon.

Provided that the LITH Shares or Kairos SpinCo Shares does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of such shares.

Dissenting Non-Resident Holders

A Non-Resident Holder who dissents in respect of the Kairos Arrangement (a "**Non-Resident Kairos Dissenter**") and who is entitled to receive payment from LITH equal to the fair value of the Non-Resident Kairos Dissenter's LITH Shares will be considered to have disposed of the LITH Shares for proceeds of disposition equal to the amount received by the Resident Kairos Dissenter, less the amount of any interest awarded by a court, as the case may be. A Non-Resident Kairos Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such LITH Shares and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or a capital loss) on the disposition of such LITH Shares. The tax treatment accorded to

any deemed dividend is discussed above under the heading, "Holders Not Resident in Canada - Dividends on LITH Shares and Kairos SpinCo Shares". Any capital gain will generally not be taxable to the Non-Resident Kairos Dissenter as discussed above under "Holders Not Resident in Canada - Disposition of LITH Shares and Kairos SpinCo Shares".

TAX CONSIDERATIONS IN OTHER JURISDICTIONS

This Circular does not address any tax considerations of the Kairos Arrangement other than certain Canadian federal income tax considerations. LITH Shareholders who are resident in (or citizens of) jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Kairos Arrangement, including any associated filing requirements in such jurisdictions. LITH Shareholders should also consult their own tax advisors regarding provincial, state, local or territorial tax considerations of the Kairos Arrangement.

TIMING

If the Meeting is held as scheduled and is not adjourned or postponed, the Kairos Arrangement Resolution is approved by the requisite majority, and all other necessary conditions specified in the Kairos Arrangement Agreement are satisfied or waived (including receipt of the all Regulatory Approvals, and approval of the Kairos Arrangement by the Court of King's Bench of Alberta), LITH will apply for the Kairos Final Order approving the Kairos Arrangement on October 31, 2024. If the Kairos Final Order is obtained on October 31, 2024 in form and substance satisfactory to LITH and all other conditions set forth in the Kairos Arrangement Agreement are satisfied or waived, LITH expects the Kairos Effective Date to occur on or about November 29, 2024. It is not possible, however, to state with certainty when the Kairos Effective Date will occur.

The Kairos Arrangement will become effective upon the filing with the Registrar of the Kairos Articles of Arrangement and a copy of the Kairos Final Order, together with such other materials as may be required by the Registrar, and the issuance by the Registrar of a proof of filing of Kairos Articles of Arrangement.

LITH's objective is to have the Kairos Effective Date occur on or as soon as practicable after receipt of the Kairos Final Order. The Kairos Effective Date could be delayed, however, for a number of reasons, including an objection before the Court at the hearing of the application for the Kairos Final Order.

STOCK EXCHANGE LISTINGS

The outstanding LITH Shares are listed and posted for trading on the TSXV under the symbol "LITH". On April 17, 2024, the last trading day prior to the date of the announcement of the proposed Kairos Arrangement, the closing price of the LITH Shares on the TSXV was \$0.85. On September 6, 2024, the last trading day prior to the date of this Circular, the closing price of the LITH Shares on the TSXV was \$0.55.

The TSXV has conditionally approved the Kairos Arrangement subject to LITH fulfilling all of the requirements of the TSXV. Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV. Any listing will be subject to Kairos SpinCo fulfilling all of the listing requirements of the TSXV and TSXV approval.

INTEREST OF EXPERTS

Certain legal matters relating to the Kairos Arrangement are to be passed upon by DS Lawyers Canada LLP, on behalf of LITH and Kairos SpinCo. As at the date hereof, the partners and associates of DS Lawyers Canada LLP beneficially own, directly or indirectly, less than 1% of the outstanding LITH Shares and less than 1% of the outstanding Kairos SpinCo Shares.

Certain audit reports contained herein and contained in the documents incorporated by reference herein have been prepared by MNP LLP, Chartered Professional Accountants. MNP LLP, Chartered Professional Accountants, have advised that they are independent with respect to LITH and Kairos SpinCo within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and application legislation or regulations.

The summary of the Las Garillas Claims disclosed under the heading "Description of the Las Garillas Claims" in Schedule "H" attached hereto was taken by consent from the Las Garillas Technical Report, which was prepared in compliance with the requirements of NI 43-101 by Eric Hanson, P. Geo, and is dated

June 4, 2024. Mr. Hanson is considered independent of LITH and Kairos SpinCo. A copy of the Las Garillas Technical Report may be viewed upon written request to LITH, or on LITH's profile at www.sedarplus.ca.

Evans, an independent financial advisory firm, has prepared the valuation report entitled "Comprehensive Valuation Report for Lithium Chile Inc. on Kairos Gold Inc." attached hereto as Schedule "J". Evans is considered to be independent of LITH and Kairos SpinCo.

LITH FOLLOWING THE KAIROS ARRANGEMENT

Following completion of the Kairos Arrangement, LITH will continue to operate as a lithium exploration company.

LITH is a "reporting issuer" within the meaning of the Securities Act in the provinces of British Columbia and Alberta and the LITH Shares are listed for trading on the TSXV under the symbol "LITH".

The head office and registered office of LITH is located at Suite 700, 903 – 8th Avenue SW, Calgary, Alberta, T2P 0P7.

KAIROS SPINCO FOLLOWING THE KAIROS ARRANGEMENT

Kairos SpinCo will be a new stand-alone company and will be a reporting issuer in the same jurisdictions as LITH. However, there is not currently a market through which the Kairos SpinCo Shares may be sold. Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV. Any listing will be subject to Kairos SpinCo fulfilling all of the listing requirements of the TSXV and TSXV approval. Kairos SpinCo will indirectly hold the Kairos Properties, including, but not limited to, the Las Garillas Claims, and is expected to operate as a gold, copper and silver exploration company.

The head office and registered office of Kairos SpinCo is located at Suite 700, 903 – 8th Avenue SW, Calgary, Alberta, T2P 0P7.

See Schedule "H" to this Circular, "*Kairos SpinCo Following the Kairos Arrangement*".

THE KAIROS SPINCO PRIVATE PLACEMENT

In order to obtain a listing of the Kairos SpinCo Shares on the TSXV, Kairos SpinCo must have sufficient cash resources to complete the work programs recommended in the Las Garillas Technical Report, as well as for working capital. Kairos intends to complete the Kairos SpinCo Private Placement to raise approximately Cdn\$1,050,000 in order to allow Kairos SpinCo to satisfy the initial listing requirements of the TSXV.

KAIROS ARRANGEMENT RESOLUTION

At the Meeting, LITH Shareholders will be asked to consider the Kairos Arrangement Resolution in the form attached as Schedule "A" of this Circular. LITH Shareholders are urged to review the various sections of this Circular when considering the Kairos Arrangement Resolution.

The Kairos Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by LITH Shareholders, represented either present in person or by proxy at the Meeting, voting together as a single class.

Unless otherwise directed, the persons named in the accompanying form of proxy for the Meeting intend to vote in favour of the Kairos Arrangement Resolution.

ENFORCEABILITY OF CIVIL LIABILITIES

The enforcement by LITH Shareholders of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that LITH and Kairos SpinCo are organized under the laws of Alberta, a jurisdiction outside the United States, that their officers and the directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that all or a substantial portion of the assets of LITH and Kairos SpinCo and such persons are located outside the United States. It may be difficult or impossible for LITH Shareholders to effect service of process within the United States upon LITH or Kairos SpinCo, their respective directors, officers and experts who are not residents of the United States or to realize against them upon judgments of courts of the United States predicated upon civil liability under U.S. Securities Laws. There is some doubt as to the enforceability in Canada against LITH or Kairos SpinCo or any of their respective directors, officers or experts who are

not residents of the United States in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated solely upon U.S. Securities Laws.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed under "*Interests of Certain Persons in the Kairos Arrangement*", no informed person of LITH, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect LITH since the commencement of the most recently completed financial year of LITH.

II. The LITH 2.0 Arrangement

Procedure and Votes Required

The LITH 2.0 Interim Order provides that each holder of LITH Shares at the close of business on the Record Date will be entitled to receive notice of, to attend and to vote at the Meeting.

Pursuant to the LITH 2.0 Interim Order:

- (a) the only persons entitled to notice of the Meeting shall be the LITH Shareholders as set out in the registers of LITH in respect of the LITH Shares on the Record Date and the directors and auditors of LITH;
- (b) the only persons entitled to vote on the LITH 2.0 Arrangement Resolution at the Meeting shall be, whether present in person or represented by proxy, the LITH Shareholders as set out in the registers of LITH in respect of the LITH Shares on the Record Date;
- (c) the LITH Shares shall vote together as a single class and each LITH Share entitled to vote at the Meeting will entitle the holder to one vote at the Meeting in respect of the LITH 2.0 Arrangement Resolution;
- (d) in order for the LITH 2.0 Arrangement to become effective, the requisite majority for approval of the LITH 2.0 Arrangement Resolution shall be, subject to further order of the Court, not less than 66 $\frac{2}{3}$ % of the votes cast by the LITH Shareholders who are present in person or represented by proxy at the Meeting and voting together as a single class;
- (e) the quorum required at the Meeting will be at least two (2) LITH Shareholders present in person, or represented by proxy, at the opening of the Meeting, and holding or representing not less than 10% of the LITH Shares entitled to be voted at the Meeting; and
- (f) if a quorum is not present at the opening of the Meeting, the LITH Shareholder(s) present or represented may adjourn the meeting to a fixed time and place but may not transact any other business until a quorum is present.

Notwithstanding that the LITH 2.0 Arrangement Resolution has been passed by the LITH Shareholders or that the Kairos Arrangement has been approved by the Court, the directors of LITH are authorized and empowered, at their discretion, without further notice to or approval of the LITH Shareholders: (i) to amend, modify, supplement or terminate the LITH 2.0 Arrangement Agreement or the LITH 2.0 Plan of Arrangement to the extent permitted by the LITH 2.0 Arrangement Agreement and approved by the Court; and (ii) subject to the terms of the LITH 2.0 Arrangement Agreement, not to proceed with the LITH 2.0 Arrangement, at any time prior to the issuance of the certificate giving effect to the LITH 2.0 Arrangement. The LITH Board's decision to proceed with the LITH 2.0 Arrangement may be contingent on LITH successfully completing the LITH Sales Process. See Schedule "C" to this Circular for the full text of the LITH 2.0 Arrangement Resolution.

General

The purpose of the LITH 2.0 Arrangement is to reorganize LITH and its assets and operations into two separate companies: LITH and LITH 2.0 SpinCo. Upon the LITH 2.0 Arrangement becoming effective, the stated capital account maintained in respect to the LITH Shares will be reduced by an amount equal to the fair market value of the LITH 2.0 SpinCo Shares and LITH Shareholders of record as of the close of business on the LITH 2.0 Distribution Record Date will become shareholders in both companies and will receive one (1) LITH 2.0 SpinCo Share for every four (4) LITH Shares held by such LITH Shareholders on such date.

On or about April 18, 2024, LITH announced the exploration of a potential "spin out" transaction of the LITH 2.0 Properties into a separate company from LITH in an effort to maximize shareholder value. The LITH 2.0 Arrangement has been proposed in order to facilitate the proposed "spin out" transaction. LITH will continue to hold and explore the Corporation's lithium properties located in Argentina, subject to the results of the LITH Sales Process. Prior to or concurrent with the completion of the LITH 2.0 Arrangement, LITH will transfer cash in an amount to be determined by the LITH Board to LITH 2.0 SpinCo to fund LITH 2.0 SpinCo's Los Morros Initial Exploration Program and for general working capital purposes through the LITH 2.0 SpinCo Financing. Prior to the completion of the LITH 2.0 Arrangement, LITH and LITH 2.0 SpinCo shall complete the transactions contemplated in the LITH 2.0 Share Purchase and Sale Agreement. See "Corporate Structure" in Schedule "I".

Reasons and Benefits of the LITH 2.0 Arrangement

The LITH Board believes that the separation of LITH's lithium properties in Argentina and its lithium properties in Chile will provide a number of benefits to LITH, LITH 2.0 SpinCo and the LITH Shareholders, including:

- providing LITH Shareholders with enhanced value by creating independent investment opportunities in a growth-oriented lithium exploration mining company with all of its properties located in Chile, which management of LITH expects will unlock the value of the LITH 2.0 Properties and help the LITH Sales Process come to a successful conclusion by removing the Chilean lithium properties, which some potential acquirers of LITH have indicated that they may not be interested in purchasing;
- providing LITH Shareholders with 100% ownership of each of LITH and LITH 2.0 SpinCo at the closing of the LITH 2.0 Arrangement;
- LITH Shareholders will benefit by holding shares in two separate reporting issuers;
- providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;
- enabling each company to pursue independent growth and capital allocation strategies; and
- allowing the reorganization to occur on a tax-deferred basis for LITH Shareholders resident in Canada who hold their LITH Shares as capital property.

The foregoing summary of what was considered by the LITH Board is not intended to be exhaustive of all the factors that were considered in arriving at a conclusion and making the recommendation described herein. The LITH Board used their own knowledge of the business, financial conditions, and prospects of LITH and LITH 2.0 SpinCo. Given the numerous factors that were considered in connection with evaluating the LITH 2.0 Arrangement, it was not practical to quantify or assign relative weight to specific facts relied upon by the LITH Board in reaching its conclusions and recommendations. In addition, individual members of the LITH Board may have given different weight to different factors. The conclusions and recommendations of the LITH Board were arrived at after giving consideration to the totality of the information and factors involved. The LITH Board may not proceed with the LITH 2.0 Arrangement if the LITH Sales Process is not successfully completed.

Recommendation of the LITH Board

The LITH Board unanimously determined, based upon such factors considered by the LITH Board to be relevant, that: (i) the LITH 2.0 Arrangement is fair to the LITH Shareholders; (ii) it will recommend that LITH Shareholders vote in favour of the LITH 2.0 Arrangement Resolution; and (iii) the LITH 2.0 Arrangement and entry into of the LITH 2.0 Arrangement Agreement are in the best interests of LITH and the LITH Shareholders.

The LITH Board realizes that there are risks associated with the LITH 2.0 Arrangement, including that some of the potential benefits set forth above may not be realized or that there may be significant costs associated with realizing such benefits. The LITH Board believes that the factors

in favour of the LITH 2.0 Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "Risk Factors" in Schedule "I".

Fairness of the LITH 2.0 Arrangement

The LITH 2.0 Arrangement was determined to be fair to the LITH Shareholders by the LITH Board based upon the following factors, among others:

- the procedures by which the LITH 2.0 Arrangement will be approved, including the requirement for at least 66⅔% LITH Shareholder approval at the Meeting, and approval by the Court after a hearing at which fairness will be considered;
- each LITH Shareholder, as at the LITH 2.0 Effective Time, will participate in the LITH 2.0 Arrangement such that each LITH Shareholder, upon completion of the LITH 2.0 Arrangement will continue to hold the same proportionate interest in LITH and LITH 2.0 SpinCo that such LITH Shareholder held in LITH prior to the completion of the LITH 2.0 Arrangement;
- the continued listing of the LITH Shares on the TSXV will not reduce liquidity available to the LITH Shareholders, subject to the outcome of the LITH Sales Process;
- LITH 2.0 SpinCo will be a reporting issuer in the same jurisdictions as LITH; and
- the LITH 2.0 SpinCo Valuation.

Details of the LITH 2.0 Arrangement

The following is a summary of the material terms of the LITH 2.0 Arrangement Agreement and the LITH 2.0 Plan of Arrangement and is subject to, and qualified in its entirety by, the full text of the LITH 2.0 Arrangement Agreement which is attached as Schedule "D" hereto and the LITH 2.0 Plan of Arrangement which is attached as Exhibit I to the LITH 2.0 Arrangement Agreement.

Pursuant to the LITH 2.0 Arrangement, commencing at the LITH 2.0 Effective Time, the following shall occur and shall be deemed to occur, except as otherwise expressly provided in the LITH 2.0 Plan of Arrangement:

- (a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the LITH 2.0 SpinCo Shares, estimated to be equal to the LITH 2.0 SpinCo Share Purchase Price or such other estimated amount as determined by the Board of Directors; and
- (b) LITH will distribute to the LITH Shareholders one (1) LITH 2.0 SpinCo Share for every four (4) LITH Shares held by a LITH Shareholder.

LITH 2.0 SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta.

Authority of the LITH Board

By passing the LITH 2.0 Arrangement Resolution, the LITH Shareholders will also be giving authority to the LITH Board to use its judgment to proceed with and cause LITH to complete the LITH 2.0 Arrangement or to abandon the LITH 2.0 Arrangement without any requirement to seek or obtain any further approval of the LITH Shareholders.

The LITH 2.0 Arrangement Resolution also provides that the terms of the LITH 2.0 Plan of the Arrangement may be amended by the LITH Board before or after the Meeting without further notice to LITH Shareholders, unless directed by the Court. Although the LITH Board has no current intention to amend the terms of the LITH 2.0 Plan of Arrangement, it is possible that the LITH Board may determine that certain amendments are appropriate, necessary or desirable.

The LITH 2.0 Arrangement Agreement

General

The LITH 2.0 Arrangement will be effected pursuant to the terms of the LITH 2.0 Plan of Arrangement and the LITH 2.0 Arrangement Agreement. The LITH 2.0 Arrangement Agreement contains covenants, representations and warranties of LITH and LITH 2.0 SpinCo, and various conditions precedent.

Unless all of such conditions are satisfied or waived by the party for whose benefit such conditions exist, to the extent they may be capable of waiver, the LITH 2.0 Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

The following is a summary of certain provisions of the LITH 2.0 Arrangement Agreement and is qualified in its entirety by the full text of the LITH 2.0 Arrangement Agreement, a copy of which is attached as Schedule "D" hereto. LITH Shareholders are urged to read the LITH 2.0 Arrangement Agreement in its entirety.

Mutual Conditions Precedent

The obligations of the parties to complete the transactions contemplated by the LITH 2.0 Arrangement Agreement, and in particular the LITH 2.0 Arrangement, are subject to the satisfaction, on or before the LITH 2.0 Effective Date or such other time specified, of each of the following conditions precedent:

- (a) the LITH 2.0 Interim Order shall have been granted in form and substance satisfactory to LITH;
- (b) the LITH 2.0 Arrangement Resolution, with or without amendment, shall have been approved and adopted at the LITH Meeting by the LITH Shareholders;
- (c) the LITH 2.0 Final Order shall have been obtained in form and substance satisfactory to LITH;
- (d) the TSXV shall have conditionally approved the LITH 2.0 Arrangement;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in the LITH 2.0 Arrangement Agreement and the LITH 2.0 Plan of Arrangement shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to LITH;
- (f) the closing of the LITH 2.0 Share Purchase and Sale Agreement;
- (g) notices of dissent shall not have been delivered by LITH Shareholders holding greater than 1% of the outstanding LITH Shares; and
- (h) the LITH 2.0 Arrangement Agreement shall not have been terminated.

For the complete text of the applicable provisions, see Section 5.1 of the LITH 2.0 Arrangement Agreement.

PROCEDURE FOR THE LITH 2.0 ARRANGEMENT TO BECOME EFFECTIVE

Procedural Steps

The LITH 2.0 Arrangement is proposed to be carried out pursuant to Section 193 of the ABCA. The following procedural steps must be taken in order for the LITH 2.0 Arrangement to become effective:

- (a) the LITH 2.0 Arrangement must be approved by not less than 66 $\frac{2}{3}$ % of the aggregate votes validly cast by the LITH Shareholders voting together as a single class at the Meeting in the manner set forth in the LITH 2.0 Interim Order;
- (b) the Court must grant the LITH 2.0 Final Order approving the LITH 2.0 Arrangement;
- (c) all conditions precedent to the LITH 2.0 Arrangement, as set forth in the LITH 2.0 Arrangement Agreement, must be satisfied or waived by the appropriate party, including receipt of all Regulatory Approvals;
- (d) the TSXV shall have conditionally approved the LITH 2.0 Arrangement; and
- (e) the LITH 2.0 Final Order, the LITH 2.0 Articles of Arrangement and related documents, in the form prescribed by the ABCA, must be filed with the Registrar.

There is no assurance that the conditions set out in the LITH 2.0 Arrangement Agreement will be satisfied or waived on a timely basis or at all.

Upon the conditions precedent set forth in the LITH 2.0 Arrangement Agreement being fulfilled or waived, LITH intends to file a copy of the LITH 2.0 Final Order and the LITH 2.0 Articles of Arrangement with the

Registrar under the ABCA, together with such other materials as may be required by the Registrar, in order to cause the Registrar to issue a certificate to give effect to the LITH 2.0 Arrangement.

LITH Shareholder Approval

At the Meeting, LITH Shareholders will be asked to consider, and if deemed advisable, approve the LITH 2.0 Arrangement Resolution. Approval of the LITH 2.0 Arrangement Resolution requires the affirmative vote of not less than 66% of the votes validly cast by LITH Shareholders, represented either in person or by proxy at the Meeting, voting together as a single class.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxy in favour of the LITH 2.0 Arrangement Resolution set forth in Schedule "C" to this Circular.

Notwithstanding the foregoing, the LITH 2.0 Arrangement Resolution proposed for consideration by the LITH Shareholders authorizes the LITH Board, without further notice to or approval of such LITH Shareholders, subject to the terms of the LITH 2.0 Arrangement Agreement and the LITH 2.0 Interim Order, to amend the LITH 2.0 Arrangement Agreement or the LITH 2.0 Plan of Arrangement to the extent permitted by the LITH 2.0 Arrangement Agreement and approved by the Court and, subject to the terms of the LITH 2.0 Arrangement Agreement, to not proceed with the LITH 2.0 Arrangement. See Schedule "C" to this Circular for the full text of the LITH 2.0 Arrangement Resolution.

Court Approval

LITH 2.0 Interim Order

On August 28, 2024, LITH obtained the LITH 2.0 Interim Order providing for the calling and holding of the Meeting and other procedural matters. The LITH 2.0 Interim Order is attached as Schedule "F" to this Circular.

LITH 2.0 Final Order

The LITH 2.0 Arrangement requires Court approval. Subject to the terms of the LITH 2.0 Arrangement Agreement, if the LITH 2.0 Arrangement Resolution is approved at the Meeting, LITH will make an application to the Court for the LITH 2.0 Final Order at the Law Courts, 1A Sir Winston Churchill Square, Edmonton, Alberta, Canada, on October 31, 2024 at 10:00 a.m. (Calgary time) or as soon thereafter as counsel may be heard if the LITH 2.0 Arrangement is approved by the requisite majority of LITH Shareholders at the Meeting. The Notice of Application for the LITH 2.0 Final Order accompanies this Circular. At the application the Court will be requested to approve the LITH 2.0 Arrangement and to consider, among other things, the fairness of the LITH 2.0 Arrangement.

Any LITH Shareholder, or other interested party desiring to support or oppose the Application with respect to the LITH 2.0 Arrangement, may appear at the hearing in person or by counsel for that purpose, subject to filing with the Court and serving on LITH on or before 5:00 p.m. (Calgary time) on October 15, 2024, a notice of intention to appear setting out their address for service and indicating whether they intend to support or oppose the Application or make submissions, together with any evidence or materials which are to be presented to the Court. Service of such notice on LITH is required to be effected by service upon the solicitors for LITH: DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine.

LITH has been advised by its counsel that the Court has broad discretion under the ABCA when making orders with respect to the LITH 2.0 Arrangement and that the Court, in hearing the application for the LITH 2.0 Final Order, will consider, among other things, the fairness of the LITH 2.0 Arrangement to the LITH Shareholders and any other interested party as the Court determines appropriate. The Court may approve the LITH 2.0 Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine appropriate. LITH may determine not to proceed with the LITH 2.0 Arrangement in the event that any amendment ordered by the Court is not satisfactory to LITH.

Regulatory Matters

Other than the final acceptance from the TSXV for the LITH 2.0 Arrangement and the granting of the LITH 2.0 Final Order, LITH is not aware of any material regulatory approval or other action by any Governmental

Entity that would be required to be obtained prior to the LITH 2.0 Effective Date. If any filings or consents are required, such filings or consents will be sought but these additional requirements could delay the LITH 2.0 Effective Date or prevent the completion of the LITH 2.0 Arrangement.

Although LITH's objective is to have the LITH 2.0 Effective Date occur as soon as possible after the Meeting, the LITH 2.0 Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the LITH 2.0 Final Order or any delay in obtaining any required approvals or clearances. LITH may determine not to complete the LITH 2.0 Arrangement without prior notice to or action on the part of LITH Shareholders.

Distribution of LITH 2.0 SpinCo Certificates

The Transfer Agent will distribute the LITH 2.0 SpinCo Shares to the LITH Shareholders as soon as possible after the LITH 2.0 Effective Date.

Treatment of Fractional LITH 2.0 SpinCo Shares

No fractional LITH 2.0 SpinCo Shares will be issued to LITH Shareholders pursuant to the LITH 2.0 Arrangement. In the event that a LITH Shareholder would otherwise be entitled to a fractional LITH 2.0 SpinCo Share pursuant to the LITH 2.0 Arrangement, the number of LITH 2.0 SpinCo Shares issued to such LITH Shareholder will be rounded up to the nearest whole number of LITH 2.0 SpinCo Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the nearest whole number of LITH 2.0 SpinCo Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all LITH Shares registered in the name of or beneficially held by such LITH Shareholder shall be aggregated.

INTERESTS OF CERTAIN PERSONS IN THE LITH 2.0 ARRANGEMENT

Certain directors and officers of LITH have interests in the transactions contemplated by the LITH 2.0 Arrangement that may be different from, and/or in addition to, the interests of LITH Shareholders generally. The LITH Board was aware of these potential interests and considered them, along with other matters, in reaching its decision to approve the LITH 2.0 Arrangement and to recommend that LITH Shareholders vote in favour of the LITH 2.0 Arrangement Resolution. Except as described below, to the knowledge of LITH, the directors, officers, employees and consultants of LITH have no material interest in the LITH 2.0 Arrangement that differs from the interests of LITH Shareholders generally.

Al Kroontje, Steven Cochrane, Jose de Castro Alem and Jana Lillies, directors and/or officers of LITH, have been appointed directors and/or officers of Kairos SpinCo. See "Schedule "I" - Directors and Executive Officers".

SECURITIES LAWS MATTERS

Resale of LITH 2.0 SpinCo Shares

The LITH 2.0 SpinCo Shares to be distributed to LITH Shareholders pursuant to the LITH 2.0 Arrangement will be distributed pursuant to exemptions from the registration and prospectus requirements contained in applicable Securities Laws in Canada. Under applicable Securities Laws, the LITH 2.0 SpinCo Shares may be resold in Canada without hold period restrictions, provided that the sale is not a "control distribution" as defined by applicable Securities Laws, no unusual effort is made to prepare the market or create a demand for the LITH 2.0 SpinCo Shares, no extraordinary commission or consideration is paid in respect of the sale and, if the selling holder of the LITH 2.0 SpinCo Shares is an insider or officer of LITH 2.0 SpinCo, such holder has no reasonable grounds to believe that LITH 2.0 SpinCo is in default of Securities Laws.

The foregoing discussion is only a general overview of the requirements of Canadian Securities Laws for the resale of the LITH 2.0 SpinCo Shares received upon completion of the LITH 2.0 Arrangement. All holders of LITH 2.0 SpinCo Shares are urged to consult with their own legal counsel to ensure that any resale of their LITH 2.0 SpinCo Shares complies with applicable securities legislation.

Status of LITH Shares on the TSXV

The LITH Shares are currently listed on the TSXV under the symbol "LITH" and shall continue to be listed on the TSXV under the symbol "LITH" after the closing of the LITH 2.0 Arrangement. After the LITH 2.0

Arrangement, LITH 2.0 SpinCo will be a reporting issuer in the provinces of British Columbia and Alberta. The TSXV has conditionally accepted the LITH 2.0 Arrangement.

MI 61-101

As a TSXV listed issuer, LITH is subject to the requirements of MI 61-101. MI 61-101 regulates certain related party transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a simple majority of security holders (excluding interested or related parties), and, in certain circumstances, independent valuations and/or approval and oversight of the transaction by a special committee of independent directors. The provisions of MI 61-101 may apply to, among other transactions, Business Combinations (as such term is defined in MI 61-101) which may terminate the interests of security holders without their consent in circumstances, or to Related Party Transactions (as such term is defined in MI 61-101) where, at the time the transaction is agreed to, a Related Party (as such term is defined in MI 61-101) of the issuer is a party to the transaction. The provisions of MI 61-101 do not apply to the LITH 2.0 Arrangement. The LITH 2.0 Arrangement is not a Business Combination under MI 61-101. While the LITH 2.0 Arrangement may be considered to be a Related Party Transaction under MI 61-101, the instrument does not apply to Related Party Transactions that are solely between an issuer such as LITH and its wholly-owned subsidiary, LITH 2.0 SpinCo.

Evans was engaged by the Corporation to prepare a comprehensive valuation report with respect to the fair market value of the Corporation's wholly-owned subsidiary LITH 2.0 SpinCo as at April 30, 2024. Upon arriving at the fair market value of LITH 2.0 SpinCo under the net book value method and guideline public company method, Evans calculated the fair market value of LITH 2.0 SpinCo as at April 30, 2024 based on the scope of work and assumptions by Evans in the range of \$9,250,000 to \$10,220,000 as midpoints of the lows and highs of the fair market value ranges under the two methods. For the purposes of determining the LITH 2.0 Share Purchase Price, the Corporation used Cdn\$9,735,000. For further information please see "Comprehensive Valuation Report for Lithium Chile Inc. on Lithium Chile 2.0 Inc." attached hereto as Schedule "K".

LEGAL DEVELOPMENTS

Section 193 of the ABCA provides that, where it is impracticable for a corporation to effect an arrangement under any other provision of the ABCA, a corporation may apply to the Court for an order approving the arrangement proposed by such corporation. Pursuant to this section of the ABCA, such an application will be made by LITH for approval of the LITH 2.0 Arrangement. There have been a number of judicial decisions considering this section and its application; however, there have not been, to the knowledge of LITH, any recent significant decisions which would apply in this instance.

LITH Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the LITH 2.0 Arrangement.

DISSENT RIGHTS

The ABCA does not contain a provision requiring LITH to purchase LITH Shares from LITH Shareholders who dissent from the LITH 2.0 Arrangement. However, pursuant to the terms of the LITH 2.0 Interim Order and the LITH 2.0 Plan of Arrangement, LITH has granted the LITH Shareholders who object to the LITH 2.0 Arrangement Resolution the right to dissent in respect of the LITH 2.0 Arrangement. **The following description of the LITH 2.0 Dissent Rights to which registered LITH Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a LITH 2.0 Dissenting Shareholder who seeks payment of the fair value of such LITH 2.0 Dissenting Shareholder's LITH Shares and is qualified in its entirety by the reference to the full text of the LITH 2.0 Interim Order, LITH 2.0 Plan of Arrangement and the text of Section 191 of the ABCA, which are attached to this Circular as Schedule "F", Exhibit I to Schedule "D" and Schedule "G", respectively.**

A registered LITH Shareholder who intends to exercise LITH 2.0 Dissent Rights should carefully consider and comply with the provisions of the ABCA, as modified by the LITH 2.0 Plan of Arrangement and by the LITH 2.0 Interim Order. Failure to adhere to the procedures established therein may result in the loss of all rights thereunder. Accordingly, each registered LITH Shareholder who might desire to exercise LITH 2.0 Dissent Rights should consult their own legal advisor.

A Court hearing the application for the LITH 2.0 Final Order has the discretion to alter the LITH 2.0 Dissent Rights described herein based on the evidence presented at such hearing. Registered LITH Shareholders

are entitled, in addition to any other right such LITH Shareholder may have, to dissent and to be paid by LITH the fair value of the LITH Shares held by such LITH Shareholder in respect of which such LITH Shareholder dissents, determined as of the close of business on the last Business Day before the day on which the LITH 2.0 Arrangement Resolution from which such LITH Shareholder dissents was approved. **A registered LITH Shareholder may dissent only with respect to all of the LITH Shares held by such LITH Shareholder or on behalf of any one beneficial owner and registered in the LITH Shareholder's name. Only registered LITH Shareholders may dissent. Persons who are beneficial owners of LITH Shares registered in the name of a broker, dealer, bank, trust company or other nominee who wish to dissent, should be aware that they may only do so through the registered owner of such LITH Shares. A registered LITH Shareholder, such as a broker, who holds LITH Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise LITH 2.0 Dissent Rights on behalf of such beneficial owners with respect to all of the LITH Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of LITH Shares covered by it.**

LITH 2.0 Dissenting Shareholders must provide a written objection to the LITH 2.0 Arrangement Resolution to LITH c/o DS Lawyers Canada LLP, 800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, Attention: Thomas Heine, by 5:00 p.m. (Calgary time) on October 15, 2024 or the Business Day that is two Business Days immediately preceding the date of any adjournment or postponement of the Meeting. **No LITH Shareholder who has voted in favour of the LITH 2.0 Arrangement Resolution shall be entitled to dissent with respect to the LITH 2.0 Arrangement.**

An application may be made to the Court by LITH or by a LITH 2.0 Dissenting Shareholder after the adoption of the LITH 2.0 Arrangement Resolution to fix the fair value of the LITH 2.0 Dissenting Shareholder's LITH Shares. If such an application to the Court is made by LITH or a LITH 2.0 Dissenting Shareholder, LITH must, unless the Court otherwise orders, send to each LITH 2.0 Dissenting Shareholder a written offer to pay the LITH 2.0 Dissenting Shareholder an amount considered by the LITH Board to be the fair value of the LITH Shares. The offer, unless the Court otherwise orders, will be sent to each LITH 2.0 Dissenting Shareholder at least ten (10) days before the date on which the application is returnable, if LITH is the applicant, or within ten (10) days after LITH is served with notice of the application, if a LITH 2.0 Dissenting Shareholder is the applicant. The offer will be made on the same terms to each LITH 2.0 Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A LITH 2.0 Dissenting Shareholder may make an agreement with LITH for the purchase of such LITH 2.0 Dissenting Shareholder's LITH Shares in the amount of the offer made by LITH, or otherwise, at any time before the Court pronounces an order fixing the fair value of the LITH Shares.

A LITH 2.0 Dissenting Shareholder will not be required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the LITH Shares of all LITH 2.0 Dissenting Shareholders who are parties to the application, giving judgment in that amount against LITH and in favour of each of those LITH 2.0 Dissenting Shareholders, and fixing the time within which LITH must pay that amount payable to the LITH 2.0 Dissenting Shareholders. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each LITH 2.0 Dissenting Shareholder calculated from the date on which the LITH 2.0 Dissenting Shareholder ceases to have any rights as a LITH Shareholder, until the date of payment.

On the LITH 2.0 Arrangement becoming effective, or upon the making of an agreement between LITH and the LITH 2.0 Dissenting Shareholder as to the payment to be made to the LITH 2.0 Dissenting Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the LITH 2.0 Dissenting Shareholder will cease to have any rights as a LITH Shareholder other than the right to be paid the fair value of such holder's LITH Shares in the amount agreed upon or in the amount of the judgment, as the case may be. Until one of these events occurs, the LITH 2.0 Dissenting Shareholder may withdraw the LITH 2.0 Dissenting Shareholder's dissent, or if the LITH 2.0 Arrangement has not yet become effective, LITH may rescind the LITH 2.0 Arrangement Resolution, and in either event, the dissent and appraisal proceedings in respect of that LITH 2.0 Dissenting Shareholder will be discontinued.

LITH will not make a payment to a LITH 2.0 Dissenting Shareholder if there are reasonable grounds for believing that LITH is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of LITH would thereby be less than the aggregate of its liabilities. In such event, LITH will notify each LITH 2.0 Dissenting Shareholder that it is unable lawfully to pay LITH 2.0

Dissenting Shareholders for their LITH Shares, in which case the LITH 2.0 Dissenting Shareholder may, by written notice to LITH within thirty (30) days after receipt of such notice, withdraw such holder's written objection, in which case the holder shall be deemed to have participated in the LITH 2.0 Arrangement as a LITH Shareholder. If the LITH 2.0 Dissenting Shareholder does not withdraw such holder's written objection, such LITH 2.0 Dissenting Shareholder retains status as a claimant against LITH to be paid as soon as LITH is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of LITH but in priority to its shareholders.

All LITH Shares held by LITH 2.0 Dissenting Shareholders who exercise their LITH 2.0 Dissent Rights will be deemed to be transferred to LITH and cancelled as of the LITH 2.0 Effective Time in exchange for the fair value thereof or will, if such LITH 2.0 Dissenting Shareholders ultimately are not so entitled to be paid the fair value thereof, be treated as if the holder had participated in the LITH 2.0 Arrangement on the same basis as a non-dissenting LITH Shareholder and had elected to receive the LITH 2.0 SpinCo Shares on the same basis as every other non-dissenting LITH Shareholder.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by LITH 2.0 Dissenting Shareholders who seek payment of the fair value of their LITH Shares. Section 191 of the ABCA, other than as modified by the LITH 2.0 Plan of Arrangement and the LITH 2.0 Interim Order, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, LITH Shareholders who might desire to exercise LITH 2.0 Dissent Rights should carefully consider and comply with the provisions of Section 191 of the ABCA, the full text of which is set out in Schedule "G" to this Circular and consult their own legal advisor.**

The LITH 2.0 Arrangement Agreement provides that, unless otherwise waived by LITH, it is a condition to the completion of the LITH 2.0 Arrangement that the aggregate number of LITH Shares held by those LITH Shareholders who have validly exercised and not withdrawn LITH 2.0 Dissent Rights shall not exceed 1% of the aggregate number of LITH Shares outstanding as of the LITH 2.0 Effective Time.

TAX CONSIDERATIONS TO LITH SHAREHOLDERS

In the opinion of DS Lawyers Canada LLP, tax counsel ("**Tax Counsel**") to LITH, the following summary fairly describes, as of the date of this Circular, the principal Canadian federal income tax considerations generally applicable under the ITA to a beneficial LITH Shareholder who, for purposes of the ITA: (i) holds such LITH Shares, and will hold any LITH 2.0 SpinCo Shares received under the LITH 2.0 Arrangement, as capital property; (ii) deals at arm's length with LITH and LITH 2.0 SpinCo; and (iii) is not "affiliated" with either LITH or LITH 2.0 SpinCo for the purposes of the ITA (a "**Holder**").

LITH Shares and LITH 2.0 SpinCo Shares will generally be considered to be capital property to a Holder unless such securities are held by the Holder in the course of carrying on a business of buying and selling securities, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the ITA and Tax Counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the ITA (the "**Proposed Amendments**") announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in the form proposed. There can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the LITH 2.0 Arrangement.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the ITA for the purposes of the "mark-to-market property" rules contained in the ITA; (ii) that is a "specified financial institution" or "restricted financial institution" as defined in the ITA; (iii) who has acquired LITH Shares on the exercise of a LITH Option; (iv) an interest in which is, or whose LITH Shares are, a "tax shelter investment" as defined in the ITA; (v) to who has made a "functional currency"

reporting election under section 261 of the ITA apply; or (vi) that has entered, or will enter, into a "derivative forward agreement", as defined in the ITA, with respect to the LITH Shares or LITH 2.0 SpinCo Shares. Such Holders should consult their own tax advisors.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER AND NO REPRESENTATIONS WITH RESPECT TO THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER ARE MADE. THIS SUMMARY IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Holders Resident in Canada

The following portion of this summary applies to a Holder who, at all relevant times is or is deemed to be resident in Canada for purposes of the ITA (a "**Resident Holder**").

Certain Resident Holders whose LITH Shares or LITH 2.0 SpinCo Shares might not otherwise be capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the ITA to have such shares, and every other "Canadian security" as defined in the ITA owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. **Any Resident Holder contemplating making a subsection 39(4) election should consult their tax advisor for advice as to whether the election is available or advisable in their particular circumstances.**

Reduction of Stated Capital

LITH has informed Tax Counsel that in its opinion, the aggregate fair market value of the LITH 2.0 SpinCo Shares to be distributed by LITH is estimated to be \$9,735,000, and as such will not exceed the "paid-up capital" (as defined in the ITA) of the LITH Shares immediately before the LITH 2.0 Effective Date.

Pursuant to the ITA, the distribution of the LITH 2.0 SpinCo Shares on the reduction of the stated capital of the LITH Shares by LITH will not give rise to immediate income tax consequences under the ITA and no deemed dividend will be deemed to arise to the LITH Shareholders as the amount of such distribution will not exceed the "paid-up capital" (for income tax purposes) of such LITH Shares. However, the adjusted cost base ("**ACB**") of such LITH Shares to the LITH Shareholders thereof will be reduced pro rata by an amount equal to the amount of such distribution per LITH Share.

Dividends on LITH Shares and LITH 2.0 SpinCo Shares

A Resident Holder who is an individual and who is deemed to receive a dividend on its LITH Shares or who receives a dividend paid on its LITH 2.0 SpinCo Shares will be required to include in income such dividend, and will be subject to the normal gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends that may be designated by LITH or LITH 2.0 SpinCo, as the case may be, as "eligible dividends", as defined in the ITA.

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its LITH Shares or that it receives or is deemed to receive on its LITH 2.0 SpinCo Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A "private corporation" as defined in the ITA or a "subject corporation" as defined in the ITA may be liable under Part IV of the ITA to pay a refundable tax of 38 $\frac{1}{3}$ % on any dividend that it receives or is deemed to receive on its LITH Shares or LITH 2.0 SpinCo Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Disposition of LITH 2.0 SpinCo Shares

A Resident Holder that disposes or is deemed to dispose of a LITH 2.0 SpinCo Share in a taxation year will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the LITH 2.0 SpinCo Share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder of such share, determined immediately before the disposition, and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to

capital gains and capital losses. See "Holders Resident in Canada - Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Subject to Tax Proposals released on June 10, 2024 (the "**June Proposals**"), one-half of any capital gain (the "**taxable capital gain**") realized by a Resident Holder will be included in the Resident Holder's income for the year of disposition, and one-half of any capital loss so realized (the "**allowable capital loss**") must be deducted by the Resident Holder against taxable capital gains for the year of disposition. Subject to the detailed rules in the ITA, any excess of allowable capital losses over taxable capital gains of the Resident Holder may be carried back up to three taxation years and forward indefinitely and deducted against net taxable capital gains in those other years.

The June Proposals will increase a Resident Holder's capital gains inclusion rate for capital gains realized on or after June 25, 2024. Specifically, the June Proposals will generally increase the capital gains inclusion rate from one-half to two-thirds, for corporations and trusts, and from one-half to two-thirds for individuals on the portion of capital gains realized in a taxation year (or the portion of the year beginning on June 25, 2024, in the case of the 2024 taxation year) that exceed \$250,000. Under the June Proposals, two-thirds of capital losses realized prior to 2024 will be deductible against capital gains included in income at the two-thirds inclusion rate such that a capital loss will offset an equivalent capital gain regardless of the inclusion rate.

A capital loss realized on the disposition of a LITH 2.0 SpinCo Share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the ITA, be reduced by the amount of dividends received or deemed to have been received by the corporation on such LITH 2.0 SpinCo Shares (or on a share for which such LITH 2.0 SpinCo Share is substituted or exchanged). Similar rules may apply where LITH 2.0 SpinCo Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own advisors.

Alternative Minimum Tax on Resident Holders who are Individuals

A capital gain realized, or a dividend received, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability for alternative minimum tax under the ITA.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" as defined in the ITA may be required to pay an additional 10% refundable tax on certain investment income, including certain amounts in respect of net taxable capital gains, dividends or deemed dividends and interest.

Eligibility for Investment

LITH 2.0 SpinCo Shares will not be a qualified investment under the ITA for a trust governed by a registered retirement savings account, registered retirement income fund, registered education savings plan, registered disability savings plan or a tax-free savings account (each a "**Registered Plan**") or a deferred profit sharing plan, at any particular time, unless and until the LITH 2.0 SpinCo Shares are listed on a "designated stock exchange" (which currently includes the TSX and the TSXV).

If the LITH 2.0 SpinCo Shares become a "qualified investment" for a Registered Plan, the holder or annuitant of such Registered Plan, as the case may be, will be subject to a penalty tax as set out in the ITA if the LITH 2.0 SpinCo Shares are a "prohibited investment" for the purposes of a Registered Plan. The LITH 2.0 SpinCo Shares will not be a prohibited investment for a Registered Plan provided the holder or annuitant thereof, as the case may be, (i) deals at arm's length with LITH 2.0 SpinCo for purposes of the ITA, and (ii) does not have a "significant interest" (as defined in subsection 207.01(4) of the ITA) in LITH 2.0 SpinCo. In addition, the LITH 2.0 SpinCo Shares will not be a "prohibited investment" for a Registered Plan if such shares are "excluded property" as defined in the ITA for trusts governed by such Registered Plan. Resident Holders who intend to hold LITH 2.0 SpinCo Shares in a Registered Plan in the future are advised to consult their own tax advisors.

Dissenting Resident Holders

A Resident Holder who dissents in respect of the LITH 2.0 Arrangement (a "**Resident LITH 2.0 Dissenter**") and who is entitled to receive payment from LITH equal to the fair value of the Resident LITH 2.0 Dissenter's LITH Shares will be considered to have disposed of the LITH Shares for proceeds of disposition equal to the amount received by the Resident LITH 2.0 Dissenter, less the amount of any interest awarded by a court, as the case may be. A Resident LITH 2.0 Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such shares, and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or a capital loss) on the disposition of such LITH Shares. The tax treatment accorded to any deemed dividend is discussed above under the heading, "Holders Resident in Canada - Dividends on LITH Shares and LITH 2.0 SpinCo Shares".

A Resident LITH 2.0 Dissenter will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such LITH Shares, as reduced by the amount of any deemed dividend as discussed above, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition and any reasonable costs of disposition. The tax treatment of capital gains and capital losses (including the potential reduction of a capital loss due to the receipt of a deemed dividend) is discussed above under the heading, "Holders Resident in Canada - Taxation of Capital Gains and Capital Losses".

Interest awarded by a court to a Resident LITH 2.0 Dissenter will be included in the Resident LITH 2.0 Dissenter's income for a particular taxation year to the extent the amount is received or receivable in that year, depending upon the method regularly followed by the Resident LITH 2.0 Dissenter in computing income. Where the Resident LITH 2.0 Dissenter is a corporation, partnership or, subject to certain exceptions, a trust, the Resident LITH 2.0 Dissenter must include in income for a taxation year the amount of interest that accrues to it before the end of the taxation year, or becomes receivable or is received before the end of the year (to the extent not included in income for a preceding taxation year). **Resident LITH 2.0 Dissenters who are contemplating exercising their dissent rights should consult their own tax advisors.**

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Securities in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). This portion of the summary is also not applicable to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" as defined in the Tax Act. Such Non-Resident Holders should consult their own tax advisors with respect to their particular circumstances in their country of residence.

Reduction of Stated Capital

The income tax consequences to Non-Resident Holders of the stated capital reduction are the same as those discussed above under the heading "Holders Resident in Canada - Reduction of Stated Capital".

Dividends on LITH Shares or LITH 2.0 SpinCo Shares

Any dividends paid or credited, or deemed to be paid or credited, on the LITH Shares or the LITH 2.0 SpinCo Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention, to which the Non-Resident Holder is entitled to the benefits of, between Canada and the Non-Resident Holder's country of residence.

Disposition of LITH Shares and LITH 2.0 SpinCo Shares

A Non-Resident Holder will only be taxable in Canada on the disposition or deemed disposition of LITH Shares or LITH 2.0 SpinCo Share if such shares constitute "taxable Canadian property" to such Non-Resident Holder. Unless a Non-Resident Holder owned 25% or more of the LITH Shares at any time in the prior 60 month period, the LITH Shares will not constitute "taxable Canadian property" to a Non-Resident Holder because not more than 50% of the value of the LITH Shares relates to real or immovable property situated in Canada, Canadian resource properties, timber resource properties, or options thereon. The LITH 2.0 SpinCo Shares will not constitute "taxable Canadian property" to a Non-Resident Holder because

at any time in the prior 60 month period not more than 50% of the value of the LITH 2.0 SpinCo Shares relates to real or immovable property situated in Canada, Canadian resource properties, timber resource properties, or options thereon.

Provided that the LITH Shares or LITH 2.0 SpinCo Shares does not constitute "taxable Canadian property" to a particular Non-Resident Holder, such Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized and will not be entitled to recognize any capital loss incurred by such Non-Resident Holder on the disposition by the Non-Resident Holder of such shares.

Dissenting Non-Resident Holders

A Non-Resident Holder who dissents in respect of the LITH 2.0 Arrangement (a "**Non-Resident LITH 2.0 Dissenter**") and who is entitled to receive payment from LITH equal to the fair value of the Non-Resident LITH 2.0 Dissenter's LITH Shares will be considered to have disposed of the LITH Shares for proceeds of disposition equal to the amount received by the Resident LITH 2.0 Dissenter, less the amount of any interest awarded by a court, as the case may be. A Non-Resident LITH 2.0 Dissenter generally will be deemed to have received a dividend equal to the amount by which such proceeds exceed the paid-up capital of such LITH Shares and such deemed dividend will reduce the proceeds of disposition for purposes of computing any capital gain (or a capital loss) on the disposition of such LITH Shares. The tax treatment accorded to any deemed dividend is discussed above under the heading, "Holders Not Resident in Canada - Dividends on LITH Shares and LITH 2.0 SpinCo Shares". Any capital gain will generally not be taxable to the Non-Resident LITH 2.0 Dissenter as discussed above under "Holders Not Resident in Canada - Disposition of LITH Shares and LITH 2.0 SpinCo Shares".

TAX CONSIDERATIONS IN OTHER JURISDICTIONS

This Circular does not address any tax considerations of the LITH 2.0 Arrangement other than certain Canadian federal income tax considerations. LITH Shareholders who are resident in (or citizens of) jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the LITH 2.0 Arrangement, including any associated filing requirements in such jurisdictions. LITH Shareholders should also consult their own tax advisors regarding provincial, state, local or territorial tax considerations of the LITH 2.0 Arrangement.

TIMING

If the Meeting is held as scheduled and is not adjourned or postponed, the LITH 2.0 Arrangement Resolution is approved by the requisite majority, and all other necessary conditions specified in the LITH 2.0 Arrangement Agreement are satisfied or waived (including receipt of the all Regulatory Approvals, and approval of the LITH 2.0 Arrangement by the Court of King's Bench of Alberta), LITH will apply for the LITH 2.0 Final Order approving the LITH 2.0 Arrangement. If the LITH 2.0 Final Order is obtained in form and substance satisfactory to LITH and all other conditions set forth in the LITH 2.0 Arrangement Agreement are satisfied or waived, LITH expects the LITH 2.0 Effective Date to occur concurrently with the completion of the LITH Sales Process. It is not possible, however, to state with certainty when the LITH 2.0 Effective Date will occur. If the LITH Sales Process is not successfully completed, the LITH Board may not proceed with the LITH 2.0 Arrangement.

The LITH 2.0 Arrangement will become effective upon the filing with the Registrar of the LITH 2.0 Articles of Arrangement and a copy of the LITH 2.0 Final Order, together with such other materials as may be required by the Registrar, and the issuance by the Registrar of a proof of filing of LITH 2.0 Articles of Arrangement.

STOCK EXCHANGE LISTINGS

The outstanding LITH Shares are listed and posted for trading on the TSXV under the symbol "LITH". On April 17, 2024, the last trading day prior to the date of the announcement of the proposed LITH 2.0 Arrangement, the closing price of the LITH Shares on the TSXV was \$0.85. On September 6, 2024, the last trading day prior to the date of this Circular, the closing price of the LITH Shares on the TSXV was \$0.55.

The TSXV has conditionally approved the LITH 2.0 Arrangement subject to LITH fulfilling all of the requirements of the TSXV. No application has been made to list or post the LITH 2.0 SpinCo Shares on any stock exchange or dealer network.

INTEREST OF EXPERTS

Certain legal matters relating to the LITH 2.0 Arrangement are to be passed upon by DS Lawyers Canada LLP, on behalf of LITH and LITH 2.0 SpinCo. As at the date hereof, the partners and associates of DS Lawyers Canada LLP beneficially own, directly or indirectly, less than 1% of the outstanding LITH Shares and less than 1% of the outstanding LITH 2.0 SpinCo Shares.

Certain audit reports contained herein and contained in the documents incorporated by reference herein have been prepared by MNP LLP, Chartered Professional Accountants. MNP LLP, Chartered Professional Accountants, have advised that they are independent with respect to LITH and LITH 2.0 SpinCo within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and application legislation or regulations.

The summary of the Los Morros Claims disclosed under the heading "Description of the Los Morros Claims" in Schedule "I" attached hereto was taken by consent from the Los Morros Technical Report, which was prepared in compliance with the requirements of NI 43-101 by Eric Hanson, P. Geo, and is dated June 23, 2024. Mr. Hanson is considered independent of LITH and LITH 2.0 SpinCo. A copy of the Los Morros Technical Report may be viewed upon written request to LITH, or on LITH's profile at www.sedarplus.ca.

Evans, an independent financial advisory firm, has prepared the valuation report entitled "Comprehensive Valuation Report for Lithium Chile Inc. on Lithium Chile 2.0 Inc." attached hereto as Schedule "K". Evans is considered to be independent of LITH and LITH 2.0 SpinCo.

LITH FOLLOWING THE LITH 2.0 ARRANGEMENT

Following completion of the LITH 2.0 Arrangement, LITH will continue to operate as a lithium exploration mining company with properties in Argentina.

LITH is a "reporting issuer" within the meaning of the Securities Act in the provinces of British Columbia and Alberta and the LITH Shares are listed for trading on the TSXV under the symbol "LITH".

The head office and registered office of LITH is located at Suite 700, 903 – 8th Avenue SW, Calgary, Alberta, T2P 0P7.

LITH 2.0 SPINCO FOLLOWING THE LITH 2.0 ARRANGEMENT

LITH 2.0 SpinCo will be a new stand-alone company and will be a reporting issuer in the same jurisdictions as LITH. However, there is no market through which the LITH 2.0 SpinCo Shares may be sold and LITH 2.0 SpinCo has not applied to any stock exchange or dealer network to list the LITH 2.0 SpinCo Shares. LITH 2.0 SpinCo will hold the LITH 2.0 Properties, including, but not limited to, the Los Morros Claims, and plans to operate as a lithium exploration company with properties in Chile.

The head office and registered office of LITH 2.0 SpinCo is located at Suite 700, 903 – 8th Avenue SW, Calgary, Alberta, T2P 0P7.

See Schedule "I" to this Circular, "*LITH 2.0 SpinCo Following the LITH 2.0 Arrangement*".

LITH 2.0 ARRANGEMENT RESOLUTION

At the Meeting, LITH Shareholders will be asked to consider the LITH 2.0 Arrangement Resolution in the form attached as Schedule "C" of this Circular. LITH Shareholders are urged to review the various sections of this Circular when considering the LITH 2.0 Arrangement Resolution.

The LITH 2.0 Arrangement Resolution must be approved by not less than 66⅔% of the votes cast by LITH Shareholders, represented either present in person or by proxy at the Meeting, voting together as a single class.

Unless otherwise directed, the persons named in the accompanying form of proxy for the Meeting intend to vote in favour of the LITH 2.0 Arrangement Resolution.

ENFORCEABILITY OF CIVIL LIABILITIES

The enforcement by LITH Shareholders of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that LITH and LITH 2.0 SpinCo are organized under the laws of Alberta, a jurisdiction outside the United States, that their officers and the directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States,

and that all or a substantial portion of the assets of LITH and LITH 2.0 SpinCo and such persons are located outside the United States. It may be difficult or impossible for LITH Shareholders to effect service of process within the United States upon LITH or LITH 2.0 SpinCo, their respective directors, officers and experts who are not residents of the United States or to realize against them upon judgments of courts of the United States predicated upon civil liability under U.S. Securities Laws. There is some doubt as to the enforceability in Canada against LITH or LITH 2.0 SpinCo or any of their respective directors, officers or experts who are not residents of the United States in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated solely upon U.S. Securities Laws.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed under "*Interests of Certain Persons in the LITH 2.0 Arrangement*", no informed person of LITH, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect LITH since the commencement of the most recently completed financial year of LITH.

III. Approval of Name Change

In connection with the proposed Arrangements, the Corporation intends to change its name to "Charge Lithium Inc.", or such other name as the LITH Board, in its sole discretion, deems appropriate or as required by applicable regulatory authorities (the "**Name Change**"). The LITH Shareholders will be asked to consider, and, if deemed advisable, to pass, with or without variation, a special resolution authorizing the amendment of the articles of the Corporation to effect the Name Change. To be effective, the resolution in respect of the Name Change must be approved by the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of LITH Shares present in person or by proxy at the Meeting. The Name Change will also be subject to the approval of the applicable securities exchange.

LITH Shareholders are urged to vote FOR this special resolution.

The complete text of the special resolution which management intends to place before the Meeting authorizing the change of the name of the Corporation (the "**Name Change Resolution**") is as follows:

"BE IT HEREBY RESOLVED as a special resolution of the shareholders of Lithium Chile Inc. (the "**Corporation**") that:

- (1) the change of the name of the Corporation from "Lithium Chile Inc." to "Charge Lithium Inc." or such other name as the board of directors, in its sole discretion, deems appropriate, is authorized and approved (the "**Name Change**");
- (2) the directors of the Corporation are hereby authorized and granted with absolute discretion to abandon the Name Change at any time without further approval, ratification or confirmation by the shareholders of the Corporation; and
- (3) any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions."

The persons designated as proxyholders in the accompanying Form of Proxy (absent contrary directions) intend to vote FOR the Name Change Resolution.

OTHER MATTERS

Management of LITH knows of no amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting; however, if any other matter properly comes before the Meeting, the accompanying forms of proxy will be voted on such matter in accordance with the best judgement of the person(s) voting the proxy.

SCHEDULE "A"

KAIROS ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") of Lithium Chile Inc. ("**LITH**") and involving Kairos Gold Inc. ("**Kairos SpinCo**") and the shareholders of LITH, as more particularly described and set forth in the Circular of LITH dated September September 9, 2024 and the Arrangement Agreement, as defined below, and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement, as it may be or has been amended, involving LITH (the "**Plan of Arrangement**"), the full text of which is set out in Exhibit 1 to the arrangement agreement dated as of August 13, 2024, as amended on September 4, 2024, between LITH and Kairos SpinCo (the "**Arrangement Agreement**"), is hereby authorized, approved and adopted.
3. The Arrangement Agreement is hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by any or all of the securityholders of LITH or that the Arrangement has been approved by the Court of King's Bench of Alberta (the "**Court**"), the directors of LITH are hereby authorized and empowered, at their discretion, without further notice to or approval of the securityholders of LITH (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and approved by the Court, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any officer or director of LITH is hereby authorized and directed for and on behalf of LITH to make an application to the Court for an order approving the Arrangement and to deliver to the Registrar the Articles of Arrangement, a certified copy of the Final Order (both as defined in the Arrangement Agreement) and to execute and, if appropriate, deliver such other documents as are necessary or desirable to the Registrar pursuant to the ABCA in accordance with the Arrangement Agreement.
6. Any officer or director of LITH is hereby authorized and directed for and on behalf of LITH to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "B"

KAIROS ARRANGEMENT AGREEMENT AND AMENDING AGREEMENT

(see attached)

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 13th day of August, 2024.

BETWEEN:

LITHIUM CHILE INC., a corporation existing under the *Business Corporations Act* (Alberta)

("LITH")

AND:

KAIROS GOLD INC., a corporation existing under the *Business Corporations Act* (Alberta)

("SpinCo")

WHEREAS:

- (A) LITH is the registered and beneficial owner of all of the issued and outstanding SpinCo Shares;
- (B) LITH and SpinCo wish to proceed with a corporate restructuring by way of a statutory arrangement under the ABCA, pursuant to which LITH and SpinCo will participate in a series of transactions whereby, among other things, LITH will reduce the stated capital account maintained in respect of the LITH Shares and distribute the SpinCo Shares such that the holders of LITH Shares (other than Dissenting Shareholders) will become holders of SpinCo Shares and LITH will cease to hold any SpinCo Shares;
- (C) LITH proposes to convene a meeting of the LITH Shareholders to consider the Arrangement pursuant Section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit I hereto; and
- (D) Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATION AND EXHIBIT

1.1 Definitions. In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) "**ABCA**" means the Business Corporations Act, R. S. A., 2000, c. B-9, as amended;
- (b) "**Agreement**" means this arrangement agreement, including the exhibits attached hereto as the same may be supplemented or amended from time to time;
- (c) "**Arrangement**" means the arrangement pursuant to the Arrangement Provisions of this Agreement and the Plan of Arrangement;

- (d) "**Arrangement Provisions**" means the provisions set forth in Section 193 of the ABCA;
- (e) "**Arrangement Resolution**" means the special resolution of the LITH Shareholders to approve the Arrangement, as required by the Interim Order and the ABCA;
- (f) "**Board of Directors**" means the current and existing board of directors of LITH;
- (g) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Calgary, Alberta;
- (h) "**Constating Documents**" means, in respect of each of LITH and SpinCo, their Articles of Incorporation, as amended, pursuant to the provisions of the ABCA;
- (i) "**Court**" means the Court of King's Bench of Alberta;
- (j) "**Dissent Rights**" means the right of a registered LITH Shareholder to dissent from the Arrangement Resolution in accordance with the provisions of the ABCA, and the Interim Order, and to be paid the fair value of the LITH Shares in respect of which the holder dissents;
- (k) "**Distribution**" means the proposed distribution in kind of that number of SpinCo Shares to be distributed to LITH Shareholders on the basis of one (1) SpinCo Share for every ten (10) LITH Shares;
- (l) "**Distribution Record Date**" means the record date for the Distribution, which is proposed to be set after Court approval of the Arrangement, in conjunction with the approval of the TSXV;
- (m) "**Effective Date**" shall be the date the Arrangement becomes effective pursuant to the ABCA, being the date shown on the Certificate of Arrangement;
- (n) "**Final Order**" means the final order of the Court approving the Arrangement;
- (o) "**Information Circular**" means the management information circular of LITH, including all schedules thereto, to be sent to the LITH Shareholders in connection with the LITH Meeting, together with any amendments or supplements thereto;
- (p) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the LITH Meeting and the Arrangement;
- (q) "**LITH Meeting**" means the special meeting of the LITH Shareholders and any adjournment(s) or postponement(s) thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (r) "**LITH Shareholder**" means a holder of LITH Shares;
- (s) "**LITH Shares**" means the issued and outstanding common shares of LITH as the same are constituted on the date hereof;
- (t) "**LITH Stock Option Plan**" means the existing stock option plan of LITH, as updated and amended from time to time;

- (u) "**Minera Kairos**" means Minera Kairos Chile SpA, a wholly-owned Chilean subsidiary of LITH;
- (v) "**Share Purchase and Sale Agreement**" means the share purchase and sale agreement to be entered into on or about August 28, 2024, or such other date as LITH and SpinCo may agree whereby LITH will sell, and SpinCo will purchase, the shares in the capital of Minera Kairos legally and beneficially owned by LITH;
- (w) "**party**" means either LITH or SpinCo and "**parties**" means, collectively, LITH and SpinCo;
- (x) "**Person**" means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (y) "**Plan of Arrangement**" means the plan of arrangement attached to this Agreement as Exhibit I, as the same may be amended from time to time;
- (z) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;
- (aa) "**SpinCo Options**" means share purchase options to be issued pursuant to the SpinCo Stock Option Plan;
- (bb) "**SpinCo Shares**" means all of the issued and outstanding common shares of SpinCo;
- (cc) "**SpinCo Stock Option Plan**" means the stock option plan to be adopted by SpinCo in accordance with Section 4.3 of this Agreement on substantially similar terms as the LITH Stock Option Plan and as may otherwise be modified, amended or restated as more particularly set forth in the Information Circular; and
- (dd) "**TSXV**" means the TSX Venture Exchange Inc.

1.2 Currency. All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 Interpretation Not Affected by Headings. The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the exhibits hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

1.4 Number and Gender. In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms and corporations.

1.5 Date for any Action. In the event that any date on which any action is required to be taken hereunder by LITH or SpinCo is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 Meaning. Words and phrases used herein and defined in the ABCA shall have the same meaning herein as in the ABCA unless the context otherwise requires.

1.7 Exhibits. Attached hereto and deemed to be incorporated into and form part of this Agreement as Exhibit I is the Plan of Arrangement.

ARTICLE 2 ARRANGEMENT

2.1 Arrangement. The parties agree to effect the Arrangement pursuant to the Arrangement Provisions on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

2.2 Effective Date of Arrangement. The Arrangement shall become effective on the Effective Date as set out in the Plan of Arrangement.

2.3 Commitment to Effect. Subject to termination of this Agreement pursuant to Article 6 hereof, the parties shall each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective by no later than December 31, 2024, or by such other date as LITH and SpinCo may determine, and in conjunction therewith to cause the conditions described in Section 5.1 to be complied with prior to the Effective Date. Without limiting the generality of the foregoing, the parties shall proceed forthwith to apply for the Interim Order and LITH shall call the LITH Meeting and mail the Information Circular to the LITH Shareholders.

2.4 Filing of Final Order. Subject to the rights of termination contained in Article 6 hereof, upon the LITH Shareholders approving the Arrangement by special resolution in accordance with the provisions of the Interim Order and the ABCA, LITH obtaining the Final Order and the other conditions contained in Article 5 hereof being complied with or waived, LITH on its behalf and on behalf of SpinCo shall file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions; and
- (b) a copy of the Final Order.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Each of the parties hereby represents and warrants to the other party that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and to consummate the transactions contemplated herein and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its Constatng Documents or other

governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and

- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or are pending or proposed in respect of it.

ARTICLE 4 COVENANTS

4.1 Covenants. Each of the parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

4.2 Interim Order and Final Order. The parties acknowledge that LITH will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the LITH Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution. The parties each covenant and agree that if the approval of the Arrangement by the LITH Shareholders as set out in Section 5.1(b) hereof is obtained, LITH will thereafter (subject to the exercise of any discretionary authority granted to LITH's directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 6 hereof, file the material described in Section 2.4 with the Registrar.

4.3 SpinCo Stock Option Plan. In connection with, but prior to, the Arrangement, SpinCo shall adopt the SpinCo Stock Option Plan, which shall be substantially in the form attached to the Information Circular.

ARTICLE 5 CONDITIONS

5.1 Conditions Precedent. The respective obligations of the parties to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to LITH;
- (b) the Arrangement Resolution, with or without amendment, shall have been approved and adopted at the LITH Meeting by the LITH Shareholders in accordance with the Arrangement Provisions, the Constating Documents of LITH, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order shall have been obtained in form and substance satisfactory to each of LITH and SpinCo;
- (d) the TSXV shall have conditionally approved the Arrangement;
- (e) the TSXV will have conditionally approved the listing of the SpinCo Shares, subject to compliance with the requirements of the TSXV;
- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the

transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to LITH;

- (g) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement;
- (h) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada or Chile, which would reasonably be expected to have a material adverse effect on any of LITH, the LITH Shareholders or SpinCo if the Arrangement is completed;
- (i) the closing of the Share Purchase and Sale Agreement;
- (j) notices of dissent pursuant to Article 5 of the Plan of Arrangement shall not have been delivered by LITH Shareholders holding greater than 1% of the outstanding LITH Shares; and
- (k) this Agreement shall not have been terminated under Article 6 hereof.

Except for the conditions set forth in Sections 5.1(a), (b), (c), (d) and (k), which may not be waived, any of the other conditions in this Section 5.1 may be waived by either LITH or SpinCo in their discretion.

5.2 Pre-Closing. Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the offices of DS Lawyers Canada LLP, Suite 800, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, at 10:00 a.m. on the Business Day immediately preceding the Effective Date, or at such other location or at such other time or on such other date as they may mutually agree, and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

5.3 Merger of Conditions. The conditions set out in Section 5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

5.4 Merger of Representations, Warranties and Covenants. The representations and warranties in Section 3.1 shall be conclusively deemed to be correct as of the Effective Date and the covenants in Section 4.1 hereof shall be conclusively deemed to have been complied with in all respects as of the Effective Date, and each shall accordingly merge in and not survive past the Effective Date.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment. Subject to any mandatory applicable restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to

time before or after the holding of the LITH Meeting, but prior to the Effective Date, be amended by the written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the LITH Shareholders.

6.2 Termination. Subject to Section 6.3, this Agreement may at any time before or after the holding of the LITH Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of LITH without further action on the part of the LITH Shareholders and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the Board of Directors of LITH to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

6.3 Cessation of Right. The right of LITH or SpinCo or any other party to amend or terminate the Plan of Arrangement pursuant to Section 6.1 and Section 6.2 shall be extinguished upon the occurrence of the Effective Date.

ARTICLE 7 GENERAL

7.1 Notices. All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be delivered or sent by facsimile or email, addressed as follows:

(a) in the case of LITH:

700, 903 - 8th Avenue S.W.
Calgary, Alberta T2P 0P7

Attention: Steven Cochrane
Email: steve@lithiumchile.ca

(b) in the case of SpinCo:

700, 903 - 8th Avenue S.W.
Calgary, Alberta T2P 0P7

Attention: Al Kroontje
Email: al@slgold.ca

(c) in each case with a copy to:

DS Lawyers Canada LLP
Suite 800, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Attention: Thomas Heine
Email: theine@dsavocats.ca

7.2 Assignment. Neither of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.

7.3 Binding Effect. This Agreement and the Arrangement shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns.

7.4 Waiver. Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.

7.5 Governing Law. This Agreement shall be governed by and be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

7.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

7.7 Expenses. All expenses incurred by a party in connection with this Agreement, the Arrangement and the transactions contemplated hereby and thereby shall be borne by the party that incurred the expense or as otherwise mutually agreed by the parties.

7.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the parties.

7.9 Time is of the Essence. Time is of the essence of this Agreement.

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IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

LITHIUM CHILE INC.

Per: (Signed) "Steven Cochrane"
Steven Cochrane
President and Chief Executive Officer

KAIROS GOLD INC.

Per: (Signed) "Al Kroontje"
Al Kroontje
Director

PLAN OF ARRANGEMENT
UNDER SECTION 193 OF
THE BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) "**ABCA**" means the Business Corporations Act, R. S. A., 2000, c. B-9, as amended;
- (b) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA, on the terms and conditions set forth in this Plan of Arrangement, as supplemented, modified or amended;
- (c) "**Arrangement Agreement**" means the arrangement agreement dated as of August 13, 2024, between LITH and SpinCo, as may be supplemented or amended from time to time;
- (d) "**Board of Directors**" means the current and existing board of directors of LITH;
- (e) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Calgary, Alberta;
- (f) "**Court**" means the Court of King's Bench of Alberta;
- (g) "**Dissent Rights**" means the rights of dissent granted in favour of registered holders of LITH Shares in accordance with Article 5 of this Plan of Arrangement;
- (h) "**Dissenting Shareholder**" means a registered holder of LITH Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (i) "**Dissident Procedures**" means the rules pertaining to the exercise of Dissent Rights as set forth in the Interim Order and in Article 5 of this Plan of Arrangement;
- (j) "**Distribution Record Date**" means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the LITH Shareholders entitled to receive SpinCo Shares under the Arrangement or such other date as the Board of Directors may select;
- (k) "**Effective Date**" means the date the Arrangement becomes effective under the ABCA, being the date shown on the proof of filing to be issued by the Registrar in respect of the Articles of Arrangement;
- (l) "**Effective Time**" means 12:01 a.m. on the Effective Date or such other time on the Effective Date as agreed to in writing by LITH and SpinCo;
- (m) "**Final Order**" means the final order of the Court approving the Arrangement;
- (n) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the LITH Meeting and the Arrangement;

- (o) "**LITH**" or the "**Company**" means Lithium Chile Inc., a corporation existing under the ABCA;
- (p) "**LITH Meeting**" means the annual and special meeting of the LITH Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (q) "**LITH Shareholders**" means holders of LITH Shares;
- (r) "**LITH Shares**" means the voting common shares without par value which LITH is authorized to issue as the same are constituted on the date hereof;
- (s) "**Plan of Arrangement**" means this plan of arrangement, as the same may be amended from time to time;
- (t) "**Registrar**" means the Registrar of Companies under the ABCA;
- (u) "**SpinCo**" means Kairos Gold Inc., a company existing under the ABCA;
- (v) "**SpinCo Shareholder**" means a holder of SpinCo Shares;
- (w) "**SpinCo Shares**" means the no par value shares which SpinCo is authorized to issue as the same are constituted on the date hereof;
- (x) "**SpinCo Stock Option Plan**" means the stock option plan adopted by SpinCo, in substantially the form set forth in the management information circular of LITH, to be sent to LITH Shareholders in connection with the LITH Meeting;
- (y) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended;
- (z) "**Transfer Agent**" means Odyssey Trust Company at its principal office in Calgary, Alberta; and
- (aa) "**TSXV**" means the TSX Venture Exchange Inc.

1.2 Interpretation Not Affected by Headings. The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms "this Plan of Arrangement", "hereof", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number and Gender. Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms and corporations.

1.4 Meaning. Words and phrases used herein and defined in the ABCA shall have the same meaning herein as in the ABCA, unless the context otherwise requires.

1.5 Date for any Action. If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

1.6 Governing Law. This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement. This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

2.2 Arrangement Effectiveness. The Arrangement and this Plan of Arrangement shall become final and conclusively binding on LITH, the LITH Shareholders (including Dissenting Shareholders) and SpinCo Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

ARTICLE 3 THE ARRANGEMENT

3.1 The Arrangement. Commencing at the Effective Time, the following shall occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of LITH or SpinCo, but subject to the provisions of Article 5:

- (a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the SpinCo Shares, estimated to be \$4,305,000 or such other estimated amount as determined by the Board of Directors; and
- (b) pursuant to (a) hereof, LITH will distribute to the LITH Shareholders one (1) SpinCo Share for each ten (10) LITH Shares held by a LITH Shareholder.

3.2 Deemed Fully Paid and Non-Assessable Shares. All SpinCo Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the ABCA.

3.3 No Fractional Shares. Notwithstanding any other provision of this Arrangement, no fractional SpinCo Shares shall be distributed to the LITH Shareholders and, as a result, the number of SpinCo Shares issued to such LITH Shareholder will be rounded up to the nearest whole number of SpinCo Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the nearest whole number of SpinCo Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all LITH Shares registered in the name of or beneficially owned by such LITH Shareholder shall be aggregated.

3.4 Distribution Record Date. In Section 3.1(b) the reference to a LITH Shareholder shall mean a person who is a LITH Shareholder on the Distribution Record Date, subject to the provisions of Article 5.

3.5 Supplementary Actions. Notwithstanding that the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of LITH and SpinCo shall be required to make, do and execute or cause and procure to be

made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

3.6 No Liens. Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

ARTICLE 4 CERTIFICATES

4.1 SpinCo Share Certificates. As soon as practicable following the Effective Date, SpinCo shall deliver or cause to be delivered to the Transfer Agent certificates representing the SpinCo Shares required to be issued to registered holders of LITH Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(b) of this Plan of Arrangement, which certificates shall be held by the Transfer Agent as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1 hereof.

4.2 Interim Period. Any LITH Shares traded after the Distribution Record Date shall not carry any rights to receive SpinCo Shares.

ARTICLE 5 RIGHTS OF DISSENT

5.1 Dissent Right. Registered holders of LITH Shares may exercise Dissent Rights with respect to their LITH Shares in connection with the Arrangement and pursuant to the Interim Order in the manner set forth in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such dissenting LITH Shareholder delivers a written notice of dissent to LITH at least two Business Days before the day of the Meeting or any adjournment or postponement thereof.

5.2 Dealing with Dissenting Shares. LITH Shareholders who duly exercise Dissent Rights with respect to their Dissenting Shares and who:

- (a) are ultimately entitled to be paid fair value for their LITH Shares shall be deemed to have transferred their LITH Shares to LITH for cancellation as of the Effective Time; or
- (b) for any reason are ultimately not entitled to be paid for their LITH Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting LITH Shareholder and shall receive SpinCo Shares on the same basis as every other non-dissenting LITH Shareholder.

5.3 Reservation of SpinCo Shares. If a LITH Shareholder exercises Dissent Rights, LITH shall, on the Effective Date, set aside and not distribute that portion of the SpinCo Shares which is attributable to the LITH Shares for which Dissent Rights have been exercised. If the dissenting LITH Shareholder is ultimately not entitled to be paid for their Dissenting Shares, LITH shall distribute to such LITH Shareholder his or her pro rata portion of the SpinCo Shares. If a LITH Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then LITH shall retain the portion of the SpinCo Shares attributable to such LITH Shareholder and such shares will be dealt with as determined by the Board of Directors of LITH in its discretion.

ARTICLE 6 DELIVERY OF SHARES

6.1 Delivery of Shares. Upon delivery to the Transfer Agent of such documents and instruments as the Transfer Agent may reasonably require, each LITH Shareholder shall be entitled to receive, and the Transfer Agent shall deliver to such holder following the Effective Time, a certificate representing the SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1 hereof.

6.2 Paramountcy. From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all LITH Shares issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of LITH Shares and of LITH, SpinCo, the Transfer Agent and any transfer agent or other Transfer Agent therefor, shall be solely as provided for in this Plan of Arrangement.

ARTICLE 7 AMENDMENTS & WITHDRAWAL

7.1 Amendments. LITH, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

7.2 Amendments Made Prior to or at the Meeting. Any amendment, modification or supplement to this Plan of Arrangement may be proposed by LITH at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by the LITH Shareholders voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

7.3 Amendments Made After the Meeting. Any amendment, modification or supplement to this Plan of Arrangement may be proposed by LITH after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by LITH, provided that it concerns a matter which, in the reasonable opinion of LITH, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of LITH Shares or SpinCo Shares.

7.4 Withdrawal. Notwithstanding any prior approvals by the Court or by LITH Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time, without further approval of the Court or the LITH Shareholders.

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is dated as of the 4th day of September, 2024.

BETWEEN:

LITHIUM CHILE INC., a corporation existing under the laws of the Province of Alberta

(hereinafter referred to as "**LITH**")

AND:

KAIROS GOLD INC., a corporation existing under the laws of the Province of Alberta

(hereinafter referred to as the "**SpinCo**")

WHEREAS:

- (a) LITH and SpinCo entered into an arrangement agreement dated August 13, 2024 (the "**Arrangement Agreement**") whereby LITH and SpinCo agreed to give effect to the Arrangement, as defined in the Arrangement Agreement, subject to certain conditions, all as further described in the Arrangement Agreement;
- (b) The parties hereto have entered into this Amending Agreement to the Arrangement Agreement for the purposes described herein.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby covenant and agree as follows:

ARTICLE 1 CONFIRMATION AND DEFINED TERMS

1.1 Confirmation

The Arrangement Agreement is hereby confirmed and ratified and each of the parties acknowledges that it is bound by and liable under the Arrangement Agreement, subject only to those amendments provided for herein.

1.2 Defined Terms

All capitalized terms used herein shall have the meaning given to them in the Arrangement Agreement, except to the extent that a specific term is defined and capitalized herein.

ARTICLE 2 AMENDMENTS

2.1 Amendment to Section 6.2

Section 6.2 of the Arrangement Agreement is amended to the following:

"Subject to Section 6.3, this Agreement may at any time before or after the holding of the LITH Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of LITH without further action on the part of the LITH Shareholders and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the Board of Directors of LITH to elect to terminate this Agreement and discontinue

efforts to effect the Arrangement for whatever reasons it may consider appropriate. The Arrangement Agreement may be terminated by either LITH or SpinCo if the Arrangement has not become effective on or prior to December 31, 2024."

2.2 Amendment to Section 3.1(a)

Section 3.1(a) of the Arrangement Agreement is amended to the following:

"(a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the SpinCo Shares, estimated to be \$3,805,000"

2.3 No Other Amendments

Except as amended by the foregoing, all provisions of the Arrangement Agreement are hereby reaffirmed and remain unchanged.

ARTICLE 3 MISCELLANEOUS

3.1 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to carry out the intent of this Amending Agreement.

3.2 Severability

If any term, condition or provision of this Amending Agreement shall be determined to be invalid or unenforceable it shall be deemed to be severable from the remainder of this Amending Agreement which shall continue in full force and effect.

3.3 Governing Law

This Amending Agreement shall be governed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.4 Enurement

This Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

3.5 Conflict

In the event of any conflict between the Arrangement Agreement and this Amending Agreement, the terms of this Amending Agreement shall govern.

3.6 Execution in Counterpart

This Amending Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first written above. A signed counterpart provided by way of facsimile transmission or in pdf format shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement by their duly authorized officer(s) as of the date first above written.

LITHIUM CHILE INC.

Per: (signed) "Steven Cochrane"
Name: Steven Cochrane
Title: President and Chief Executive Officer

KAIROS GOLD INC.

Per: (signed) "Al Kroontje"
Name: Al Kroontje
Title: Director

SCHEDULE "C"

LITH 2.0 ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") of Lithium Chile Inc. ("**LITH**") and involving Lithium Chile 2.0 Inc. ("**LITH 2.0 SpinCo**") and the shareholders of LITH, as more particularly described and set forth in the Circular of LITH dated September 9, 2024 and the Arrangement Agreement, as defined below, and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement, as it may be or has been amended, involving LITH (the "**Plan of Arrangement**"), the full text of which is set out in Exhibit 1 to the arrangement agreement dated as of August 13, 2024, as amended on September 4, 2024, between LITH and LITH 2.0 SpinCo (the "**Arrangement Agreement**"), is hereby authorized, approved and adopted.
3. The Arrangement Agreement is hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by any or all of the securityholders of LITH or that the Arrangement has been approved by the Court of King's Bench of Alberta (the "**Court**"), the directors of LITH are hereby authorized and empowered, at their discretion, without further notice to or approval of the securityholders of LITH (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement and approved by the Court, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any officer or director of LITH is hereby authorized and directed for and on behalf of LITH to make an application to the Court for an order approving the Arrangement and to deliver to the Registrar the Articles of Arrangement, a certified copy of the Final Order (both as defined in the Arrangement Agreement) and to execute and, if appropriate, deliver such other documents as are necessary or desirable to the Registrar pursuant to the ABCA in accordance with the Arrangement Agreement.
6. Any officer or director of LITH is hereby authorized and directed for and on behalf of LITH to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "D"

LITH 2.0 ARRANGEMENT AGREEMENT AND AMENDING AGREEMENT

(see attached)

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 13th day of August, 2024.

BETWEEN:

LITHIUM CHILE INC., a corporation existing under the *Business Corporations Act* (Alberta)

("LITH")

AND:

LITHIUM CHILE 2.0 INC., a corporation existing under the *Business Corporations Act* (Alberta)

("SpinCo")

WHEREAS:

- (A) LITH is the registered and beneficial owner of all of the issued and outstanding SpinCo Shares;
- (B) LITH and SpinCo wish to proceed with a corporate restructuring by way of a statutory arrangement under the ABCA, pursuant to which LITH and SpinCo will participate in a series of transactions whereby, among other things, LITH will reduce the stated capital account maintained in respect of the LITH Shares and distribute the SpinCo Shares such that the holders of LITH Shares (other than Dissenting Shareholders) will become holders of SpinCo Shares and LITH will cease to hold any SpinCo Shares;
- (C) LITH proposes to convene a meeting of the LITH Shareholders to consider the Arrangement pursuant Section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit I hereto; and
- (D) Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATION AND EXHIBIT

1.1 Definitions. In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) "**ABCA**" means the Business Corporations Act, R. S. A., 2000, c. B-9, as amended;
- (b) "**Agreement**" means this arrangement agreement, including the exhibits attached hereto as the same may be supplemented or amended from time to time;
- (c) "**Arrangement**" means the arrangement pursuant to the Arrangement Provisions of this Agreement and the Plan of Arrangement;

- (d) "**Arrangement Provisions**" means the provisions set forth in Section 193 of the ABCA;
- (e) "**Arrangement Resolution**" means the special resolution of the LITH Shareholders to approve the Arrangement, as required by the Interim Order and the ABCA;
- (f) "**Board of Directors**" means the current and existing board of directors of LITH;
- (g) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Calgary, Alberta;
- (h) "**Constating Documents**" means, in respect of each of LITH and SpinCo, their Articles of Incorporation, as amended, pursuant to the provisions of the ABCA;
- (i) "**Court**" means the Court of King's Bench of Alberta;
- (j) "**Dissent Rights**" means the right of a registered LITH Shareholder to dissent from the Arrangement Resolution in accordance with the provisions of the ABCA, and the Interim Order, and to be paid the fair value of the LITH Shares in respect of which the holder dissents;
- (k) "**Distribution**" means the proposed distribution in kind of that number of SpinCo Shares to be distributed to LITH Shareholders on the basis of one (1) SpinCo Share for every four (4) LITH Shares;
- (l) "**Distribution Record Date**" means the record date for the Distribution, which is proposed to be set after Court approval of the Arrangement, in conjunction with the approval of the TSXV;
- (m) "**Effective Date**" shall be the date the Arrangement becomes effective pursuant to the ABCA, being the date shown on the Certificate of Arrangement;
- (n) "**Final Order**" means the final order of the Court approving the Arrangement;
- (o) "**Information Circular**" means the management information circular of LITH, including all schedules thereto, to be sent to the LITH Shareholders in connection with the LITH Meeting, together with any amendments or supplements thereto;
- (p) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the LITH Meeting and the Arrangement;
- (q) "**Inversiones Kairos**" means Inversiones Kairos SpA, a wholly-owned Chilean subsidiary of LITH;
- (r) "**LITH Meeting**" means the special meeting of the LITH Shareholders and any adjournment(s) or postponement(s) thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (s) "**LITH Shareholder**" means a holder of LITH Shares;
- (t) "**LITH Shares**" means the issued and outstanding common shares of LITH as the same are constituted on the date hereof;

- (u) **"LITH Stock Option Plan"** means the existing stock option plan of LITH, as updated and amended from time to time;
- (v) **"Share Purchase and Sale Agreement"** means the share purchase and sale agreement to be entered into on or before the Effective Date whereby LITH will sell, and SpinCo will purchase, the shares in the capital of Inversiones Kairos legally and beneficially owned by LITH;
- (w) **"party"** means either LITH or SpinCo and **"parties"** means, collectively, LITH and SpinCo;
- (x) **"Person"** means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (y) **"Plan of Arrangement"** means the plan of arrangement attached to this Agreement as Exhibit I, as the same may be amended from time to time;
- (z) **"Registrar"** means the Registrar of Corporations for the Province of Alberta duly appointed under Section 263 of the ABCA;
- (aa) **"SpinCo Options"** means share purchase options to be issued pursuant to the SpinCo Stock Option Plan;
- (bb) **"SpinCo Shares"** means all of the issued and outstanding common shares of SpinCo;
- (cc) **"SpinCo Stock Option Plan"** means the stock option plan to be adopted by SpinCo in accordance with Section 4.3 of this Agreement on substantially similar terms as the LITH Stock Option Plan and as may otherwise be modified, amended or restated; and
- (dd) **"TSXV"** means the TSX Venture Exchange Inc.

1.2 Currency. All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.3 Interpretation Not Affected by Headings. The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the exhibits hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

1.4 Number and Gender. In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms and corporations.

1.5 Date for any Action. In the event that any date on which any action is required to be taken hereunder by LITH or SpinCo is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 Meaning. Words and phrases used herein and defined in the ABCA shall have the same meaning herein as in the ABCA unless the context otherwise requires.

1.7 Exhibits. Attached hereto and deemed to be incorporated into and form part of this Agreement as Exhibit I is the Plan of Arrangement.

ARTICLE 2 ARRANGEMENT

2.1 Arrangement. The parties agree to effect the Arrangement pursuant to the Arrangement Provisions on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

2.2 Effective Date of Arrangement. The Arrangement shall become effective on the Effective Date as set out in the Plan of Arrangement.

2.3 Commitment to Effect. Subject to termination of this Agreement pursuant to Article 6 hereof, the parties shall each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective by no later than June 30, 2025, or by such other date as LITH and SpinCo may determine, and in conjunction therewith to cause the conditions described in Section 5.1 to be complied with prior to the Effective Date. Without limiting the generality of the foregoing, the parties shall proceed forthwith to apply for the Interim Order and LITH shall call the LITH Meeting and mail the Information Circular to the LITH Shareholders.

2.4 Filing of Final Order. Subject to the rights of termination contained in Article 6 hereof, upon the LITH Shareholders approving the Arrangement by special resolution in accordance with the provisions of the Interim Order and the ABCA, LITH obtaining the Final Order and the other conditions contained in Article 5 hereof being complied with or waived, LITH on its behalf and on behalf of SpinCo shall file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions; and
- (b) a copy of the Final Order.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Each of the parties hereby represents and warrants to the other party that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and to consummate the transactions contemplated herein and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its Constatng Documents or other

governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and

- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or are pending or proposed in respect of it.

ARTICLE 4 COVENANTS

4.1 Covenants. Each of the parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

4.2 Interim Order and Final Order. The parties acknowledge that LITH will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the LITH Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution. The parties each covenant and agree that if the approval of the Arrangement by the LITH Shareholders as set out in Section 5.1(b) hereof is obtained, LITH will thereafter (subject to the exercise of any discretionary authority granted to LITH's directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 6 hereof, file the material described in Section 2.4 with the Registrar.

4.3 SpinCo Stock Option Plan. In connection with, but prior to, the Arrangement, SpinCo shall adopt the SpinCo Stock Option Plan.

ARTICLE 5 CONDITIONS

5.1 Conditions Precedent. The respective obligations of the parties to complete the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to LITH;
- (b) the Arrangement Resolution, with or without amendment, shall have been approved and adopted at the LITH Meeting by the LITH Shareholders in accordance with the Arrangement Provisions, the Constating Documents of LITH, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order shall have been obtained in form and substance satisfactory to each of LITH and SpinCo;
- (d) the TSXV shall have conditionally approved the Arrangement;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to LITH;

- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement;
- (g) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada or Chile, which would reasonably be expected to have a material adverse effect on any of LITH, the LITH Shareholders or SpinCo if the Arrangement is completed;
- (h) the closing of the Share Purchase and Sale Agreement;
- (i) notices of dissent pursuant to Article 5 of the Plan of Arrangement shall not have been delivered by LITH Shareholders holding greater than 1% of the outstanding LITH Shares; and
- (j) this Agreement shall not have been terminated under Article 6 hereof.

Except for the conditions set forth in Sections 5.1(a), (b), (c), (d) and (j), which may not be waived, any of the other conditions in this Section 5.1 may be waived by either LITH or SpinCo in their discretion.

5.2 Pre-Closing. Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the offices of DS Lawyers Canada LLP, Suite 800, 333 – 7th Avenue S.W., Calgary, Alberta, T2P 2Z1, at 10:00 a.m. on the Business Day immediately preceding the Effective Date, or at such other location or at such other time or on such other date as they may mutually agree, and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

5.3 Merger of Conditions. The conditions set out in Section 5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

5.4 Merger of Representations, Warranties and Covenants. The representations and warranties in Section 3.1 shall be conclusively deemed to be correct as of the Effective Date and the covenants in Section 4.1 hereof shall be conclusively deemed to have been complied with in all respects as of the Effective Date, and each shall accordingly merge in and not survive past the Effective Date.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment. Subject to any mandatory applicable restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the LITH Meeting, but prior to the Effective Date, be amended by the written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the LITH Shareholders.

6.2 Termination. Subject to Section 6.3, this Agreement may at any time before or after the holding of the LITH Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of LITH without further action on the part of the LITH Shareholders and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the Board of Directors of LITH to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

6.3 Cessation of Right. The right of LITH or SpinCo or any other party to amend or terminate the Plan of Arrangement pursuant to Section 6.1 and Section 6.2 shall be extinguished upon the occurrence of the Effective Date.

ARTICLE 7 GENERAL

7.1 Notices. All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be delivered or sent by facsimile or email, addressed as follows:

(a) in the case of LITH:

700, 903 - 8th Avenue S.W.
Calgary, Alberta T2P 0P7

Attention: Steven Cochrane
Email: steve@lithiumchile.ca

(b) in the case of SpinCo:

700, 903 - 8th Avenue S.W.
Calgary, Alberta T2P 0P7

Attention: Al Kroontje
Email: al@slgold.ca

(c) in each case with a copy to:

DS Lawyers Canada LLP
Suite 800, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Attention: Thomas Heine
Email: theine@dsavocats.ca

7.2 Assignment. Neither of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.

7.3 Binding Effect. This Agreement and the Arrangement shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns.

7.4 Waiver. Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.

7.5 Governing Law. This Agreement shall be governed by and be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

7.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

7.7 Expenses. All expenses incurred by a party in connection with this Agreement, the Arrangement and the transactions contemplated hereby and thereby shall be borne by the party that incurred the expense or as otherwise mutually agreed by the parties.

7.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the parties.

7.9 Time is of the Essence. Time is of the essence of this Agreement.

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IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

LITHIUM CHILE INC.

Per: (Signed) "Steven Cochrane"
Steven Cochrane
President and Chief Executive Officer

LITHIUM CHILE 2.0 INC.

Per: (Signed) "Al Kroontje"
Al Kroontje
Director

PLAN OF ARRANGEMENT
UNDER SECTION 193 OF
THE BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) "**ABCA**" means the Business Corporations Act, R. S. A., 2000, c. B-9, as amended;
- (b) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA, on the terms and conditions set forth in this Plan of Arrangement, as supplemented, modified or amended;
- (c) "**Arrangement Agreement**" means the arrangement agreement dated as of August 13, 2024, between LITH and SpinCo, as may be supplemented or amended from time to time;
- (d) "**Board of Directors**" means the current and existing board of directors of LITH;
- (e) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Calgary, Alberta;
- (f) "**Court**" means the Court of King's Bench of Alberta;
- (g) "**Dissent Rights**" means the rights of dissent granted in favour of registered holders of LITH Shares in accordance with Article 5 of this Plan of Arrangement;
- (h) "**Dissenting Shareholder**" means a registered holder of LITH Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (i) "**Dissident Procedures**" means the rules pertaining to the exercise of Dissent Rights as set forth in the Interim Order and in Article 5 of this Plan of Arrangement;
- (j) "**Distribution Record Date**" means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the LITH Shareholders entitled to receive SpinCo Shares under the Arrangement or such other date as the Board of Directors may select;
- (k) "**Effective Date**" means the date the Arrangement becomes effective under the ABCA, being the date shown on the proof of filing to be issued by the Registrar in respect of the Articles of Arrangement;
- (l) "**Effective Time**" means 12:01 a.m. on the Effective Date or such other time on the Effective Date as agreed to in writing by LITH and SpinCo;
- (m) "**Final Order**" means the final order of the Court approving the Arrangement;
- (n) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the LITH Meeting and the Arrangement;

- (o) "**LITH**" or the "**Company**" means Lithium Chile Inc., a corporation existing under the ABCA;
- (p) "**LITH Meeting**" means the annual and special meeting of the LITH Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (q) "**LITH Shareholders**" means holders of LITH Shares;
- (r) "**LITH Shares**" means the voting common shares without par value which LITH is authorized to issue as the same are constituted on the date hereof;
- (s) "**Plan of Arrangement**" means this plan of arrangement, as the same may be amended from time to time;
- (t) "**Registrar**" means the Registrar of Companies under the ABCA;
- (u) "**SpinCo**" means Lithium Chile 2.0 Inc., a company existing under the ABCA;
- (v) "**SpinCo Shareholder**" means a holder of SpinCo Shares;
- (w) "**SpinCo Shares**" means the no par value shares which SpinCo is authorized to issue as the same are constituted on the date hereof;
- (x) "**SpinCo Stock Option Plan**" means the stock option plan adopted by SpinCo;
- (y) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended;
- (z) "**Transfer Agent**" means Odyssey Trust Company at its principal office in Calgary, Alberta; and
- (aa) "**TSXV**" means the TSX Venture Exchange Inc.

1.2 Interpretation Not Affected by Headings. The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms "this Plan of Arrangement", "hereof", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number and Gender. Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms and corporations.

1.4 Meaning. Words and phrases used herein and defined in the ABCA shall have the same meaning herein as in the ABCA, unless the context otherwise requires.

1.5 Date for any Action. If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

1.6 Governing Law. This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement. This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

2.2 Arrangement Effectiveness. The Arrangement and this Plan of Arrangement shall become final and conclusively binding on LITH, the LITH Shareholders (including Dissenting Shareholders) and SpinCo Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

ARTICLE 3 THE ARRANGEMENT

3.1 The Arrangement. Commencing at the Effective Time, the following shall occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of LITH or SpinCo, but subject to the provisions of Article 5:

- (a) the stated capital account maintained in respect of the LITH Shares will be reduced by an amount equal to the fair market value of the SpinCo Shares, such amount to be determined by the Board of Directors; and
- (b) pursuant to (a) hereof, LITH will distribute to the LITH Shareholders one (1) SpinCo Share for each four (4) LITH Shares held by a LITH Shareholder.

3.2 Deemed Fully Paid and Non-Assessable Shares. All SpinCo Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the ABCA.

3.3 No Fractional Shares. Notwithstanding any other provision of this Arrangement, no fractional SpinCo Shares shall be distributed to the LITH Shareholders and, as a result, the number of SpinCo Shares issued to such LITH Shareholder will be rounded up to the nearest whole number of SpinCo Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the nearest whole number of SpinCo Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all LITH Shares registered in the name of or beneficially owned by such LITH Shareholder shall be aggregated.

3.4 Distribution Record Date. In Section 3.1(b) the reference to a LITH Shareholder shall mean a person who is a LITH Shareholder on the Distribution Record Date, subject to the provisions of Article 5.

3.5 Supplementary Actions. Notwithstanding that the transactions and events set out in Section 3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of LITH and SpinCo shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors authorizing the issue,

transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

3.6 No Liens. Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

ARTICLE 4 CERTIFICATES

4.1 SpinCo Share Certificates. As soon as practicable following the Effective Date, SpinCo shall deliver or cause to be delivered to the Transfer Agent certificates representing the SpinCo Shares required to be issued to registered holders of LITH Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(b) of this Plan of Arrangement, which certificates shall be held by the Transfer Agent as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1 hereof.

4.2 Interim Period. Any LITH Shares traded after the Distribution Record Date shall not carry any rights to receive SpinCo Shares.

ARTICLE 5 RIGHTS OF DISSENT

5.1 Dissent Right. Registered holders of LITH Shares may exercise Dissent Rights with respect to their LITH Shares in connection with the Arrangement and pursuant to the Interim Order in the manner set forth in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such dissenting LITH Shareholder delivers a written notice of dissent to LITH at least two Business Days before the day of the Meeting or any adjournment or postponement thereof.

5.2 Dealing with Dissenting Shares. LITH Shareholders who duly exercise Dissent Rights with respect to their Dissenting Shares and who:

- (a) are ultimately entitled to be paid fair value for their LITH Shares shall be deemed to have transferred their LITH Shares to LITH for cancellation as of the Effective Time; or
- (b) for any reason are ultimately not entitled to be paid for their LITH Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting LITH Shareholder and shall receive SpinCo Shares on the same basis as every other non-dissenting LITH Shareholder.

5.3 Reservation of SpinCo Shares. If a LITH Shareholder exercises Dissent Rights, LITH shall, on the Effective Date, set aside and not distribute that portion of the SpinCo Shares which is attributable to the LITH Shares for which Dissent Rights have been exercised. If the dissenting LITH Shareholder is ultimately not entitled to be paid for their Dissenting Shares, LITH shall distribute to such LITH Shareholder his or her pro rata portion of the SpinCo Shares. If a LITH Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then LITH shall retain the portion of the SpinCo Shares attributable to such LITH Shareholder and such shares will be dealt with as determined by the Board of Directors of LITH in its discretion.

ARTICLE 6 DELIVERY OF SHARES

6.1 Delivery of Shares. Upon delivery to the Transfer Agent of such documents and instruments as the Transfer Agent may reasonably require, each LITH Shareholder shall be entitled to receive, and the Transfer Agent shall deliver to such holder following the Effective Time, a certificate representing the SpinCo Shares that such holder is entitled to receive in accordance with Section 3.1 hereof.

6.2 Paramountcy. From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all LITH Shares issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of LITH Shares and of LITH, SpinCo, the Transfer Agent and any transfer agent or other Transfer Agent therefor, shall be solely as provided for in this Plan of Arrangement.

ARTICLE 7 AMENDMENTS & WITHDRAWAL

7.1 Amendments. LITH, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

7.2 Amendments Made Prior to or at the Meeting. Any amendment, modification or supplement to this Plan of Arrangement may be proposed by LITH at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by the LITH Shareholders voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

7.3 Amendments Made After the Meeting. Any amendment, modification or supplement to this Plan of Arrangement may be proposed by LITH after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by LITH, provided that it concerns a matter which, in the reasonable opinion of LITH, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of LITH Shares or SpinCo Shares.

7.4 Withdrawal. Notwithstanding any prior approvals by the Court or by LITH Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time, without further approval of the Court or the LITH Shareholders.

AMENDING AGREEMENT

THIS AMENDING AGREEMENT is dated as of the 4th day of September, 2024.

BETWEEN:

LITHIUM CHILE INC., a corporation existing under the laws of the Province of Alberta

(hereinafter referred to as "**LITH**")

AND:

LITHIUM CHILE 2.0 INC., a corporation existing under the laws of the Province of Alberta

(hereinafter referred to as the "**SpinCo**")

WHEREAS:

- (a) LITH and SpinCo entered into an arrangement agreement dated August 13, 2024 (the "**Arrangement Agreement**") whereby LITH and SpinCo agreed to give effect to the Arrangement, as defined in the Arrangement Agreement, subject to certain conditions, all as further described in the Arrangement Agreement;
- (b) The parties hereto have entered into this Amending Agreement to the Arrangement Agreement for the purposes described herein.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby covenant and agree as follows:

ARTICLE 1 CONFIRMATION AND DEFINED TERMS

1.1 Confirmation

The Arrangement Agreement is hereby confirmed and ratified and each of the parties acknowledges that it is bound by and liable under the Arrangement Agreement, subject only to those amendments provided for herein.

1.2 Defined Terms

All capitalized terms used herein shall have the meaning given to them in the Arrangement Agreement, except to the extent that a specific term is defined and capitalized herein.

ARTICLE 2 AMENDMENTS

2.1 Amendment to Section 6.2

Section 6.2 of the Arrangement Agreement is amended to the following:

"Subject to Section 6.3, this Agreement may at any time before or after the holding of the LITH Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated

by direction of the Board of Directors of LITH without further action on the part of the LITH Shareholders and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the Board of Directors of LITH to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate. The Arrangement Agreement may be terminated by either LITH or SpinCo if the Arrangement has not become effective on or prior to June 30, 2025."

2.2 No Other Amendments

Except as amended by the foregoing, all provisions of the Arrangement Agreement are hereby reaffirmed and remain unchanged.

ARTICLE 3 MISCELLANEOUS

3.1 Further Assurances

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to carry out the intent of this Amending Agreement.

3.2 Severability

If any term, condition or provision of this Amending Agreement shall be determined to be invalid or unenforceable it shall be deemed to be severable from the remainder of this Amending Agreement which shall continue in full force and effect.

3.3 Governing Law

This Amending Agreement shall be governed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.4 Enurement

This Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

3.5 Conflict

In the event of any conflict between the Arrangement Agreement and this Amending Agreement, the terms of this Amending Agreement shall govern.

3.6 Execution in Counterpart

This Amending Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first written above. A signed counterpart provided by way of facsimile transmission or in pdf format shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement by their duly authorized officer(s) as of the date first above written.

LITHIUM CHILE INC.

Per: (signed) "Steven Cochrane"
Name: Steven Cochrane
Title: President and Chief Executive Officer

LITHIUM CHILE 2.0 INC.

Per: (signed) "Al Kroontje"
Name: Al Kroontje
Title: Director

SCHEDULE "E"
KAIROS INTERIM ORDER
(see attached)

COURT FILE NUMBER 2403-15591
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE Edmonton
APPLICANT(S) LITHIUM CHILE INC.



IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGMENT INVOLVING LITHIUM CHILE INC., KAIROS GOLD INC., LITHIUM CHILE 2.0 INC., AND THE SHAREHOLDERS OF LITHIUM CHILE INC.

DOCUMENT **Interim Order**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
DS LAWYERS CANADA LLP
Suite 800, 333-7th Avenue SW
Calgary, AB T2P 2Z1
Attn: Lindsay Amantea
Ph: 403-807-6769
Fax: 403-266-6016
lamantea@dsavocats.ca
File: 42456.007

DATE ON WHICH ORDER WAS PRONOUNCED: **August 28, 2024**
LOCATION OF HEARING: **Edmonton Law Courts, Edmonton, Alberta**
NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Assistant Chief Justice K. G. Neilsen**

UPON the Originating Application (the "**Originating Application**") of Lithium Chile Inc. ("**LITH**" or the "**Applicant**"); AND UPON reading the Originating Application, the affidavit of Jana Lillies, sworn August 14, 2024 (the "**Affidavit**") and the documents referred to therein;

AND UPON being advised that notice of the Originating Application has been given to the Registrar (the "**Registrar**") appointed under section 263 of the Business Corporations Act, RSA 2000, c B-9, as amended (the "**ABCA**");

AND UPON HEARING counsel for the Applicant;

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this Order (the “**Order**”) shall have the meanings attributed to them in the draft information circular of the Applicant which is attached as Exhibit “G” to the Affidavit; and
- (b) all references to “Arrangement” used herein mean the arrangement as set forth in the plan of arrangement attached to the arrangement agreement (the “**Arrangement Agreement**”), which Arrangement Agreement is attached as Schedule “B” of the information circular of the Applicant (the “**Information Circular**”).

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the holders of LITH Shares (the “**Securityholders**”) in the manner set forth below.

The Meeting

2. The Applicant shall call and conduct a special meeting (the “**Meeting**”) of Securityholders on or about October 7, 2024. At the Meeting, the Securityholders will consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Schedule “A” to the Information Circular (the “**Arrangement Resolution**”) and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
3. A quorum at the Meeting shall be at least two Securityholders present in person, or represented by proxy, at the opening of the Meeting, and holding in person or representing in the aggregate not less than 10% of the LITH Shares entitled to be voted at the Meeting.
4. If a quorum is not so present at the opening of the Meeting, the Securityholder(s) present or represented may adjourn the Meeting to a fixed time and place but may not transact any other business other than as provided in the by-laws of LITH or the ABCA until a quorum is present.
5. Each LITH Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.
6. The record date for Securityholders entitled to receive notice of and vote at the Meeting shall be August 26, 2024 (the “**Record Date**”). Only Securityholders whose names have been entered on the register of LITH as at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting provided that, to the extent a Securityholder transfers the ownership of any LITH Shares after the Record Date and the transferee of those LITH Shares produces properly endorsed LITH Share certificates or otherwise establishes ownership of such LITH Shares and demands, not later than 10 days before the Meeting, to be included on the list of

Securityholders entitled to vote at the Meeting, such transferee will be entitled to vote those LITH Shares at the Meeting.

7. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the *ABCA*, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the *ABCA* or the articles or by-laws of the Applicant, the terms of this Order shall govern.

Conduct of the Meeting

8. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxy holders, the Applicant's directors and officers and its auditors, the Applicant's legal counsel, and such other persons who may be permitted to attend by the Chair of the Meeting.
9. The number of votes required to pass the Arrangement Resolution shall be not less than 66 $\frac{2}{3}$ % of the votes cast by Securityholders present in person or represented by proxy at the Meeting, voting together as one class on the basis of one vote per LITH Share.
10. To be valid, a proxy must be deposited with LITH's registrar and transfer agent, Odyssey Trust Company, in the manner described in the Information Circular.
11. Any proxy that is properly signed and dated but which does not contain voting instructions shall be deemed to be voted in favour of the Arrangement Resolution.
12. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
13. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows.

Amendments to the Arrangement

14. The Applicant and Kairos Gold Inc. are authorized to make such amendments, revisions or supplements to the Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the

Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

15. The Applicant is authorized to make such amendments, revisions or supplements (“**Additional Information**”) to the Information Circular, form of proxy (“**Proxy**”), notice of the Meeting (“**Notice of Meeting**”), form of letter of transmittal (“**Letter of Transmittal**”) and notice of Originating Application (“**Notice of Originating Application**”) as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:
- (a) the Applicant shall advise the Securityholders of the material change or material fact by disseminating a news release (a “**News Release**”) in accordance with applicable securities laws and the policies of the TSX Venture Exchange; and
 - (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Dissent Rights

16. The registered holders of LITH Shares (“**Shares**”) of the Applicant (“**Shareholders**”) are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent under section 191 of the *ABCA* with respect to the Arrangement Resolution and the right be paid the fair value of their Shares by LITH in respect of which such right to dissent was validly exercised.
17. In order for a registered Shareholder (a “**Dissenting Shareholder**”) to exercise such right to dissent under section 191 of the *ABCA*:
- (a) the Dissenting Shareholder’s written objection to the Arrangement Resolution must be received by the Applicant, care of its solicitors DS Lawyers Canada LLP not later than 5:00 p.m. (Calgary time) on the day that is two business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened or held, as the case may be;
 - (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under paragraph 17(a) herein;

- (c) a Dissenting Shareholder shall not have voted his or her Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (d) a Shareholder may not exercise the right to dissent in respect of only a portion of the Shareholder's Shares, but may dissent only with respect to all of the Shares held by the Shareholder; and
 - (e) the exercise of such right to dissent must otherwise comply with the requirements of section 191 of the *ABCA*, as modified and supplemented by this Order and the Arrangement.
18. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Securityholders and shall be paid to the Dissenting Shareholders by the Applicant as contemplated by the Arrangement and this Order.
19. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 16 and 17 above, and who:
- (i) are determined to be entitled to be paid the fair value of their Shares, shall be deemed to have transferred such Shares as of the effective time of the Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances to the Applicant in exchange for the fair value of the Shares; or
 - (ii) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and such Shares will be deemed to be exchanged for the consideration under the Arrangement,
- but in no event shall the Applicant or any other person be required to recognize such Shareholders as holders of Shares after the Effective Time, and the names of such Shareholders shall be removed from the register of Shares.
20. Subject to further order of this Court, the rights available to Shareholders under the *ABCA* and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Shareholders with respect to the Arrangement Resolution.
21. Notice to the Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the *ABCA* and the Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 23 of this Order.

Notice

22. The Information Circular, substantially in the form attached as Exhibit “G” to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the “**Meeting Materials**”), shall be sent to those Securityholders who hold LITH Shares, as of the Record Date, the directors of the Applicant, the auditors of the Applicant and the Registrar by one or more of the following methods:
- (a) in the case of Securityholders, a notice explaining how to access the Meeting Materials electronically and how to request a paper copy at no charge, together with a Proxy or voting instruction form, as applicable, will be sent by mail to each Securityholder at their address, as shown on the books and records of LITH as of the Record Date;
 - (b) in the case of the directors and auditors of the Applicant, the Meeting Materials shall be sent in a way and on a date prior to the Meeting that the Applicant deems reasonable in the circumstances; and
 - (c) in the case of the Registrar, by email at including corp.reg@gov.ab.ca, by courier or by delivery in person, addressed to the Registrar not later than 10 days prior to the date of the Meeting.
23. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Securityholders, the directors and auditors of the Applicant and the Registrar of:
- (a) the Originating Application;
 - (b) this Order;
 - (c) the Notice of the Meeting; and
 - (d) the Notice of Originating Application.

Final Application

24. Subject to further order of this Court, and provided that the Securityholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the “**Final Order**”) on October 22, 2024 at 10 a.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, the Applicant, all Securityholders and all other persons affected will be bound by the Arrangement in accordance with its terms.

25. Any Securityholder or other interested party (each an “**Interested Party**”) desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 5:00 p.m. (Calgary time) on October 15, 2024, a notice of intention to appear (“**Notice of Intention to Appear**”) including the Interested Party’s address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicant, DS Lawyers Canada LLP.
26. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 25 of this Order, shall have notice of the adjourned date.

General

27. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist this Court in carrying out the terms of this Order.

(signed) "K. G. Neilsen"
Justice of the Court of King's Bench of Alberta
August 29, 2024

SCHEDULE "F"

LITH 2.0 INTERIM ORDER

(see attached)

COURT FILE NUMBER 2403-15591
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE Edmonton
APPLICANT(S) LITHIUM CHILE INC.



IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGMENT INVOLVING LITHIUM CHILE INC., KAIROS GOLD INC., LITHIUM CHILE 2.0 INC., AND THE SHAREHOLDERS OF LITHIUM CHILE INC.

DOCUMENT **Interim Order**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
DS LAWYERS CANADA LLP
Suite 800, 333-7th Avenue SW
Calgary, AB T2P 2Z1

Attn: Lindsay Amantea
Ph: 403-807-6769
Fax: 403-266-6016
lamantea@dsavocats.ca
File: 42456.007

DATE ON WHICH ORDER WAS PRONOUNCED: **August 28, 2024**
LOCATION OF HEARING: **Edmonton Law Courts, Edmonton, Alberta**
NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Assistant Chief Justice K. G. Neilsen**

UPON the Originating Application (the "**Originating Application**") of Lithium Chile Inc. ("**LITH**" or the "**Applicant**"); AND UPON reading the Originating Application, the affidavit of Jana Lillies, sworn August 14, 2024 (the "**Affidavit**") and the documents referred to therein;

AND UPON being advised that notice of the Originating Application has been given to the Registrar (the "**Registrar**") appointed under section 263 of the Business Corporations Act, RSA 2000, c B-9, as amended (the "**ABCA**");

AND UPON HEARING counsel for the Applicant;

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this Order (the “**Order**”) shall have the meanings attributed to them in the draft information circular of the Applicant which is attached as Exhibit “G” to the Affidavit; and
- (b) all references to “Arrangement” used herein mean the arrangement as set forth in the plan of arrangement attached to the arrangement agreement (the “**Arrangement Agreement**”), which Arrangement Agreement is attached as Schedule “D” of the information circular of the Applicant (the “**Information Circular**”).

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the holders of LITH Shares (the “**Securityholders**”) in the manner set forth below.

The Meeting

2. The Applicant shall call and conduct a special meeting (the “**Meeting**”) of Securityholders on or about October 7, 2024. At the Meeting, the Securityholders will consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Schedule “C” to the Information Circular (the “**Arrangement Resolution**”) and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
3. A quorum at the Meeting shall be at least two Securityholders present in person, or represented by proxy, at the opening of the Meeting, and holding in person or representing in the aggregate not less than 10% of the LITH Shares entitled to be voted at the Meeting.
4. If a quorum is not so present at the opening of the Meeting, the Securityholder(s) present or represented may adjourn the Meeting to a fixed time and place but may not transact any other business other than as provided in the by-laws of LITH or the ABCA until a quorum is present.
5. Each LITH Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.
6. The record date for Securityholders entitled to receive notice of and vote at the Meeting shall be August 26, 2024 (the “**Record Date**”). Only Securityholders whose names have been entered on the register of LITH as at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting provided that, to the extent a Securityholder transfers the ownership of any LITH Shares after the Record Date and the transferee of those LITH Shares produces properly endorsed LITH Share certificates or otherwise establishes ownership of such LITH Shares and demands, not later than 10 days before the Meeting, to be included on the list of

Securityholders entitled to vote at the Meeting, such transferee will be entitled to vote those LITH Shares at the Meeting.

7. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the *ABCA*, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the *ABCA* or the articles or by-laws of the Applicant, the terms of this Order shall govern.

Conduct of the Meeting

8. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxy holders, the Applicant's directors and officers and its auditors, the Applicant's legal counsel, and such other persons who may be permitted to attend by the Chair of the Meeting.
9. The number of votes required to pass the Arrangement Resolution shall be not less than 66 $\frac{2}{3}$ % of the votes cast by Securityholders present in person or represented by proxy at the Meeting, voting together as one class on the basis of one vote per LITH Share.
10. To be valid, a proxy must be deposited with LITH's registrar and transfer agent, Odyssey Trust Company, in the manner described in the Information Circular.
11. Any proxy that is properly signed and dated but which does not contain voting instructions shall be deemed to be voted in favour of the Arrangement Resolution.
12. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
13. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows.

Amendments to the Arrangement

14. The Applicant and Lithium Chile 2.0 Inc. are authorized to make such amendments, revisions or supplements to the Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the

Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

15. The Applicant is authorized to make such amendments, revisions or supplements (“**Additional Information**”) to the Information Circular, form of proxy (“**Proxy**”), notice of the Meeting (“**Notice of Meeting**”), form of letter of transmittal (“**Letter of Transmittal**”) and notice of Originating Application (“**Notice of Originating Application**”) as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:
- (a) the Applicant shall advise the Securityholders of the material change or material fact by disseminating a news release (a “**News Release**”) in accordance with applicable securities laws and the policies of the TSX Venture Exchange; and
 - (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Dissent Rights

16. The registered holders of LITH Shares (“**Shares**”) of the Applicant (“**Shareholders**”) are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent under section 191 of the *ABCA* with respect to the Arrangement Resolution and the right be paid the fair value of their Shares by LITH in respect of which such right to dissent was validly exercised.
17. In order for a registered Shareholder (a “**Dissenting Shareholder**”) to exercise such right to dissent under section 191 of the *ABCA*:
- (a) the Dissenting Shareholder’s written objection to the Arrangement Resolution must be received by the Applicant, care of its solicitors DS Lawyers Canada LLP not later than 5:00 p.m. (Calgary time) on the day that is two business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened or held, as the case may be;
 - (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under paragraph 17(a) herein;

- (c) a Dissenting Shareholder shall not have voted his or her Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (d) a Shareholder may not exercise the right to dissent in respect of only a portion of the Shareholder's Shares, but may dissent only with respect to all of the Shares held by the Shareholder; and
 - (e) the exercise of such right to dissent must otherwise comply with the requirements of section 191 of the *ABCA*, as modified and supplemented by this Order and the Arrangement.
18. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Securityholders and shall be paid to the Dissenting Shareholders by the Applicant as contemplated by the Arrangement and this Order.
19. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 16 and 17 above, and who:
- (i) are determined to be entitled to be paid the fair value of their Shares, shall be deemed to have transferred such Shares as of the effective time of the Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances to the Applicant in exchange for the fair value of the Shares; or
 - (ii) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and such Shares will be deemed to be exchanged for the consideration under the Arrangement,
- but in no event shall the Applicant or any other person be required to recognize such Shareholders as holders of Shares after the Effective Time, and the names of such Shareholders shall be removed from the register of Shares.
20. Subject to further order of this Court, the rights available to Shareholders under the *ABCA* and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Shareholders with respect to the Arrangement Resolution.
21. Notice to the Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the *ABCA* and the Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 23 of this Order.

Notice

22. The Information Circular, substantially in the form attached as Exhibit “G” to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the “**Meeting Materials**”), shall be sent to those Securityholders who hold LITH Shares, as of the Record Date, the directors of the Applicant, the auditors of the Applicant and the Registrar by one or more of the following methods:
- (a) in the case of Securityholders, a notice explaining how to access the Meeting Materials electronically and how to request a paper copy at no charge, together with a Proxy or voting instruction form, as applicable, will be sent by mail to each Securityholder at their address, as shown on the books and records of LITH as of the Record Date;
 - (b) in the case of the directors and auditors of the Applicant, the Meeting Materials shall be sent in a way and on a date prior to the Meeting that the Applicant deems reasonable in the circumstances; and
 - (c) in the case of the Registrar, by email at including corp.reg@gov.ab.ca, by courier or by delivery in person, addressed to the Registrar not later than 10 days prior to the date of the Meeting.
23. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Securityholders, the directors and auditors of the Applicant and the Registrar of:
- (a) the Originating Application;
 - (b) this Order;
 - (c) the Notice of the Meeting; and
 - (d) the Notice of Originating Application.

Final Application

24. Subject to further order of this Court, and provided that the Securityholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the “**Final Order**”) on October 22, 2024 at 10 a.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, the Applicant, all Securityholders and all other persons affected will be bound by the Arrangement in accordance with its terms.

25. Any Securityholder or other interested party (each an “**Interested Party**”) desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 5:00 p.m. (Calgary time) on October 15, 2024, a notice of intention to appear (“**Notice of Intention to Appear**”) including the Interested Party’s address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicant, DS Lawyers Canada LLP.
26. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 25 of this Order, shall have notice of the adjourned date.

General

27. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist this Court in carrying out the terms of this Order.

(signed) "K. G. Neilsen"
Justice of the Court of King's Bench of Alberta

August 29, 2024

SCHEDULE "G"

SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
 - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
 - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
 - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
 - (d) be continued under the laws of another jurisdiction under section 189, or
 - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
 - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),
- (a) by the corporation, or
 - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5)
- to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.
- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

- (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
 - (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
 - (a) be made on the same terms, and
 - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
 - (a) is not required to give security for costs in respect of an application under subsection (6), and
 - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
 - (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
 - (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,
 - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
 - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
 - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
 - (f) the service of documents, and
 - (g) the burden of proof on the parties.
- (13) On an application under subsection (6), the Court shall make an order
 - (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
 - (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
 - (c) fixing the time within which the corporation must pay that amount to a shareholder, and
 - (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.
- (14) On
 - (a) the action approved by the resolution from which the shareholder dissents becoming effective,
 - (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the

shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

SCHEDULE "H"

KAIROS SPINCO FOLLOWING THE KAIROS ARRANGEMENT

(see attached)

SCHEDULE "H"

KAIROS SPINCO FOLLOWING THE KAIROS ARRANGEMENT

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APPENDICES:

APPENDIX "I"	AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM DATE OF INCORPORATION ON APRIL 10, 2024 TO JUNE 30, 2024
APPENDIX "II"	MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED JUNE 30, 2024
APPENDIX "III"	PRO-FORMA FINANCIAL STATEMENTS OF KAIROS SPINCO
APPENDIX "IV"	KAIROS SPINCO STOCK OPTION PLAN
APPENDIX "V"	KAIROS SPINCO AUDIT COMMITTEE CHARTER

NOTICE TO READER

Capitalized terms used in this Schedule "H" and not otherwise defined herein shall have the meanings ascribed thereto in the Glossary of Terms contained in the Circular to which this Schedule "H" is attached.

FORWARD-LOOKING STATEMENTS

This Schedule "H" includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the Kairos Arrangement and the expected timing related thereto, the tax treatment of the Kairos Arrangement, the expected operations, financial results and condition of Kairos SpinCo following the Kairos Arrangement, the closing of the Kairos Share Purchase and Sale Agreement, Kairos SpinCo's future objectives and strategies to achieve those objectives, including, the future prospects of Kairos SpinCo as an independent company, the future listing of Kairos SpinCo on a stock exchange, any market created for Kairos SpinCo's securities, the estimated cash flow, capitalization and adequacy thereof for Kairos SpinCo following the Kairos Arrangement, the expected benefits of the Kairos Arrangement to, and resulting treatment of, the Kairos SpinCo Shareholders and the holders of options, the anticipated effects of the Kairos Arrangement, the estimated costs of the Kairos Arrangement, the satisfaction of the conditions to consummate the Kairos Arrangement, the expected terms of Kairos SpinCo's funding Kairos Arrangements, anticipated exploration timelines for the Las Garillas Claims, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Schedule "H", Kairos SpinCo has made certain assumptions with respect to, among other things, the anticipated approval of the Kairos Arrangements by LITH Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSXV), the expectation that each of LITH and Kairos SpinCo will comply with the terms and conditions of the Kairos Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Kairos Arrangement Agreement, that no unforeseen changes in the legislative and operating framework for Kairos SpinCo will occur, that Kairos SpinCo will meet its future objectives and priorities, that Kairos SpinCo will have access to adequate capital to fund its future projects and plans, that Kairos SpinCo's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Kairos Arrangement not being obtained; the potential benefits of the Kairos Arrangement not being realized; the potential for the combined trading prices of the LITH Shares and the Kairos SpinCo Shares after the Kairos Arrangement being less than the trading price of LITH Shares immediately prior to the Kairos Arrangement; there being no established market for the Kairos SpinCo Shares; the potential inability or unwillingness of current LITH Shareholders to hold LITH Shares and/or Kairos SpinCo Shares following the Kairos Arrangement; LITH's ability to delay or amend the implementation of all or part of the Kairos Arrangement or to proceed with the Kairos Arrangement even if certain consents and approvals are not obtained on a timely basis; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Kairos Arrangement; the reduced

diversity of LITH and Kairos SpinCo as separate companies; the costs related to the Kairos Arrangement that must be paid even if the Kairos Arrangement is not completed; and general business and economic uncertainties and adverse market conditions; risks related to Kairos SpinCo's status as an independent public company following the Kairos Arrangement; and risks related to the achievement of Kairos SpinCo's business objectives, including the acquisition of any additional mineral leases or other interests. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Schedule "H", see the risk factors discussed under the heading "Risk Factors" in this Schedule "H" and under the heading "Risk Factors" in the Circular, as well as the risks factors included in LITH's management's discussion and analysis for the year ended December 31, 2023 and as described from time to time in the reports and disclosure documents filed by LITH and Kairos SpinCo with the Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact Kairos SpinCo's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Kairos SpinCo's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in and incorporated into this Schedule "H" are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of the Circular and except as required by applicable law, LITH and Kairos SpinCo undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by LITH or Kairos SpinCo that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Reference should also be made to the section entitled "Forward-Looking Information" in the Circular.

CORPORATE STRUCTURE

Name, address and incorporation

Kairos SpinCo was incorporated on April 10, 2024 under the ABCA.

The head and registered office of Kairos SpinCo is Suite 700, 903 - 8th Avenue S.W., Calgary, Alberta, T2P 0P7.

Pre-Kairos Arrangement Transactions

Since the incorporation of Kairos SpinCo by its parent company, Kairos SpinCo has had no operations. In order to give full effect to the overall terms of the Kairos Arrangement, Kairos SpinCo intends to enter into the Kairos Share Purchase and Sale Agreement with LITH pursuant to which LITH will sell, and Kairos SpinCo will purchase, all of the issued and outstanding shares in the capital of Minera Kairos for the Kairos Share Purchase Price. The Kairos Share Purchase will result in Minera Kairos, which holds the Kairos Properties, becoming a wholly-owned subsidiary of Kairos SpinCo. Each of the Kairos Properties held by Minera Kairos are considered by LITH's management to be prospective for copper, gold and silver accumulations. Until the Kairos Arrangement has been completed, Kairos SpinCo will continue to be a wholly-owned subsidiary of LITH. After completion of the Kairos Arrangement, Kairos SpinCo will be an independent Canadian reporting issuer initially owned by the LITH Shareholders on the Kairos Effective Date.

In addition to the Kairos Share Purchase and Sale Agreement described above, Kairos SpinCo will, immediately prior to the Kairos Effective Time, split the outstanding Kairos SpinCo Shares such that the issued and outstanding Kairos SpinCo Shares at the Kairos Effective Time will be equal to one-tenth (1/10) of the number of the then issued and outstanding LITH Shares so that LITH Shareholders will receive exactly one (1) Kairos SpinCo Share for every ten (10) LITH Shares held by such LITH Shareholders at the Kairos Effective Time, subject only to rounding for fractional shares as described in the Circular to which this Schedule "H" is attached. As at June 30, 2024, the split of the outstanding Kairos SpinCo Shares would result in the number of issued and outstanding Kairos SpinCo Shares to 20,632,765, which is the number of issued and outstanding Kairos SpinCo Shares that will be outstanding after giving effect to the Kairos Arrangement. Completion of these transactions is conditional upon LITH and Kairos SpinCo having satisfied

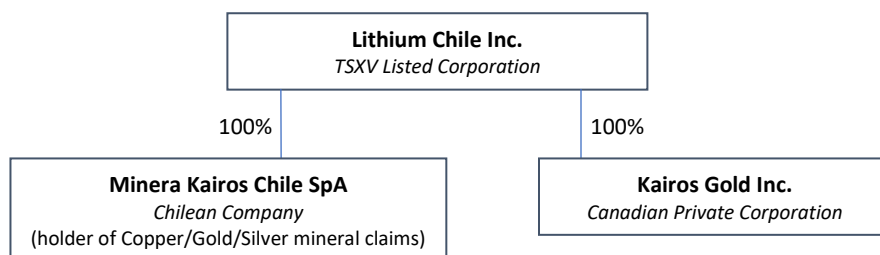
certain conditions precedent, the most significant of which is LITH having obtained LITH Shareholder approval for the Kairos Arrangement.

Post-Kairos Arrangement Transactions

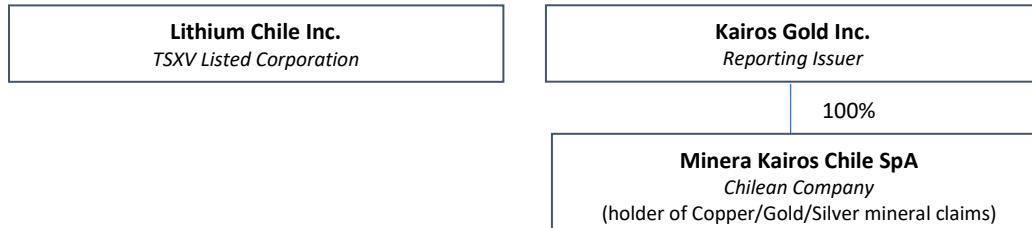
Following the Kairos Effective Date, Kairos SpinCo shall complete the Kairos SpinCo Private Placement, pursuant to which Kairos SpinCo intends to raise a minimum of Cdn\$1,050,000. The Kairos SpinCo Private Placement will provide funds for the Las Garillas Initial Exploration Program and for general working capital purposes and will be required in order to allow Kairos SpinCo to satisfy the initial listing requirements of the TSXV.

Intercorporate Relationship

The following diagram summarizes the ownership of, and intercorporate relationship between each of LITH, Kairos SpinCo and Minera Kairos prior to completion of the Kairos Share Purchase and Sale Agreement and the Kairos Arrangement:



The following diagram summarizes the ownership of, and intercorporate relationship between each of LITH, Kairos SpinCo and Minera Kairos after completion of the Kairos Arrangement. Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV. Any listing will be subject to Kairos SpinCo fulfilling all of the listing requirements of the TSV and TSXV approval.



BUSINESS OF KAIROS SPINCO

Overview

On April 10, 2024, LITH formed Kairos SpinCo with the goal of creating a new corporation which will focus on the exploration of the Kairos Properties. The Kairos Properties are held in LITH's wholly-owned Chilean subsidiary, Minera Kairos, a Chilean based SpA. The Kairos Properties consist of four properties in Chile totaling 22,433 hectares that are prospective for copper, gold and silver, which includes the Las Garillas Claims.

History

Kairos SpinCo has not owned any assets (including no mineral claims) nor has it carried on any business activities to date. Kairos SpinCo intends to enter into the Kairos Share Purchase and Sale Agreement which contemplates the purchase of all of the issued and outstanding shares in the capital of Minera Kairos by Kairos SpinCo from LITH for the Kairos Share Purchase Price.

Strategy

As of the date hereof, Kairos SpinCo has one (1) Kairos SpinCo Share issued and outstanding, which has been issued to LITH. In order to maintain a 10:1 distribution ratio, Kairos SpinCo will split the existing Kairos SpinCo Shares immediately prior to the Kairos Effective Time, so that the number of Kairos SpinCo Shares

issued and outstanding shall be exactly one-tenth (1/10) of the number of shares of LITH that are issued and outstanding after giving effect to any share issuances that occur between the date hereof and the Kairos Effective Date.

If the Kairos Arrangement is approved by the LITH Shareholders, LITH will distribute the Kairos SpinCo Shares at the Kairos Effective Time to the LITH Shareholders of record on the Record Date on a 10:1 basis so that the LITH Shareholders will receive one (1) Kairos SpinCo Share for every ten (10) LITH Shares held by LITH Shareholders.

Kairos SpinCo intends to expend the funds provided by the Kairos SpinCo Private Placement to conduct the Las Garillas Initial Exploration Program as recommended by the Las Garillas Technical Report. The remainder of the funds from the Kairos SpinCo Private Placement will be utilized for general working capital purposes and Kairos SpinCo may expend funds on further exploration of the Las Garillas Claims or another of its properties.

DESCRIPTION OF THE LAS GARILLAS CLAIMS

Qualified Person

On May 21, 2024 LITH and Kairos SpinCo commissioned a technical report on the Las Garillas Claims (the "**Las Garillas Technical Report**"). The Las Garillas Technical Report was prepared in compliance with the requirements of NI 43-101, by Eric Hanson, P. Geo. (the "**Author**"), and is dated June 4, 2024. Mr. Hanson, an independent Consulting Geologist, has more than 30 years of exploration geology experience gained in Canada, South Africa, Namibia, Senegal, Uganda, Portugal, Brazil, Argentina, Bolivia, Mexico, and Chile. This experience includes field work conducted on the Las Garillas Claims for Minera Kairos. Mr. Hanson is a "qualified person" as that term is defined in NI 43-101.

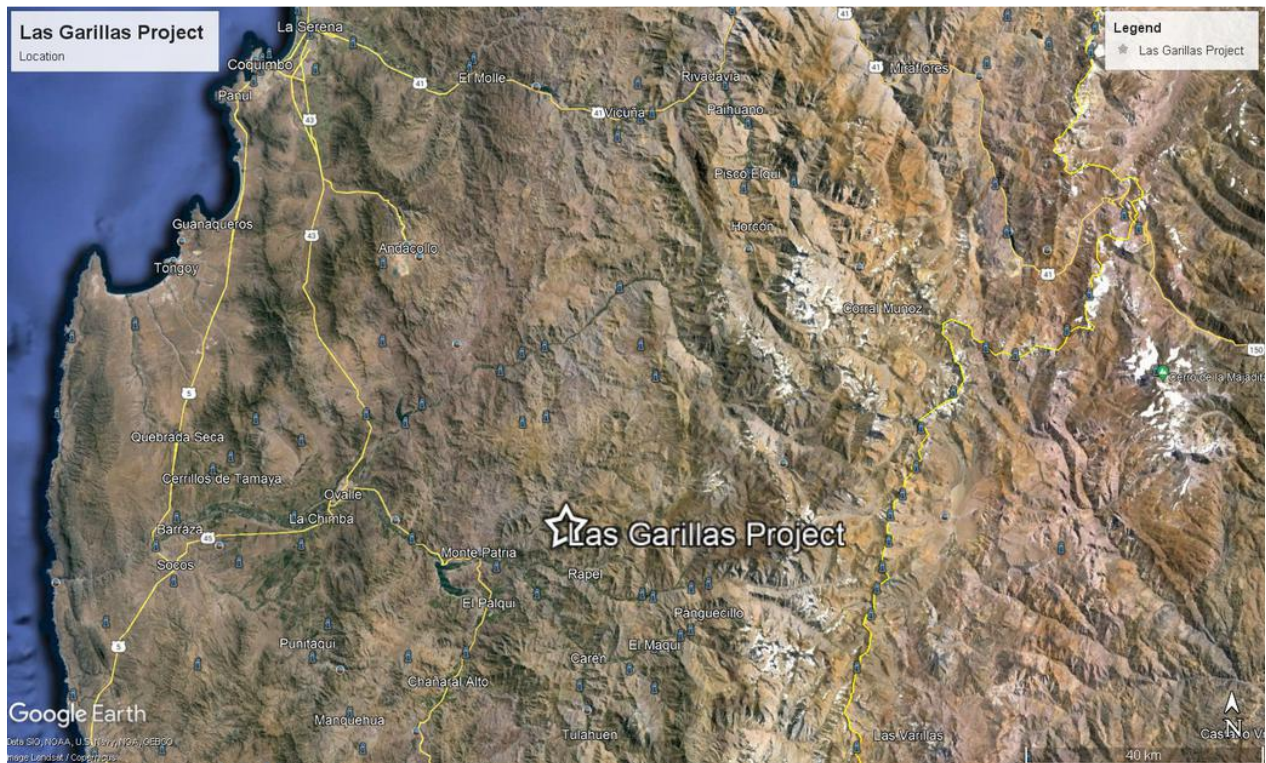
The purpose of the Las Garillas Technical Report is to describe and evaluate the Las Garillas Claims with the objective of determining whether the claims merit further exploration work. All disclosure in this section relating to the Las Garillas Claims of a scientific or technical nature is based on the Las Garillas Technical Report. The Las Garillas Technical Report is available for review at LITH's profile at www.sedarplus.ca.

Property Description and Location

The Las Garillas Claims consist of 9 exploration claims, totalling 1900 hectares, together with 1 exploitation claim of 100 hectares. The project area is referred to herein as the "**Las Garillas Project**", the "**Project**" or the "**Property**". All exploration claims are currently held by Minera Kairos while the exploitation claim is the subject of an option agreement entered into on January 19, 2024 with Terence Walker ("**Walker**") who holds the option agreement in trust for Minera Kairos pursuant to a Notice of Assignment and Declaration of Trust ("**Trust Agreement**") also dated January 19, 2024. The Trust Agreement provides that upon written notice from Minera Kairos to Walker, the exploitation claim shall be transferred to Minera Kairos without consideration paid to Walker.

The Las Garillas Claims are located approximately 308 km north of Santiago, Chile and about 90 km to the south-east of Coquimbo, a harbour on the Pacific Coast of Chile. See Fig. 4-1. Access is via the town of Monte Patria. From Monte Patria to the Property, access is via dirt roads.

Figure 4.1 - Las Garillas Claims Regional Location Map. Note Coquimbo Harbour.



Claims and Ownership

The Las Garillas Claims consist of 9 exploration claims totalling 1900 hectares and 1 internal exploitation claim of 100 hectares. The exploration claims were originally staked in the name of Walker but have since been transferred to Minera Kairos.

Table 4.1 - Las Garillas Claims

Claim Name	Claim Type	Claim in Name of	ROL Number	Status	Area (ha)
Las Garillas II 1	Exploration	Minera Kairos	04203-4551-8	Granted	200
Las Garillas II 2	Exploration	Minera Kairos	04203-4642-5	Granted	200
Las Garillas II 3	Exploration	Minera Kairos	04203-4629-8	Granted	200
Las Garillas II 4	Exploration	Minera Kairos	04203-4552-6	Granted	200
Las Garillas II 5	Exploration	Minera Kairos	04203-4638-7	Granted	200
Las Garillas II 6	Exploration	Minera Kairos	04203-4639-5	Granted	100
Las Garillas II 7	Exploration	Minera Kairos	04203-4628-K	Granted	300
Las Garillas II 8	Exploration	Minera Kairos	04203-4730-8	Granted	300
Las Garillas II 9	Exploration	Minera Kairos	04203-4743-K	Granted	200
				Total area=	1900

Claim Status

Table 4-2: Expiry date of all Las Garillas claims.

Claim Name	Date of Expiry
Las Garrias II 1	September 23, 2026
Las Garrias II 2	August 11, 2027
Las Garrias II 3	June 30, 2027
Las Garrias II 4	October 12, 2026
Las Garrias II 5	August 11, 2027
Las Garrias II 6	July 26, 2027
Las Garrias II 7	June 30, 2027
Las Garrias II 8	August 1, 2028
Las Garrias II 9	January 19. 2028

The status of mineral claims in Chile can be checked online. The government body SERNAGEOMIN maintains a website for this purpose purpose, called "CATASTRO DE CONCESIONES MINERAS". Claims can be searched for by claim name, claim owner, ROL number of the claim, or geographically. It should be noted however, that the website is not always kept up to date.

Figure 4-2 below shows all 9 Las Garillas exploration claims with the date of expiry. This map was provided by the land-man contracted by LITH. Figure 4-3 shows the exploitation claim "La Oro Brillante I/XX" in relation to the Las Garillas exploration claims. Note that the exploitation claim "La Oro Brillante I/XX" is within Las Garillas claims 4 and 5.

Note that the grid coordinates shown are using the PSAD 56 Datum. This is the datum used by SERNAGEOMIN, the Chilean government mining service to record the claims.

Figure 4-2: The Las Garillas claims and their date of expiry.

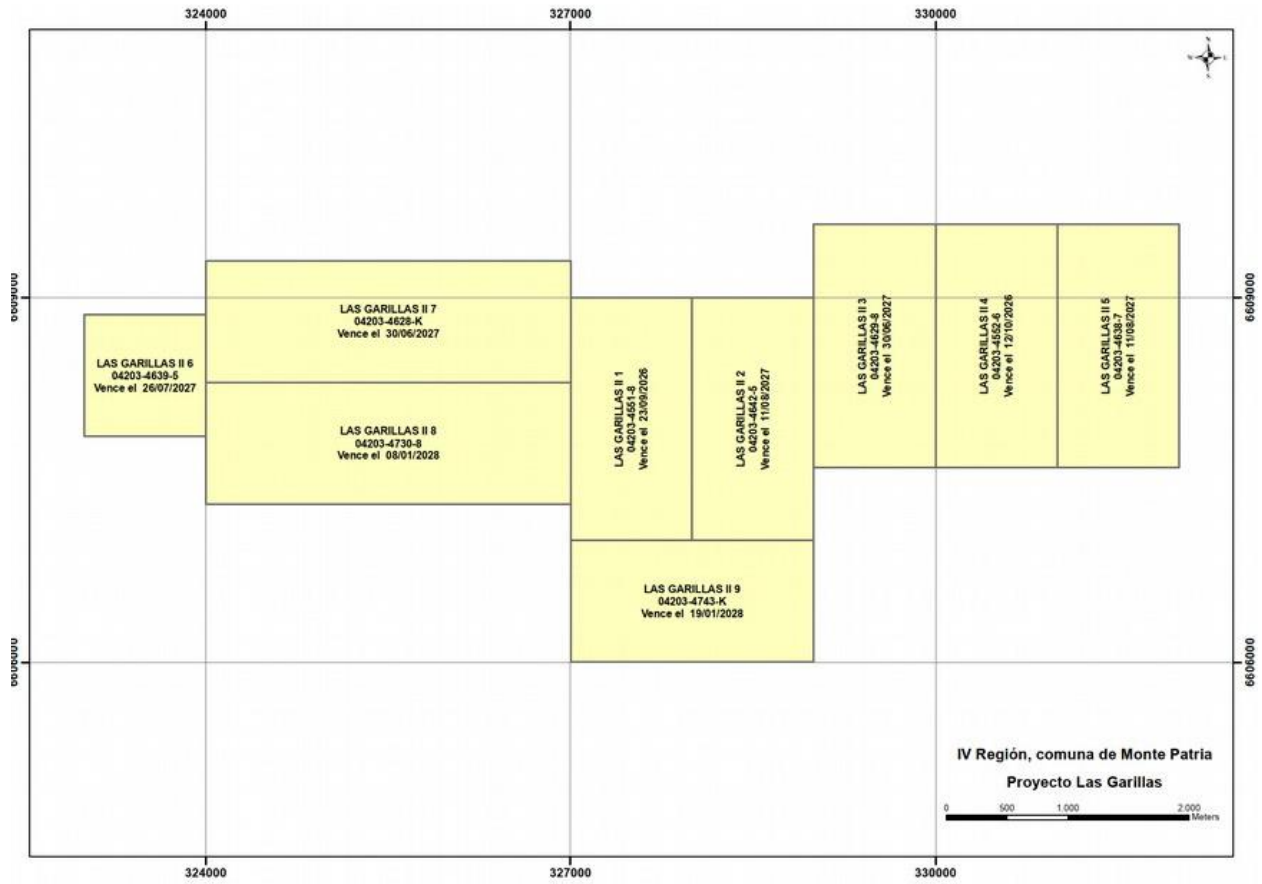
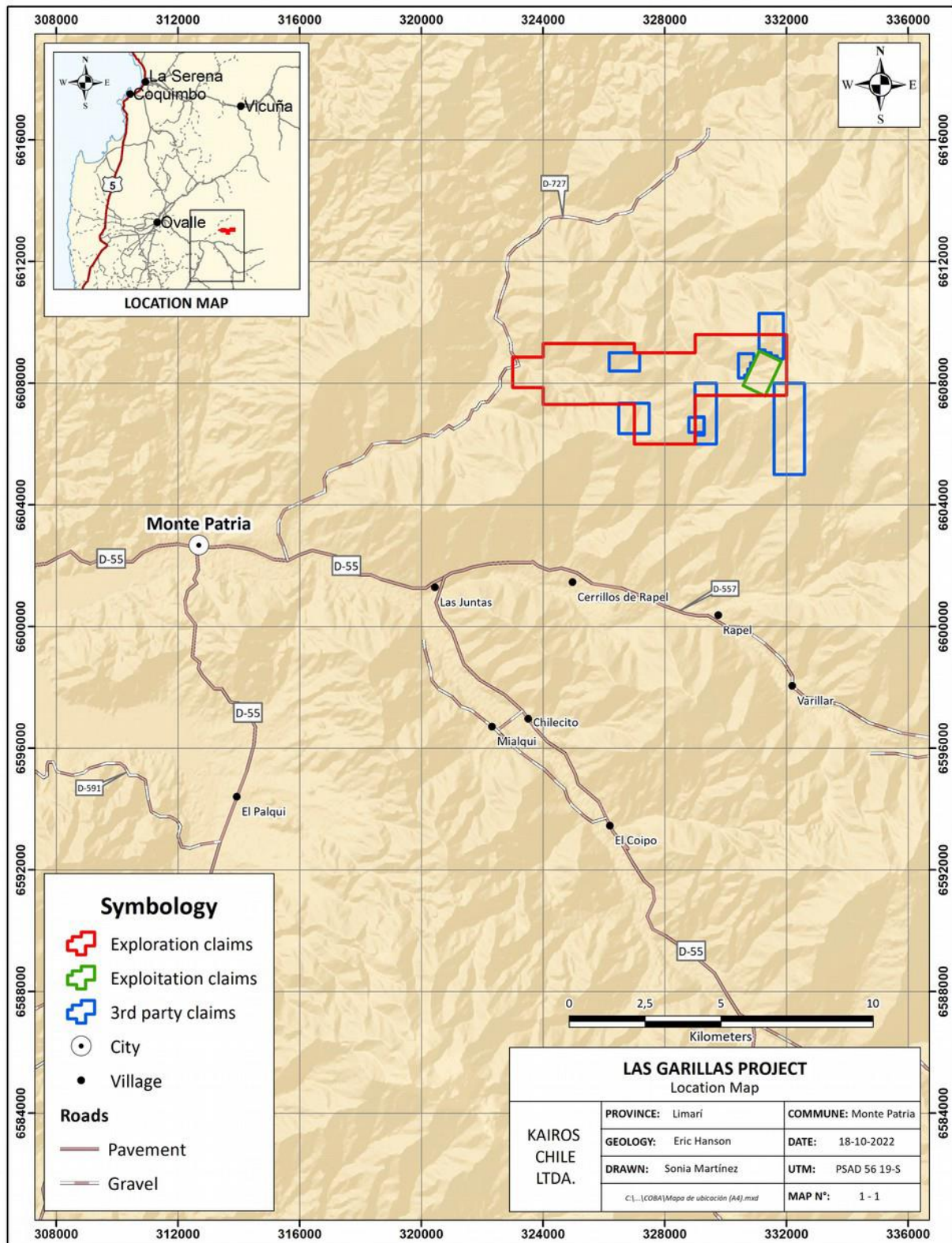


Figure 4-3: The Oro Brillante I/XX Exploitation Claim in relation to the Las Garillas Claims.



Figure 4-4. Location Map



The total area of the 9 claims is 1900 hectares and the taxes that must be paid are based on this area. Note that the 100 hectare exploitation claim is within the Las Garillas exploration claims, specifically within Las Garillas claims 4 and 5. See figures 4-3 and 4-4.

Chilean mining law allows overlapping claims. In the case of over-staked or overlapping claims, the older claim takes precedence. Due to internal claims and some overlapping older claims, the total area of the Project is less than 1900 hectares. Of the 1900 hectares of the 9 exploration claims, LITH, through its Chilean subsidiary, Minera Kairos, has priority over 1510 ha.

Table 4-3 gives details of all of the internal and partly overlapping claims. Figures 4-5 and 4-6 show all of the overlapping areas within the Las Garillas Claims.

The colour coding is as follows.

Red – Exploitation claim of the 1932 Code

Blue – Exploitation claim of the 1983 Code

Green – Exploration claim of the 1983 Code

Note that there are two exactly overlapping claims which have a small overlap with the Las Garillas II 7 claim. JOSHUA 17 is owned by Helix and JOSHUA 17 – CV is owned by Curculo Virtuosa SPA ("Curculo") The Helix claim is listed as "granted" while the Curculo claim is listed as "In progress".

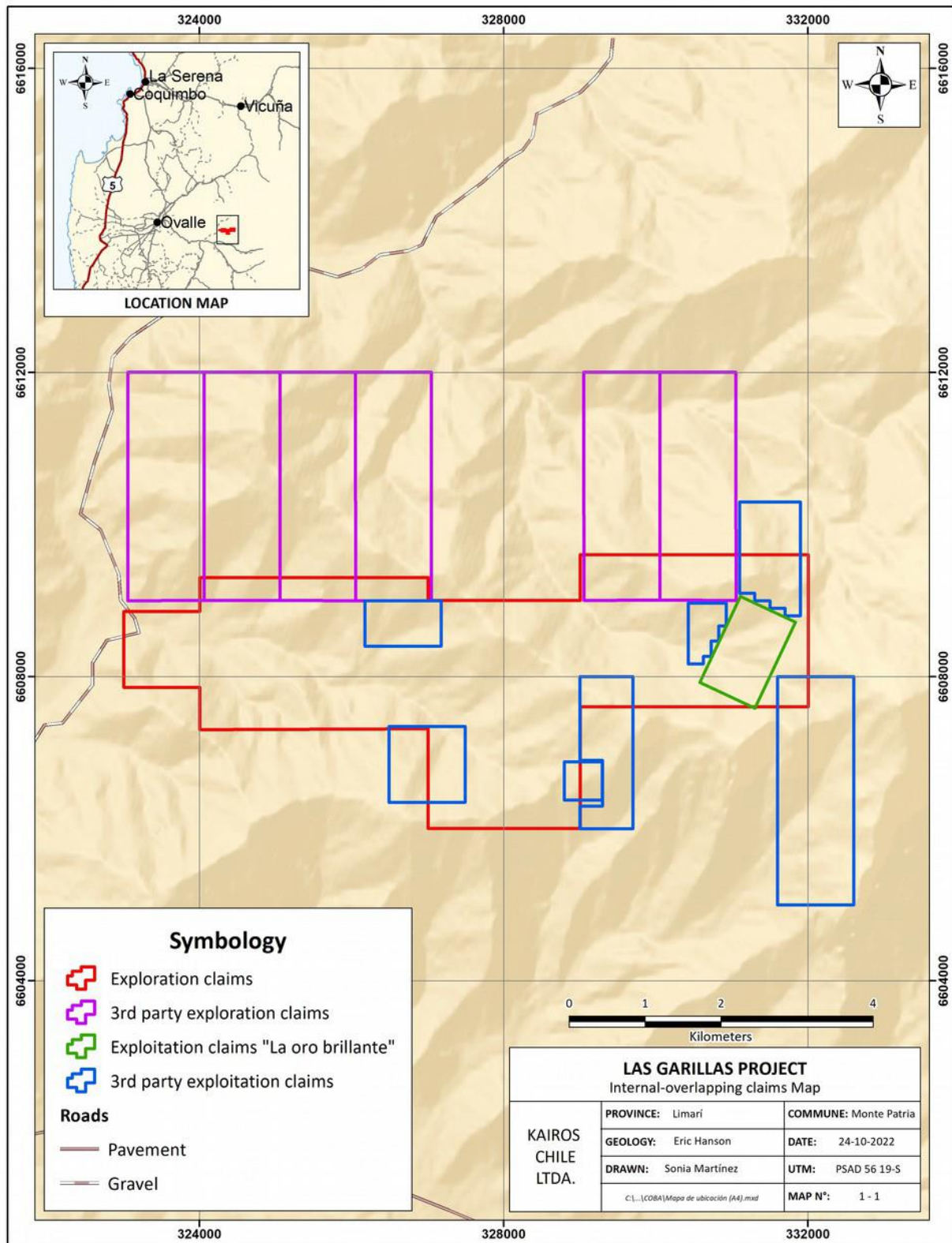
This data comes from the SERNAGEOMIN website of mineral claims, called "CATASTRO DE CONCESIONES MINERAS".

Table 4-3: Internal and partly overlapping claims

Claim Name	Claim Type	Claim in Name of	ROL Number	Status	Comments
LA ORO BRILLANTE I/XX	Exploitation – 1932 Code	ECHEVERRIA ARAYA MARIO	04203-0002-6	Granted	Option agreement completed in January 2024
MINA DON CHRISTOPHER I 1/8	Exploitation – 1983 Code	BUGUENO ANTIQUERA SEGUNDO RAUL	04203-1242-3	Granted	Within Las Garillas 4
EL SALTO 1/15	Exploitation – 1983 Code	MINERA MAYCO SPA	04203-1485-K	Granted	Partly overlaps with Las Garillas 5
SALVADITA 44 1/30	Exploitation – 1983 Code	MINERA LAS CENIZAS S.A.	04203-1149-4	Granted	Part of this claim is within the Las Garillas 5 claim
EL MIRADOR 1/12	Exploitation – 1983 Code	LAFLOS PIZARRO LEONARDO ANTON.	04203-1460-4	Granted	Within Las Garillas 7 and Las Garillas 1
DOMINO 1 1/122	Exploitation – 1983 Code	ANDRADE ROJAS ARTURO	04203-1199-0	In progress	Some overlap with Las Garillas 3
MINA LA BURBUJA 3 1/20	Exploitation – 1983 Code	CORTES CORTES ARISTIDES DEL C.	04203-1215-6	Granted	Some overlaps with Las Garillas, 1,8,9
LA MENSA I MINA 1/5	Exploitation – 1983 Code	GALLARDO GALLARDO CARLOS LUIS	04203-1227-5	Granted	Some overlap with Las Garillas 9
JOSHUA P-10-B	Exploration – 1983 Code	MRN PENOLES DE CHILE LTDA	04203-4594-1	Granted	Some overlap with Las Garillas 7

JOSHUA P-11-B	Exploration – 1983 Code	MRN PENOLES DE CHILE LTDA	04203-4598-4	Granted	Some overlap with Las Garillas 7
JOSHUA P-12-B	Exploration – 1983 Code	MRN PENOLES DE CHILE LTDA	04203-4595-K	Granted	Some overlap with Las Garillas 7
JOSHUA P-15-B	Exploration – 1983 Code	MRN PENOLES DE CHILE LTDA	04203-4599-2	Granted	Some overlap with Las Garillas 3, 4
JOSHUA P-16-B	Exploration – 1983 Code	MRN PENOLES DE CHILE LTDA	04203-4600-K	Granted	Some overlap with Las Garillas 4
JOSHUA 17	Exploration – 1983 Code	HELIX RESOURCES CHILE LIMITADA	04203-4457-0	Granted	Small overlap with Las Garillas 7
JOSHUA 17 – CV	Exploration – 1983 Code	CIRCULO VIRTUOSA SPA	04203-4708-1	In progress	Small overlap with Las Garillas 7

Figure 4-5: Las Garillas Property with internal claims and overlapping sections of other claims



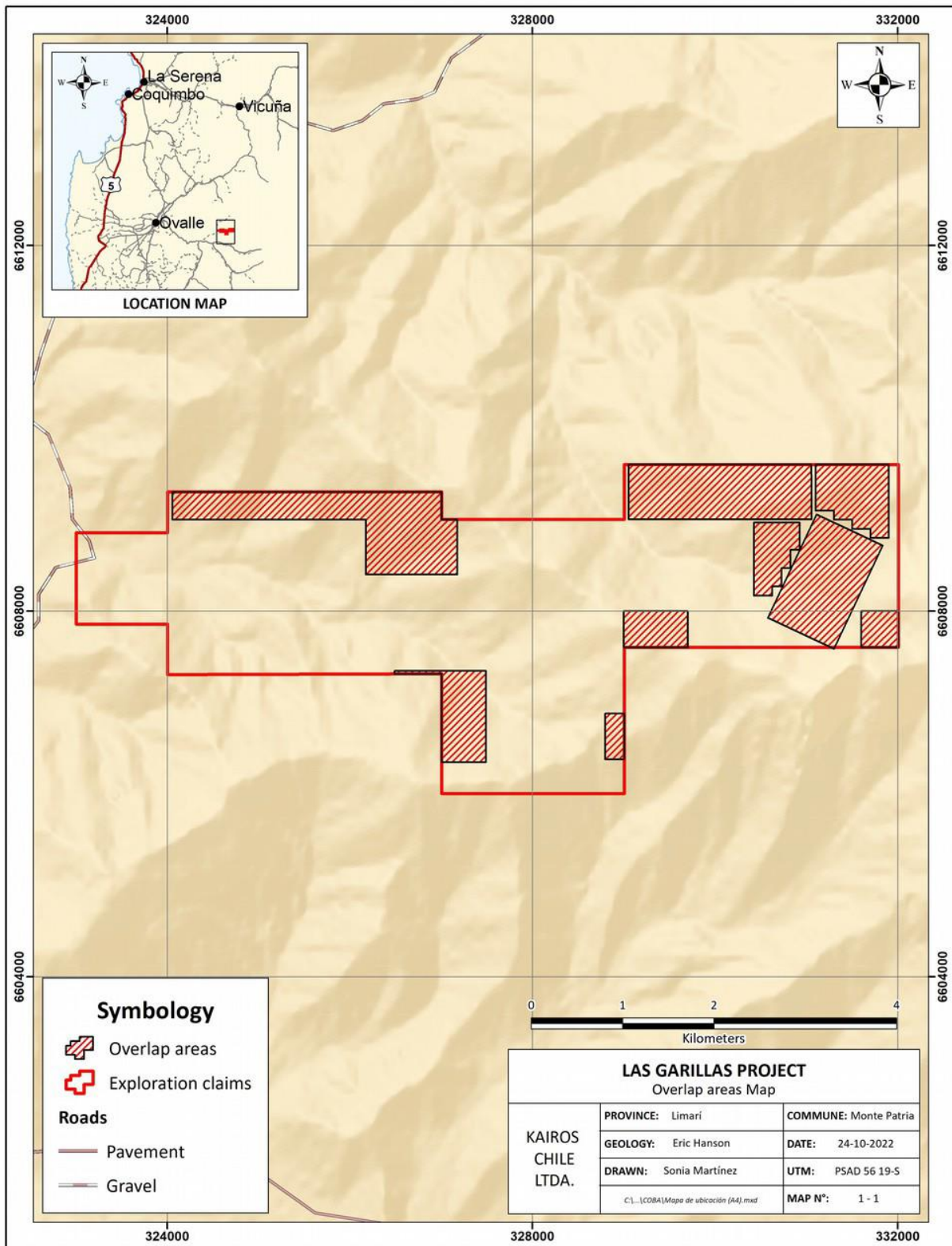
The most important internal and/or overlapping claim is the Oro Brillante – a pre-1983 exploitation claim ("LA ORO BRILLANTE I/XX"). This claim contains the Oro Brillante mine which was exploited by artisanal

miners as recently as 2022. The LA ORO BRILLANTE I/XX claim is subject to an option agreement, the details of which are described below:

On January 19, 2024, Walker entered into an option agreement (the "**Option**") with Mario Adrian Echeverria Araya, under which 100% of LA Oro Brillante I/XX, a 100-hectare exploitation property located within the internal claims of the Las Garillas Claims can be acquired. The Option requires three equal payments of CLP \$277,666,667, totalling CLP \$833,000,001. The initial payment of CLP \$277,666,667 was made on January 19, 2024 and the Author was advised that a second payment of CLP \$277,666,667 was made on July 18, 2024, after the effective date of the Las Garillas Technical Report. The third and final payment of CLP \$277,666,667, which equals approximately US\$296,548, is due to be made on or before January 15, 2025. Upon all payments having been made, all obligations under the Option will have been met as there are no minimum work commitments required under the Option. The Option is the subject of a Trust Agreement between Walker and Minera Kairos. The Trust Agreement provides that upon written notice from Minera Kairos to Walker, the Option shall be transferred to Minera Kairos without consideration having to be paid to Walker.

In discussions with Walker, the Author has been advised that rather than an outright purchase of the LA ORO BRILLANTE I/XX claim, the Option and Trust Agreement was entered into to allow Minera Kairos the opportunity to conduct exploration activities on the claim prior to having to make the final payment in respect of the Option. The Author has been further advised by Walker that Minera Kairos is responsible for, and has made, all payments in respect of the Option.

Figure 4-6: All internal and partly overlapping claims



Mineral Claims and Mining Property Rights in Chile

In accordance with Chilean mining legislation, there are two types of modern mining concessions in Chile; exploration concessions and exploitation concessions.

Exploration Concessions – The titleholder of an exploration concession has the right to carry out all types of mining exploration activities within the area of the concession. Exploration concessions can overlap or be granted over the same area of land however, only the titleholder with the earliest dated exploration concession over a particular area can exercise the rights granted by the exploration concession.

For each exploration concession, the titleholder must pay annual fees. See table 4.2 on the amount of these annual fees. Exploration concessions have duration of four years. At the end of this period, the concessions must be converted into exploitation concessions.

A titleholder with the earliest dated exploration concession has preferential rights to exploitation concessions in the area covered by the exploration concession over and above any third parties with or without later dated exploration concessions covering all or part of that area. However, the titleholder must oppose any applications made by third parties for overlapping exploitation concessions within the area for the exploration concession for it to remain valid.

Exploitation Concessions – The titleholder of an exploitation concession is granted the right to explore and exploit the minerals located within the area of the concession and to take ownership of the minerals that are extracted. Exploitation concessions cannot overlap or be granted over the same area of land.

Exploitation concessions are of indefinite duration and an annual fee is payable to the Chilean Treasury. The annual fees for exploitation claims are five times more per hectare than exploration claims.

Where a titleholder of an exploration concession has applied to convert the exploration concession into an exploitation concession, the application for the exploitation concession and the exploitation concession itself is backdated to the date of the exploration concession.

A titleholder to an exploitation concession must apply to annul or cancel any exploitation concessions that overlap with the area covered by its exploitation concession within a specific time period in order for the exploitation concession to remain valid.

Surface Rights

All of the surface rights associated with the claims making up the Property are held by private land owners.

Legal Access

The holder of mineral claims where the surface rights are held by private land owners must negotiate access for exploration purposes. To date, there has not been a problem negotiating such access at Las Garillas. Access for operations that involve underground operations including drilling require a permit issued under Chilean mining law by Chilean mining authorities. To date, there has been no problem securing such permits.

Royalties, Back-in rights, etc.

The Las Garillas Claims are not subject to any additional royalties, back-in rights or other encumbrances.

Environmental Liabilities

The Author is not aware of any additional environmental liabilities associated with the Las Garillas Claims.

Permits

All required permits for work done on the Property to date were obtained in accordance with Chilean mining law. Any future drilling programs will require the filing of a standard Notice of Work with the Chilean Mining Authority, Servicio Nacional de Geológica y Minería ("**SERNAGEOMIN**").

Significant Risk Factors

As noted above, there are some overlapping claims within the Las Garillas Claims. Of the 1900 hectares of the 9 claims, Lithium Chile Inc., through its Chilean subsidiary, has priority over 1510 ha.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Elevation & Vegetation

The Las Garillas Claims are located approximately 85 km inland from the Pacific Ocean coast and are dominated by hills and mountains with elevations of approximately 2400m. Scrubby bushes and minor grasses are the dominant vegetation.

The local ecosystem is referred to as Western Andean-Mediterranean Mountain Desert Shrub-lands and Scrub-lands.

Access

Access is possible year-round via paved roads up to and around the town of Monte Patria. Access to the Property itself is by dirt roads which are generally well maintained but can get washed out on the rare occasion of heavy rains. Snow is possible in the winter.

Proximity to Population Centres

The nearest town of consequence is Monte Patria, located about 16 km to the southwest of the approximate centre of the Property. Monte Patria had a population of approximately 32,000 people in 2021.

Climate and Operating Season

The climate is that of a mountainous desert scrubland. Work is possible year-round although snow is possible in the winter. The wettest month (with the highest precipitation) is June (33mm). The driest months (with the lowest precipitation) are December, January, and February (0mm).

Surface Rights, Power & Water

Surface rights are owned by private landowners. No formal access agreement exists. Access has not been a problem to date.

Grid power is available in the town of Monte Patria and in the villages closer to the Las Garillas Claims. However, on the Las Garillas Claims, power must be supplied by generator.

A nearby reservoir provides water for agriculture. Water rights in Chile are controlled by the government using the General Water Directorate, known as the "Dirección General de Aguas".

History

Prior Ownership

The general area of the Las Garillas Claims has seen exploitation of gold since before the arrival of the Spanish in Chile, in the 1500s. According to the online mineral claim registry of SERNAGEOMIN, the National Geology and Mining Service of the Chilean government, the internal claim called LA ORO BRILLANTE I/XX has been in existence since the year 1953.

The Las Garillas Claims contain various small artisanal deposits that have been worked intermittently in the past. Very few details of these operations are known.

Several companies have held and continue to hold claims that somewhat overlap with the Las Garillas Claims area. These companies are Helix Resources Ltd. ("**Helix**") and Industrias Peñoles S.A.B. de C.V. ("**Peñoles**"). A third company, Curculo Virtuosa SPA ("**Curculo**"), seems to have over-staked one of the claims held by Helix Resources Chile Limitada, the Chilean subsidiary of Helix. An individual, Mario Adrian Echeverria Arata, holds the La Oro Brillante I/XX claim and has entered into an option agreement with Walker on that claim. Walker holds the option agreement in trust for Minera Kairos pursuant to the Trust Agreement. The Trust Agreement provides that upon written notice from Minera Kairos to Walker, the claims will be transferred to Minera Kairos without any consideration payable to Walker.

The companies have historically used the name Joshua for these claims.

Work by Previous Owners/Operators

The Oro Brillante mine has been in production, at least on and off, since the 1950s. It is difficult to determine what work was done on those parts of the Property that are or were held by owners such as Helix, Peñoles and Curculo.

Historical Mineral Resources/Reserve Estimates

The Author is not aware of any reserve estimates having been completed in accordance with the requirements of NI 43-101.

Production

The Oro Brillante mine has been in production, at least on and off, since the 1950s. As this is an artisanal operation, reliable reports of historical production either do not exist or are not available to the Author.

Geological Setting and Mineralization

Regional, Local and Property Geology

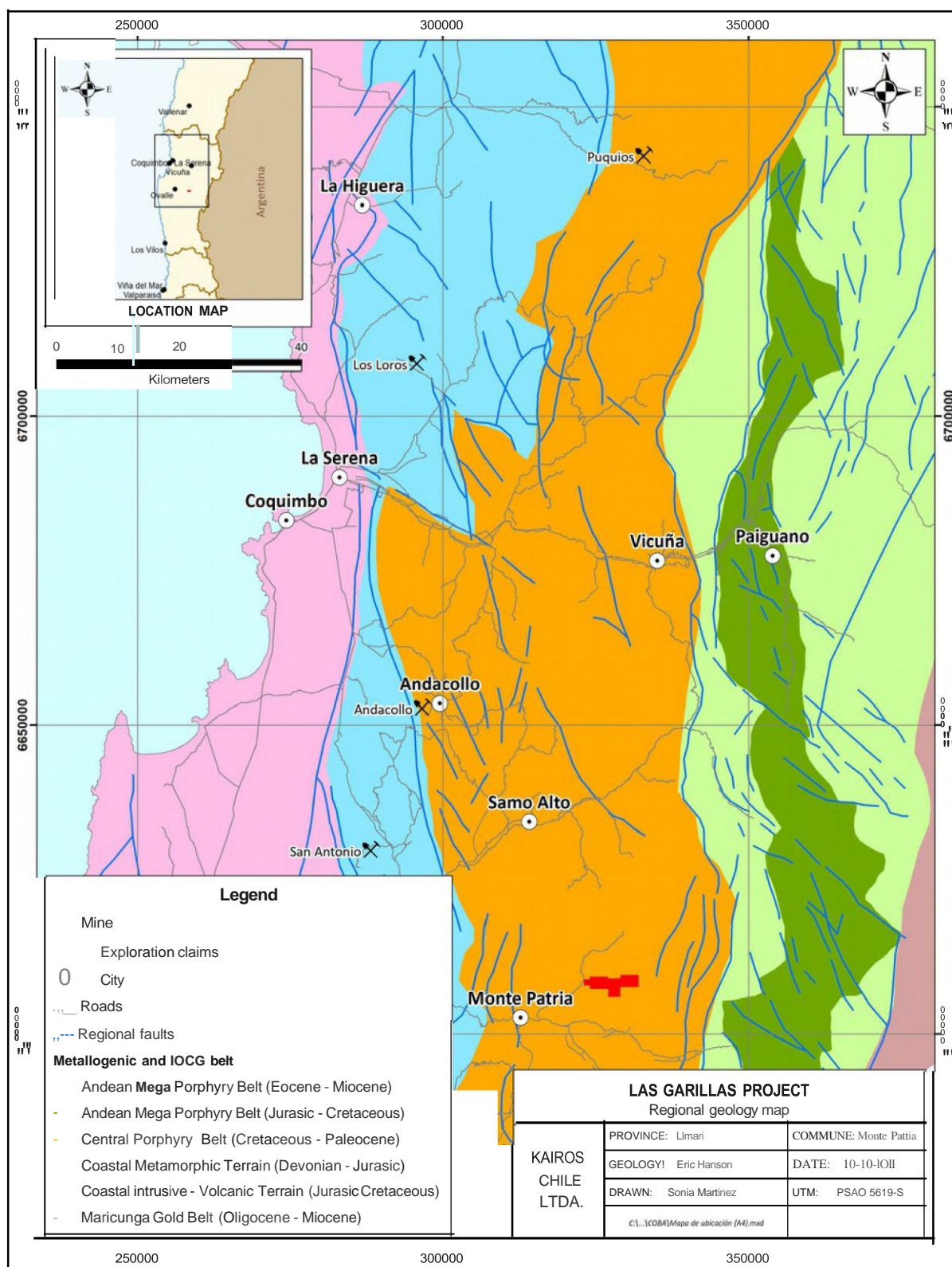
The geology of Chile is divided into various north-south running metallogenic belts which parallel the Pacific Coast and the Andes Mountains. On a regional scale, the geology of the Las Garillas Claims lies within the Central Porphyry Belt, of Cretaceous to Paleocene age. Locally, the Project area and its surroundings are composed of granitoid rocks of Cretaceous and/or Tertiary age, various volcanic rocks ranging from basalt to andesite to rhyolite, and some sedimentary rocks, principally conglomerates and sandstones. The volcanics include both flows and pyroclastics.

The Project area itself is underlain by two rock types. These rock types are a granodiorite unit and a volcano-sedimentary package. Age is given as at the Cenozoic-Mesozoic boundary. See figures 7-1 Geological Time Scale and 7-2 Metallogenic Map.

Figure 7-1 - Geological Time Scale (National Parks Service, 2018)

Eon	Era	Period	Epoch	MYA
Phanerozoic	Cenozoic (CZ)	Quaternary (Q)	Holocene (H)	0.01
			Pleistocene (PE)	2.6
		Neogene (N)	Pliocene (PL)	5.3
			Miocene (MI)	23.0
			Oligocene (OL)	33.9
		Paleogene (PG)	Eocene (E)	56.0
			Paleocene (EP)	66.0
			Cretaceous (K)	145.0
		Mesozoic (MZ)	Jurassic (J)	201.3
			Triassic (TR)	251.0

Figure 7-2: Metallogenic map showing Las Garillas

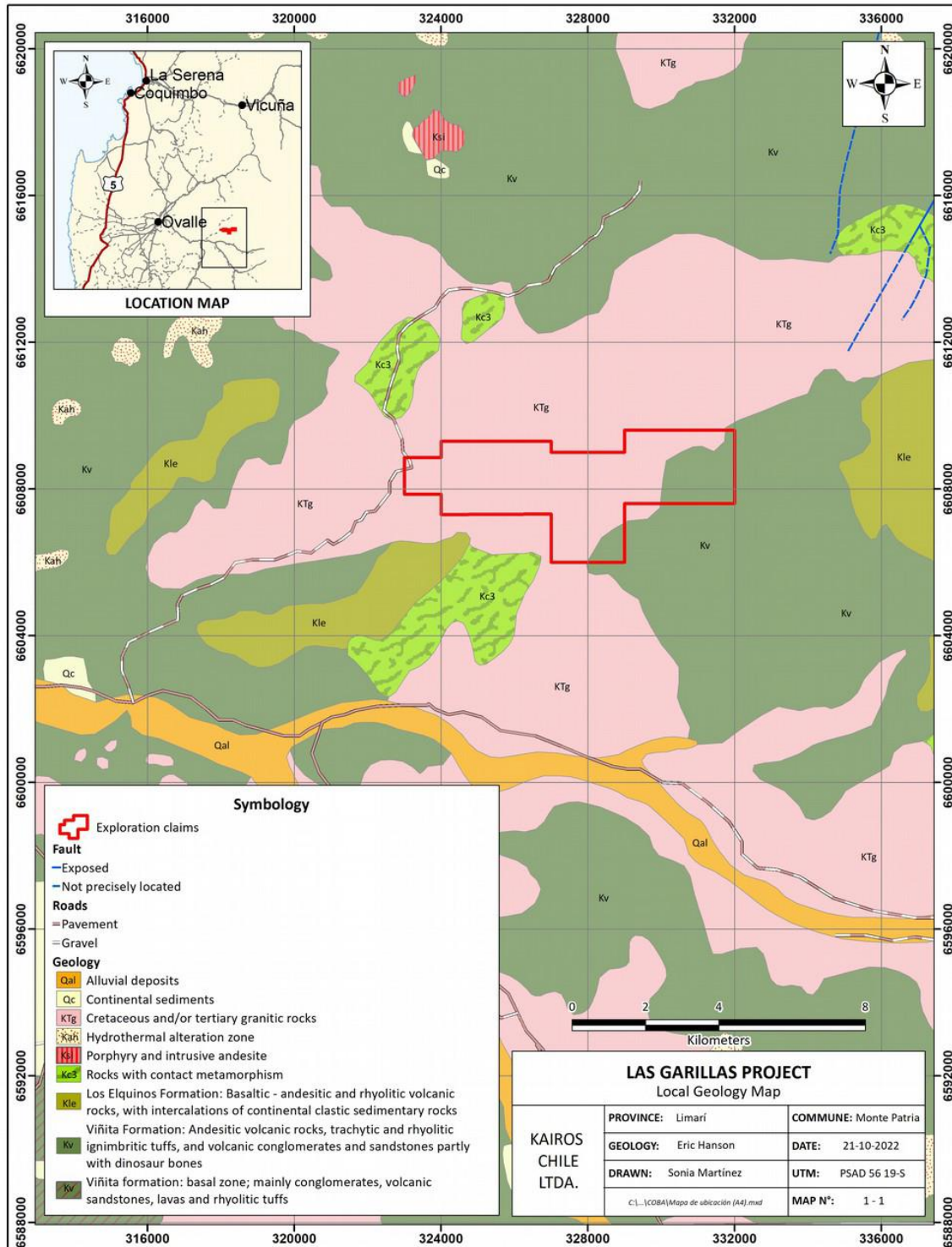


The map produced by SERNAGEOMIN, the National Geology and Mining Service of the Chilean government, shows that most of the Las Garillas Claims area is underlain by granitic rocks while portions

of the east side the Las Garillas Claims are underlain by a volcano-sedimentary package of pyroclastic volcanics and sandstone.

Unaltered host rocks near the Oro Brillante mine seen by the Author in the company of Walker, appear to be granodiorite or tonalite. The distinction between granodiorite and tonalite is in the composition and relative abundance of feldspar types. From an exploration viewpoint, the distinction is not relevant.

Figure 7-2: Local Geology Map. (after Herbert, Thomas B., 1967)



Significant Mineralization, Geological Controls, etc.

Rocks encountered in the drilling campaign of April and May of 2024 were granitoids (logged as granodiorites and granites) as well as some andesitic volcanics. Minor dykes were also encountered. Mineralization, principally in the form of pyrite, but also with minor amounts of other sulphides, was encountered in all of the holes of the drilling campaign. The pyrite mineralization was in the form of disseminations, veins, and semi-massive zones. As the Project is at an early stage, the continuity of the mineralization along with the corresponding lengths, widths, and depths, is not known.

The Las Garillas Claims hosts the Oro Brillante deposit and mine of the same name. This is a vein and fault system hosting visible copper sulphides and copper oxides. Artisanal miners were exploiting the veins at Oro Brillante for gold as recently as 2022. Assays of samples collected by LITH show considerable silver mineralization as well.

The Property also has the potential to host porphyry and/or skarn deposits (Walker, T. 2022). Helix has mineral claims belonging to their Joshua Project that partly overlap the Las Garillas Claims area. Helix reported identifying a porphyry system (Proactive Investors, 2012).

Deposit Types

The Las Garillas Claims could potentially host two types of deposit:

- Semi-massive sulphide vein and disseminated Au-Ag-Cu-Co and,
- Porphyry style Cu-Au-Ag plus associated Cu-Au-Ag skarn deposits.

Vein Deposits

Vein deposits, also known as metalliferous lode deposits, host mineralization that is found mainly with quartz and/or calcite in faults, fissures, or shear zones. The mineralization is normally mostly confined to the vein system or vein structure and is therefore well defined.

The Author summarized the description above from the Earth Science Australia website (Norcross, C., Schroeter, T., undated).

Porphyry Deposits

Porphyry deposits range from 100 million to several billion metric tons of low grade copper, molybdenum, and gold ore. Associated with granitoid plugs or dykes having a porphyritic texture, such deposits are typically hosted in granitoid intrusions. These deposits can also host various by-product metals.

The Author summarized the description above from the Encyclopedia of Geology (Second edition), 2021. (Dilles, J.H., John, D.A, 2021).

Skarn Deposits

Note that while skarns are typically associated with carbonate rocks such as limestone, the presence of carbonate rocks is not required. Other rock types can have the correct chemistry to form skarn deposits.

The Author has summarized the description of skarn deposits below from Mineral Exploration, 2nd edition (Haldar, S.K., 2018).

Processes that are similar to those that form porphyry deposits can also form skarn deposits. Carbonate rich rocks, be they actual carbonates or other rock types, are subjected to contact metamorphism, alteration, and replacement.

Exploration

The exploration program was planned on the basis of the following.

1. The presence of the Oro Brillante Mine and associated surface and underground sampling.
2. Other workings observed in the field.
3. Induced Polarization (IP) geophysics that identified a number of strong anomalies.
4. Soil and stream sediment geochemistry.

The exploration efforts described in this section were performed by LITH. Exploration efforts to date have included rock, stream sediment, and soil sampling as well as mapping and geophysics in the form of resistivity and IP. A subsequent drilling program is discussed below.

Mapping

In 2022, geologist Rodrigo Vasquez produced a geological map of the eastern portion of the Las Garillas Claims on behalf of LITH. That map shows granodiorites and a volcanosedimentary package along with hydrothermal breccias, veins, fault, and various alteration zones. Rock and stream sediment samples were also collected.

Figure 9-1: Geological Map centred on Oro Brillante. Vasquez, R, 2022. UTM Grid, PSAD 56

Datum. Legend below.

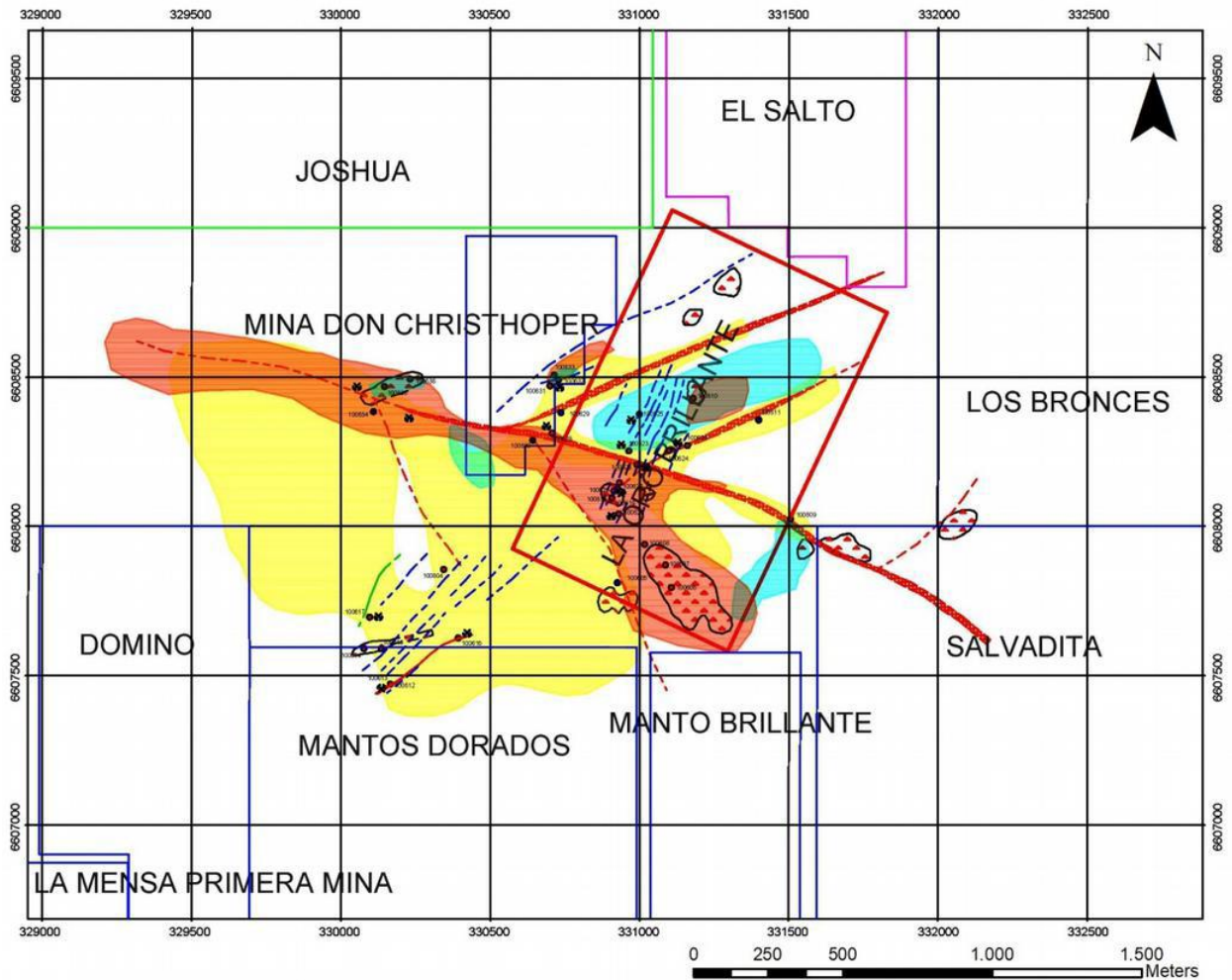
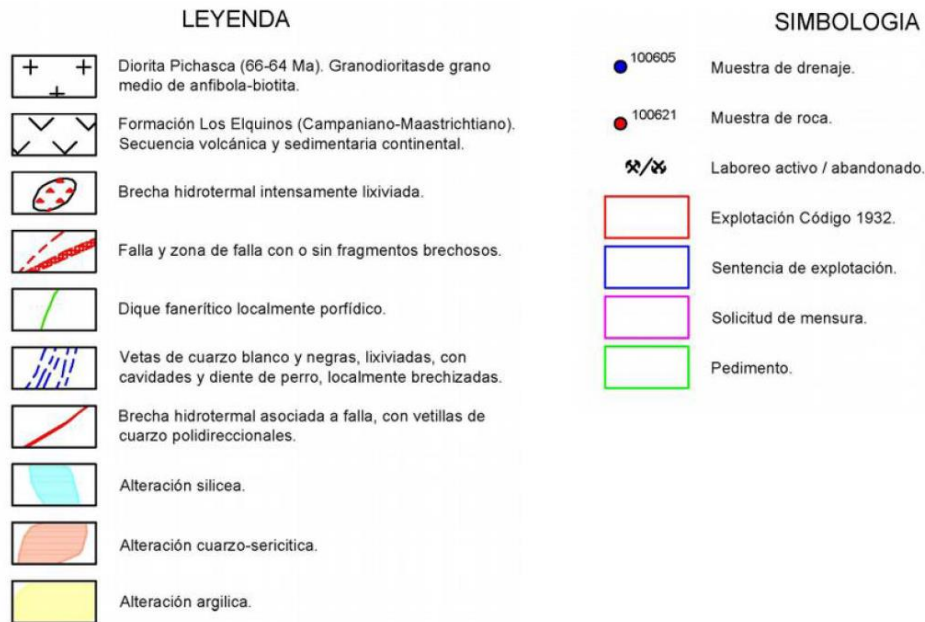


Figure 9-2. Legend for Map by R. Vasquez, 2022.



Geochemistry

The total number of samples classified by sample type is detailed in the table below.

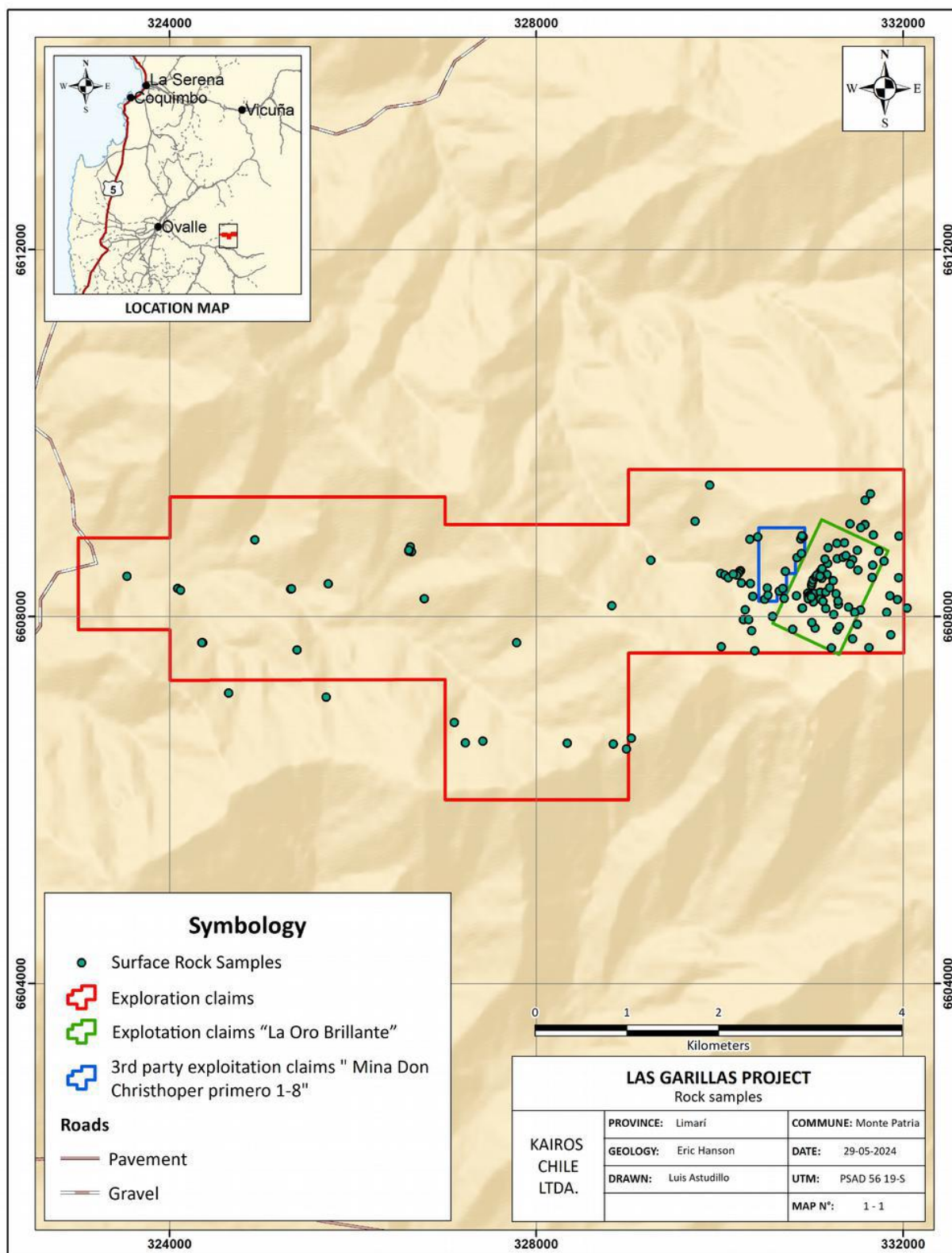
Table 9-1: Samples collected by type.

Sample Type	No. of Samples Collected
Rock	183
Stream Sediment (drainage)	81
Soil	781
Underground Rock	31

Rock Mineralization

Figure 9-3 below shows all rock sample locations.

Figure 9-3: Location of all rocks samples collected by LITH. 183 in total



Variability and Metallic Screening for Coarse Gold

Early in the campaign, due to some high-grade gold assays and visible gold in some samples, it was decided to do some metallic screening analysis. Metallic screening is done to determine if the presence of coarse gold makes the assay results unreliable.

Table 9-2. Selected samples assayed for gold by 3 methods

	Original Assay	Total Au by Metallic Screening	Total Au by high grade assay
Method Code	Au-AA23	Au-SCR21	Au-AA25
Sample No.	(ppm)	(ppm)	(ppm)
100612	6.34	6.67	5.65
100616	1.27	0.98	0.96
100617	8.29	8.08	7.38
100618	4.67	5.01	4.84
100619	1.225	1.46	1.61
100622	0.513	0.4	0.2
100628	2.9	2.64	2.61
100633	0.497	0.36	0.36

As seen in Table 9-2 above, there isn't a great deal of difference in the gold assays by the three different methods. As such, there is no evidence that there is a material coarse gold problem. In the future, the Author recommends that all samples get assayed for gold by the standard ALS fire assay method, code Au-AA23. The upper detection limit for that method is 10 g/t Au. Any samples assaying over 10 g/t should be re-assayed by ALS Global's gravimetric method, Au-GRA21 with an upper detection limit of 10,000 g/t Au.

Although the metallic screening of high grade gold samples early in the exploration campaign showed no big problem, the sample that to date has shown the highest gold grade also showed considerable variability, with the lab reporting three different values and noting the high variability. Sample 108685 was reported as having 46.4 g/t Au, 54.8 g/t Au, and 61.0 g/t Au. Once drilling samples have all been analysed, additional metallic screening work may be required.

Of the 183 surface rock samples collected, 142 assayed at or above the detection limit of 0.005 g/t Au. The highest gold assay was 61.0 g/t Au although it should be noted that the lab reported high variability in this particular sample. The lab reported three different values. Those values were 46.4 g/t Au, 54.8 g/t Au, and 61.0 g/t Au.

Of the samples that assayed over the 0.005 g/t detection limit, the average gold grade is 1.66 g/t Au. While the bulk of the higher-grade gold samples are from in and around the Oro Brillante and Mina Don Christopher area, several samples of over 1 g/t Au were collected well away from that area. Significant gold mineralization is therefore not confined to the eastern side of the Las Garillas Claims.

Figure 9.4 shows rock sample locations with gold over the detection limit of 0.005 Au, while figure 9-5 zooms onto the Oro Brillante/Mina Don Christopher area.

Figure 9-4. Gold over detection limit in Rocks

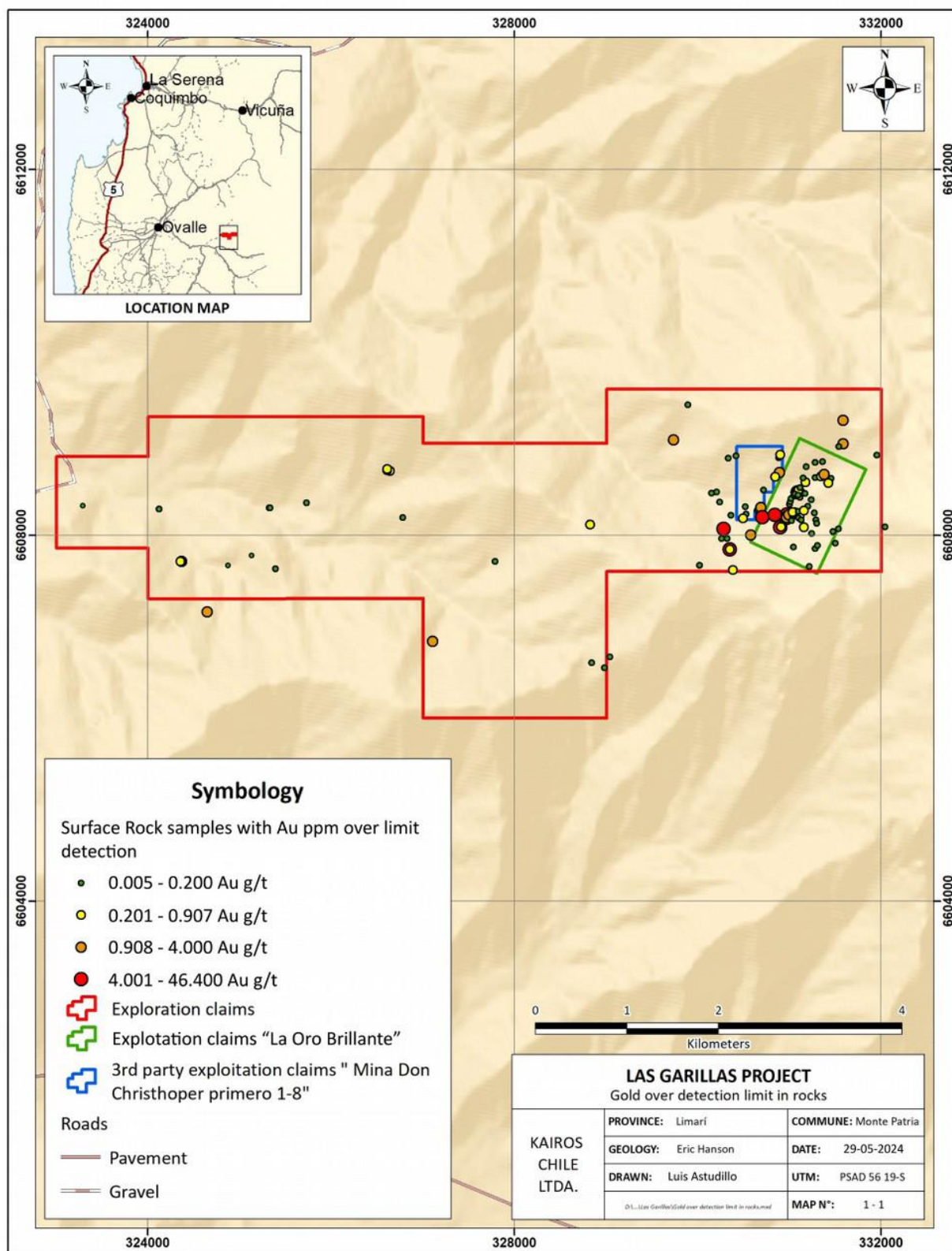
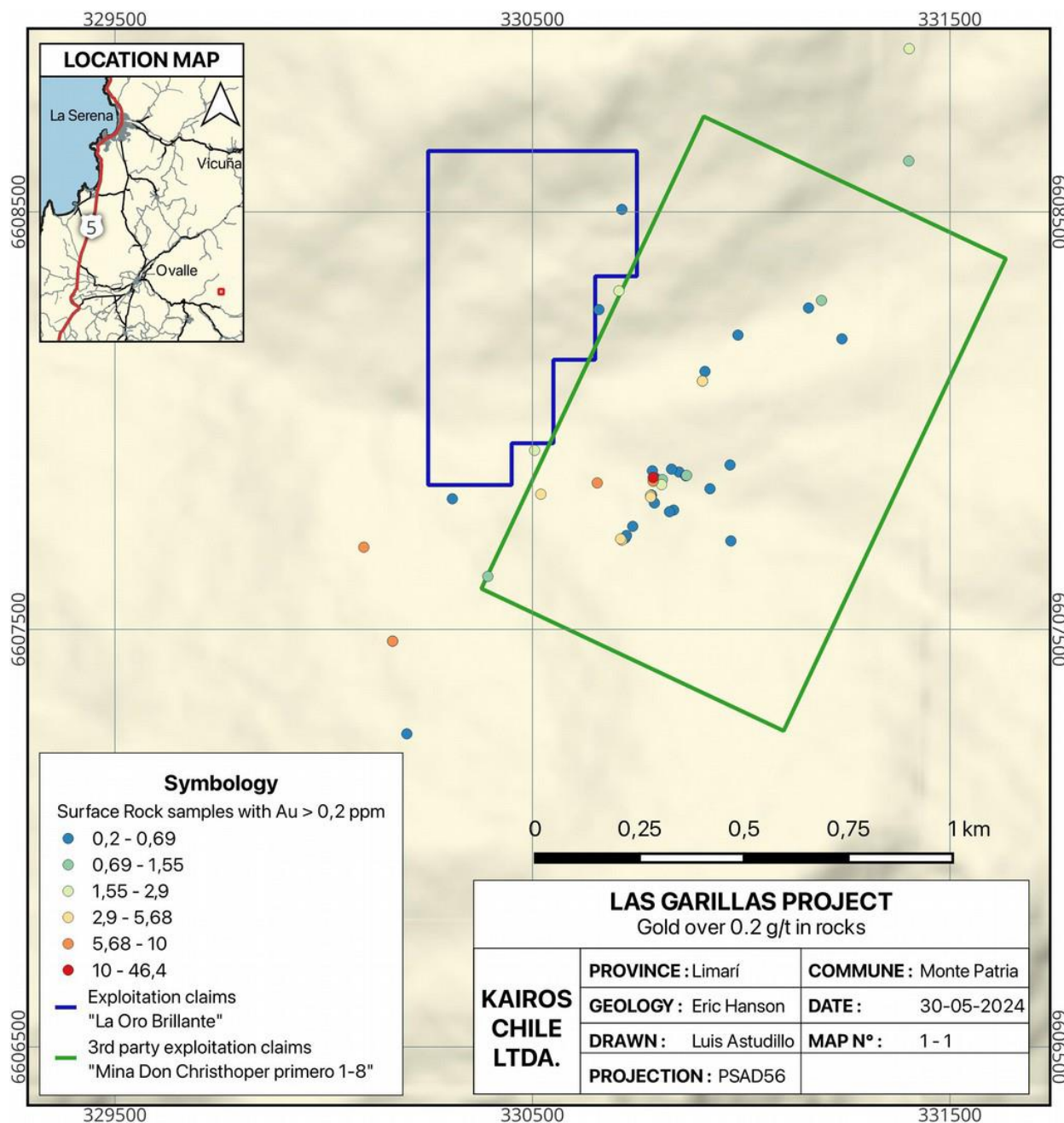


Figure 9-5. Over 0.2 g/t Au in Rocks, zoom to Oro Brillante/Mina Don Christopher area



Regarding copper, all the rock samples assayed over the method (ME-ICP41) detection limit of 1 ppm Cu. 17 samples assayed over the upper limit of the method of 10000 ppm Cu or 1% Cu. Some, but not all of these high-grade samples, were re-assayed by the over limit method Cu-OG46.

As with gold, there are some high grade copper samples far to the west of the Oro Brillante and Mina Don Christopher areas. Good mineralization is not confined to the eastern part of the Property.

Figure 9-6 shows rock sample locations with over 500 ppm copper while figure 9-7 zooms into the Oro Brillante area.

A few samples assayed high in silver (Ag), lead (Pb) and zinc (Zn).

Figure 9-6. Copper over 500 ppm in rocks

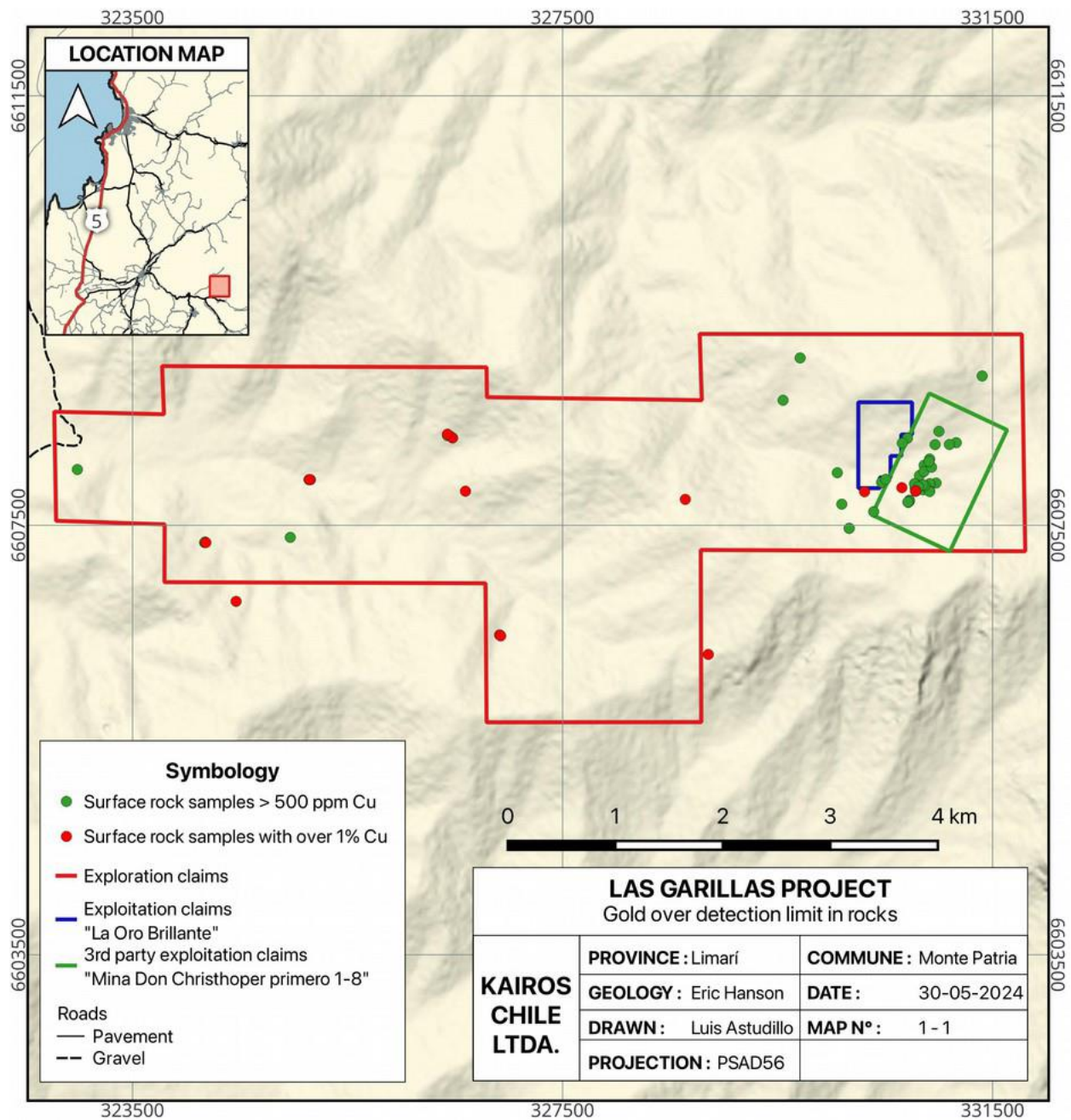
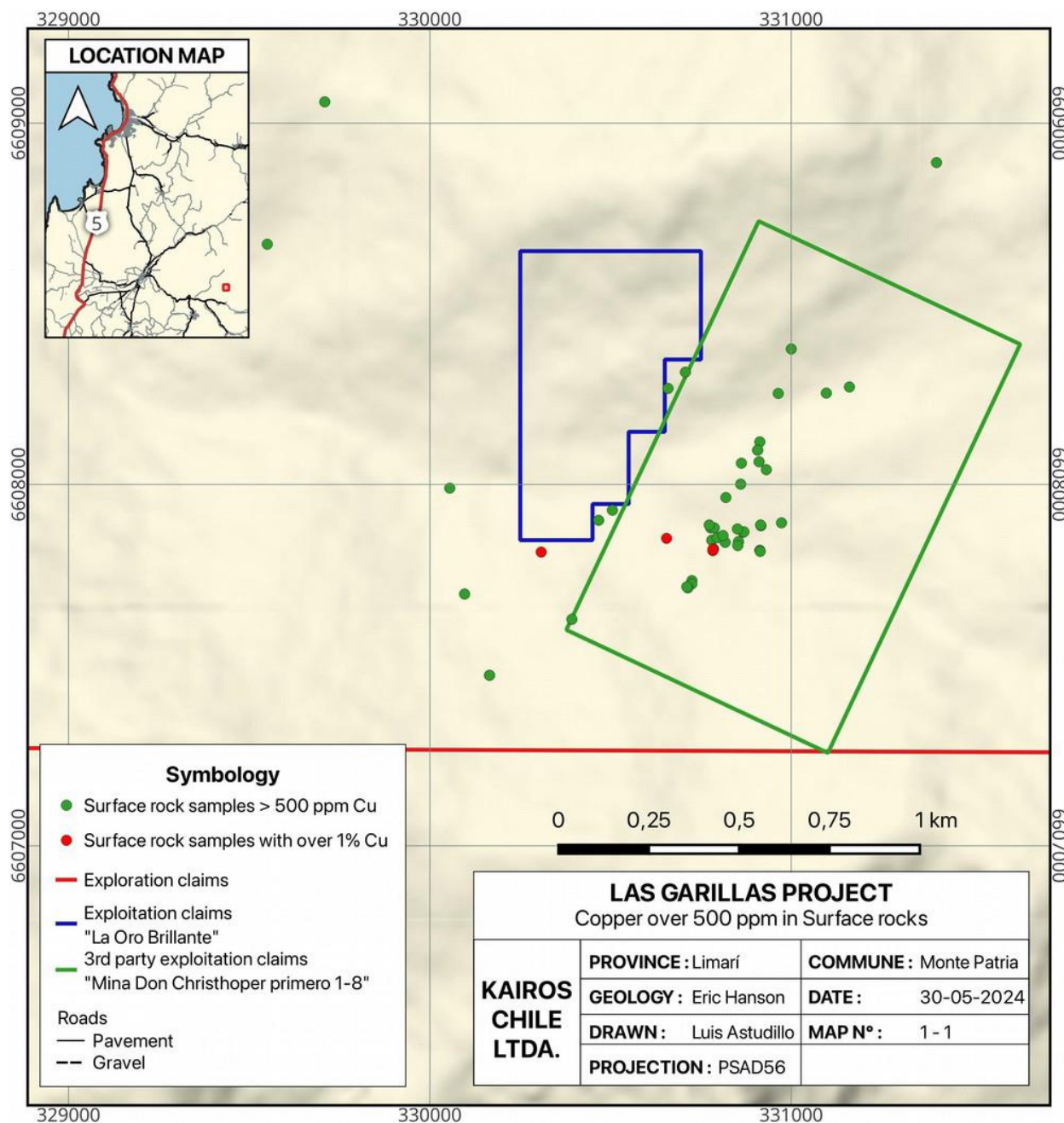


Figure 9-7. Copper over 500 ppm in rocks, zoom to Oro Brillante area



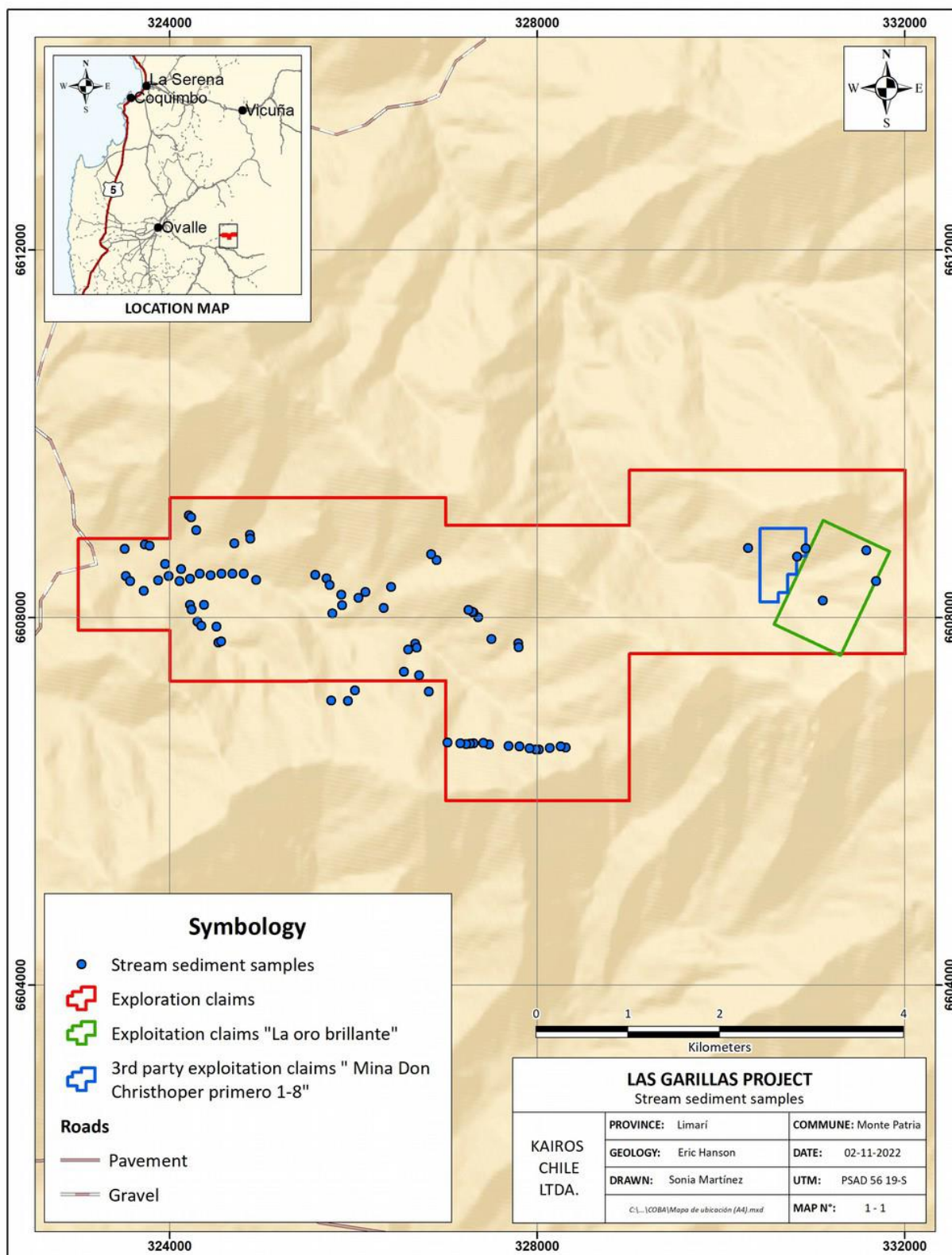
Stream Sediment Mineralization

Of the 81 stream sediment samples taken, 15 were above the detection limit for gold. These sample assays ranged from the detection limit of 0.005 g/t Au to 0.174 g/t Au with average being 0.035 g/t Au.

Copper values ranged from 53 to 461 ppm Cu with an average of 107 ppm Cu.

Figure 9-8 below shows the location of all 81 stream sediment samples collected.

Figure 9-8: Location of all stream sediment samples collected by LITH



Soil Sample Mineralization

Figure 9-9 below shows all the soil sample locations. Of the 781 soil samples taken, 293 assayed at or over the 0.005 g/t Au detection limit. The gold assay values ranged from the detection limit of 0.005 g/t Au to 1.375 g/t Au, with the average being 0.037 g/t Au.

As the soil sampling campaign focused on the eastern side of the Las Garillas Claims, it is no surprise that the highest soil values for gold came from the Oro Brillante area. Nevertheless, several samples in the top ten percent for gold were collected to the west, the south-west, and the south-east of Oro Brillante, suggesting that mineralization could extend well beyond the Oro Brillante area itself.

Copper values ranged from 28 to 2220 ppm Cu with the average being 134 ppm Cu. Apart from the Oro Brillante/Mina Don Christoper area, the top 10% of copper in soil samples show a considerable anomaly in the south-west corner of the Las Garillas Claims. Some follow up work is warranted. See Figure 9-11.

Figure 9-9. Location of all soil samples taken by LITH

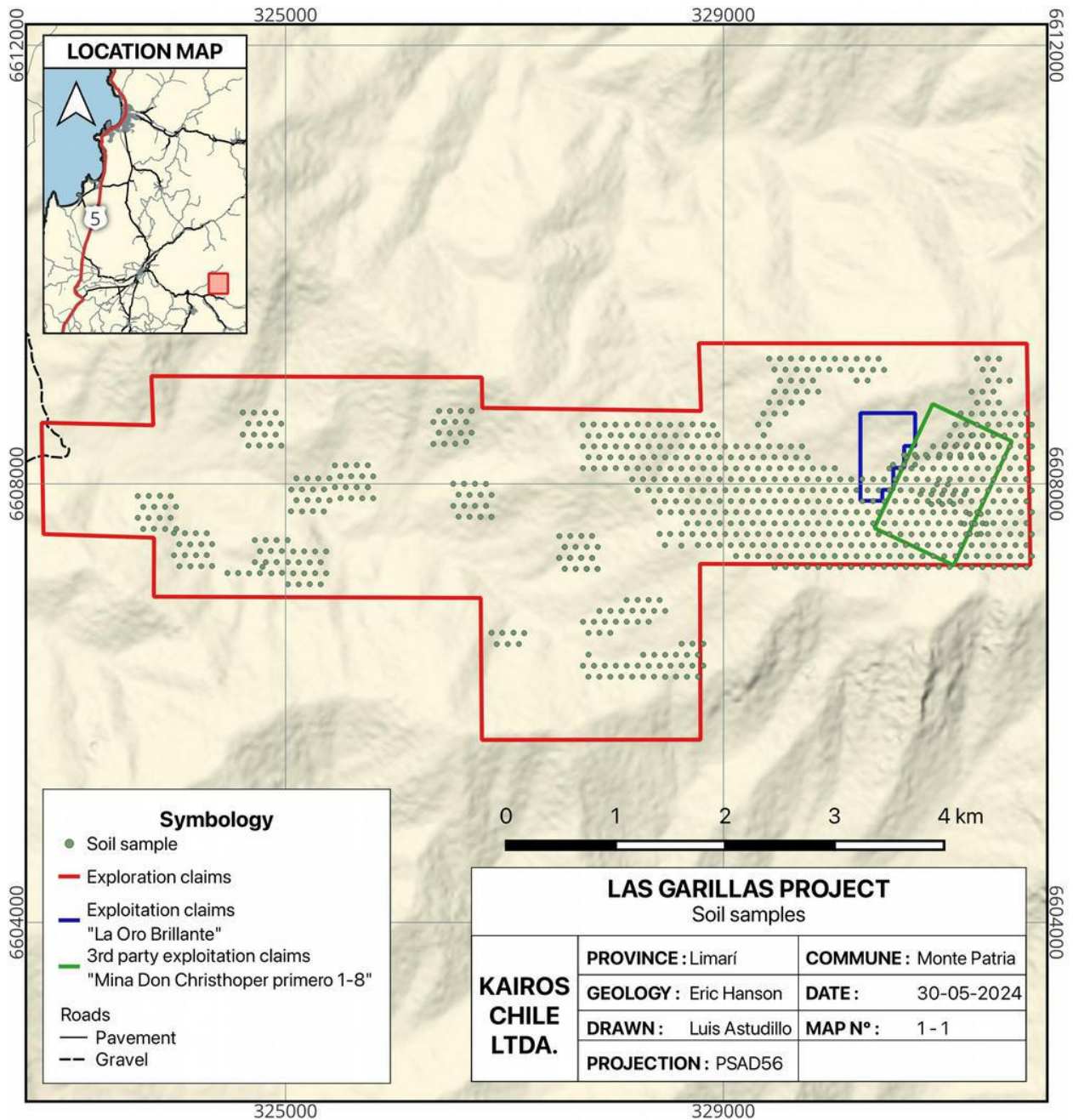


Figure 9-10. Gold in Soil Samples – top 10%

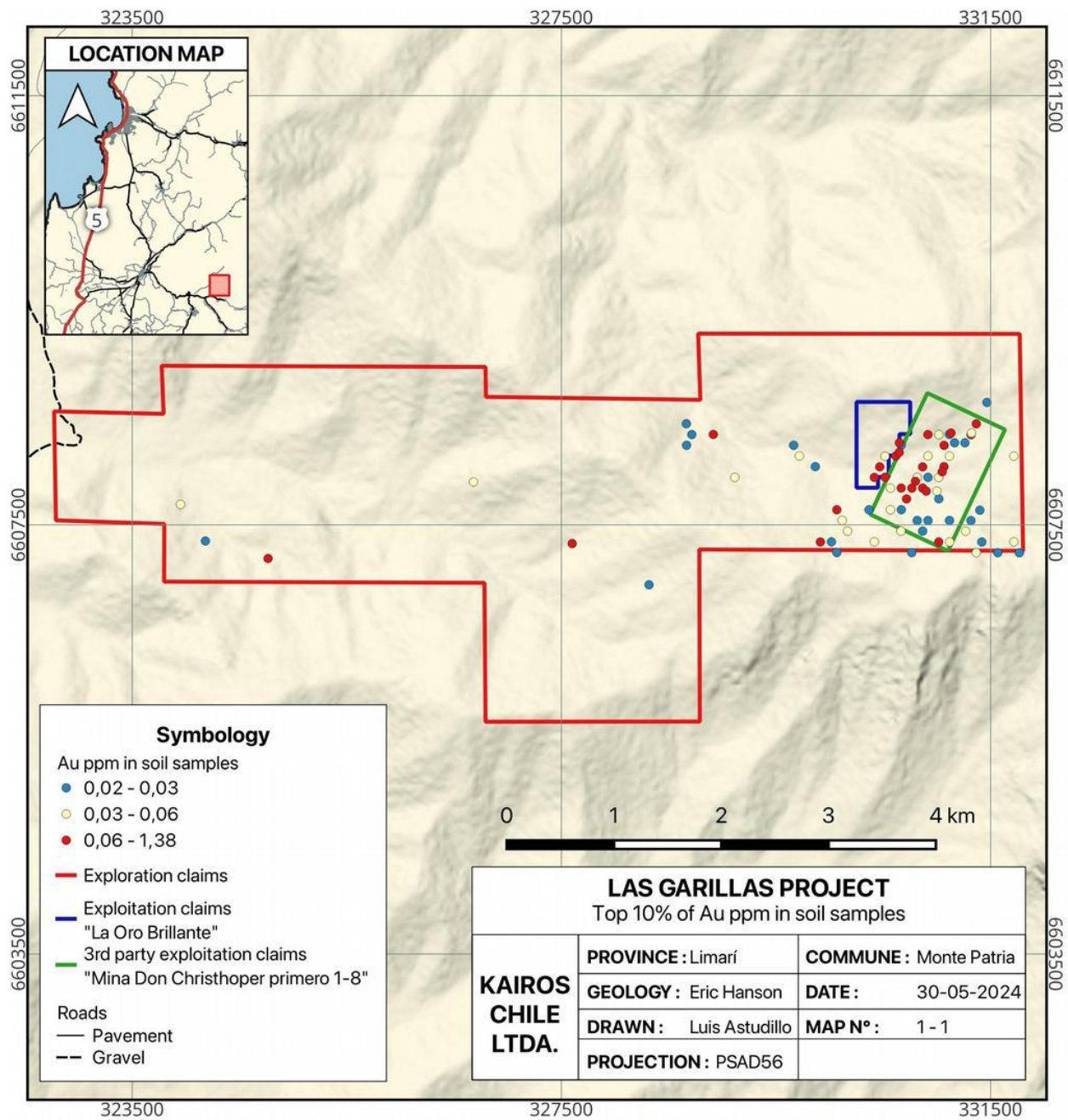
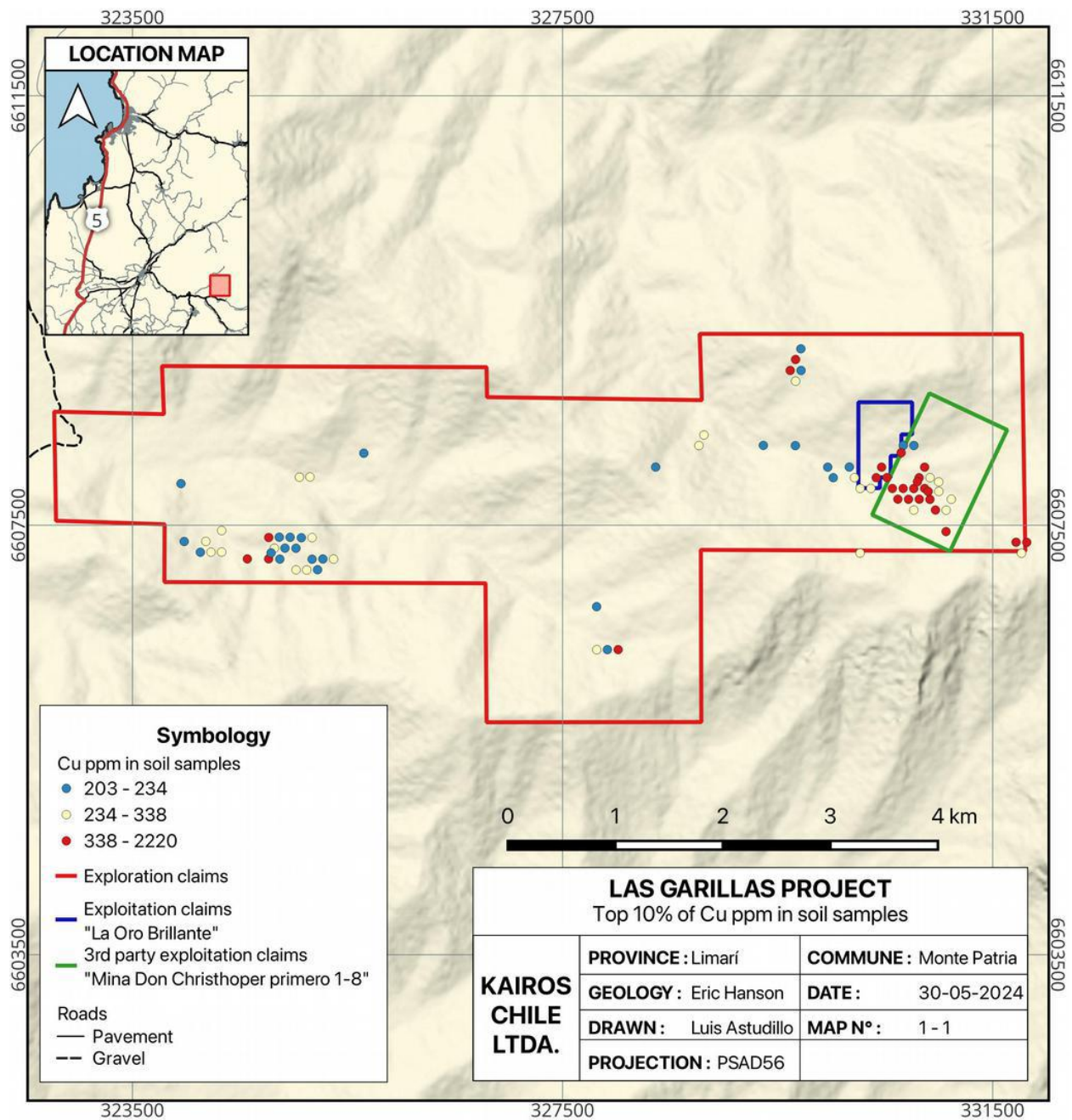


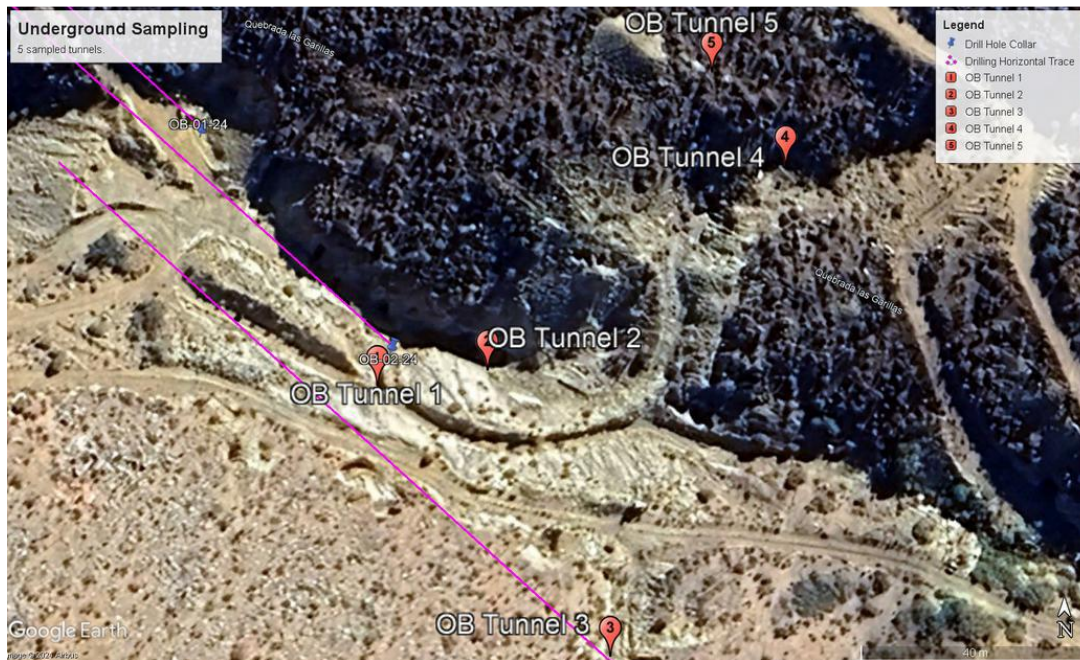
Figure 9-11: Copper in Soil Samples – top 10 %.



Underground Sampling

An underground sampling campaign collected 31 samples from 5 different tunnels. The entrances to the tunnels are shown in relation to some of the holes drilled as part of the of the April to May 2024 drilling campaign.

Figure 9-12: Sampled Tunnels



Of the 31 underground samples, the highest gold grade was 27.6 g/t Au. The average of all 31 samples was 2.44 g/t Au. For silver, the highest grade was 325 g/t Ag with the average grade being 28.35 g/t Ag.

Geophysics

The following is summarized from the geophysical contractor's report (Geoexploraciones, 2024).

A five line, 5800m geophysics campaign was carried out between between January 26 and February 7 of 2024. The methods used were electrical resistivity and induced polarization, measured in the time domain. Lines are parallel to each other, orientated north-west/south-east (azimuth 131 – 311) with stations placed every 100m along the lines. The space between the lines is between 300 and 320m.

A dipole – dipole configuration was used with a dipole length of 100m, corresponding to the station spacing. Measurements were made at 6 depth levels to obtain a depth of investigation of between 300 and 350m

The transmitter used was a Scintrex, model Mark VI-2 while the receiver was a Scintrex, model IPR-12 with 6 channels. (Geoexploraciones, 2024).

Figure 9-13 below shows the placement of the IP lines in relation to the entire Las Garillas Claims and the Oro Brillante and Mina Don Christopher internal claims.

Figure 9-13: IP Lines in relation to Oro Brillante (yellow) and Mina Don Christopher (blue)

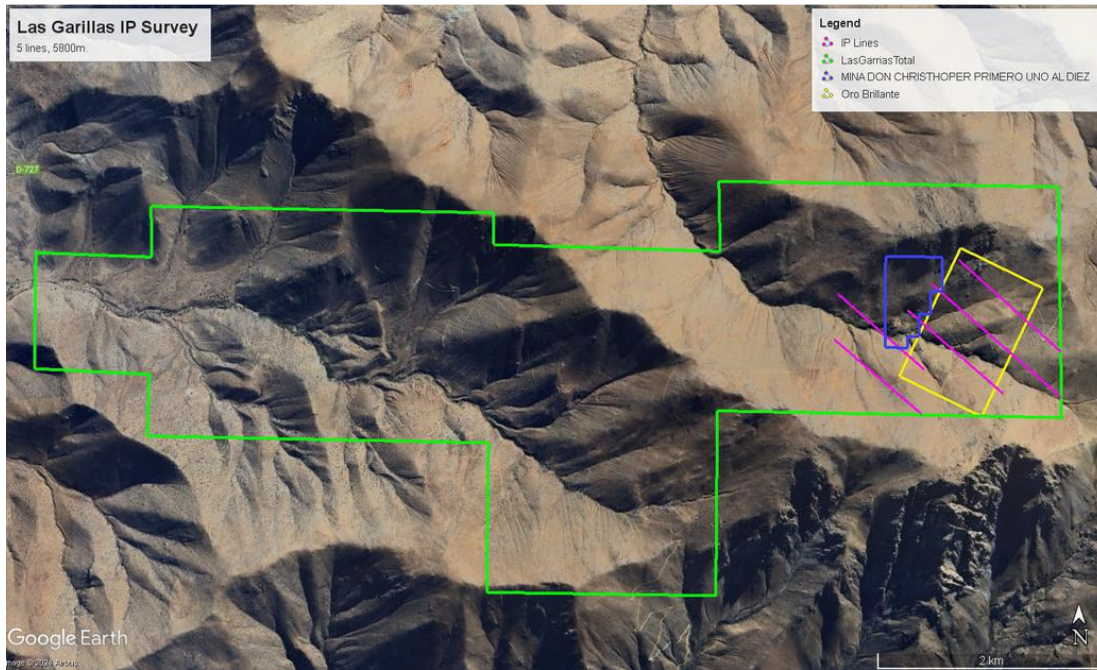


Figure 9-14 below is taken from the Geoexploraciones report and shows the five lines superimposed on a satellite image.

Figure 9-14: Five line IP and Resistivity Survey (Geoexploraciones, 2024)

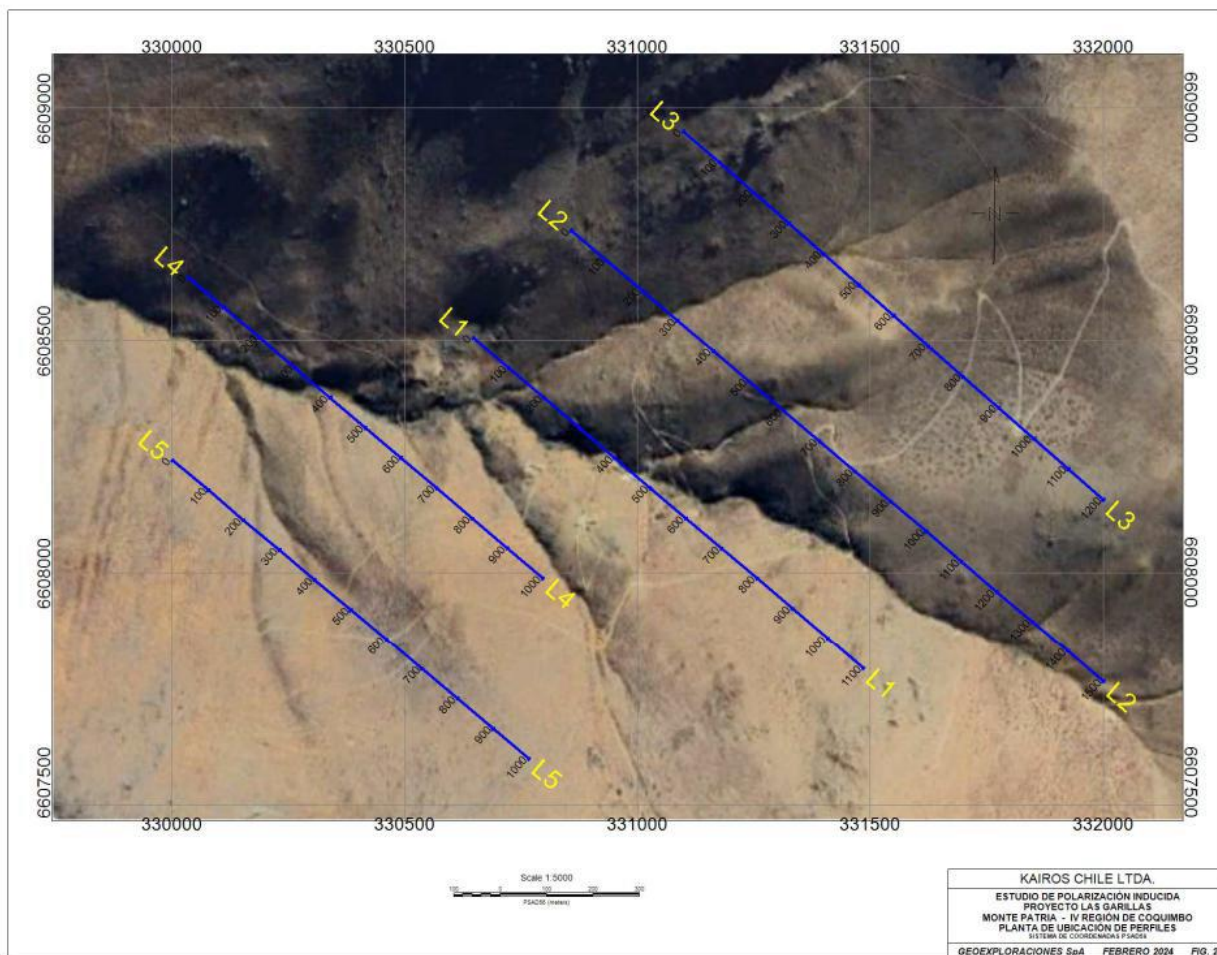
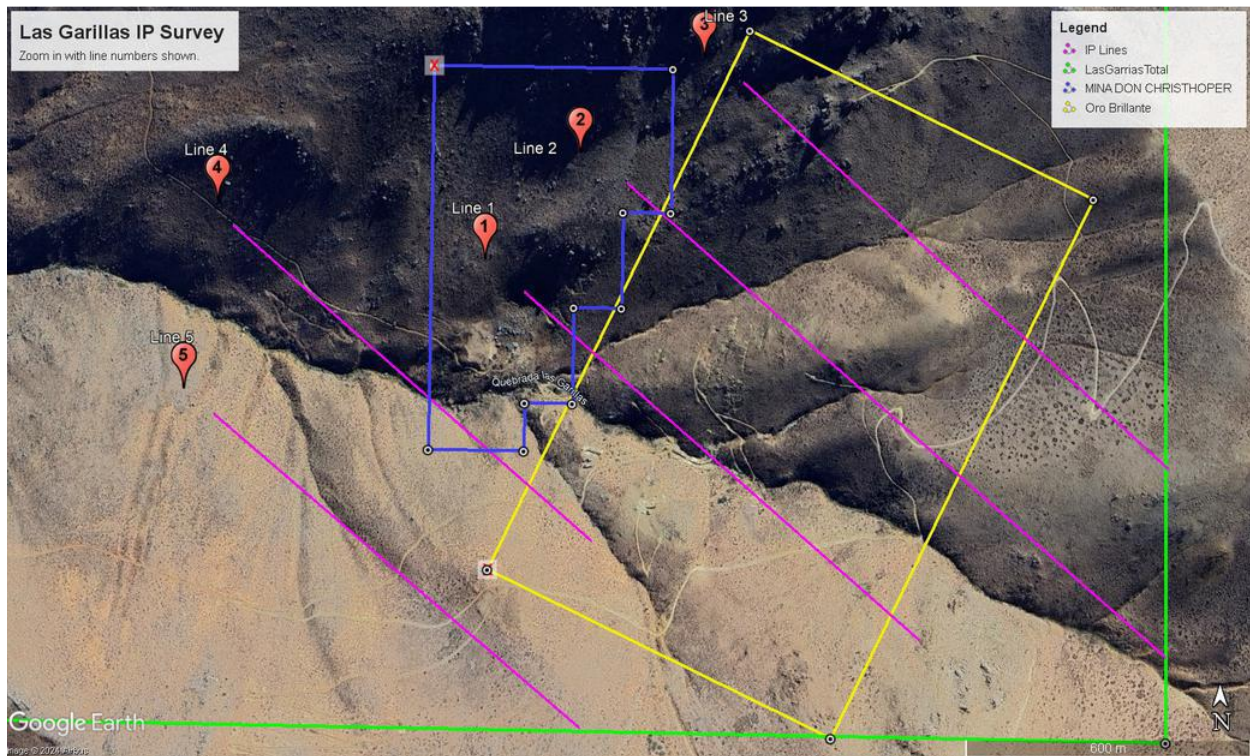


Figure 9-15: Zoom in to IP lines with the Oro Brillante and Mina Don Christopher claims



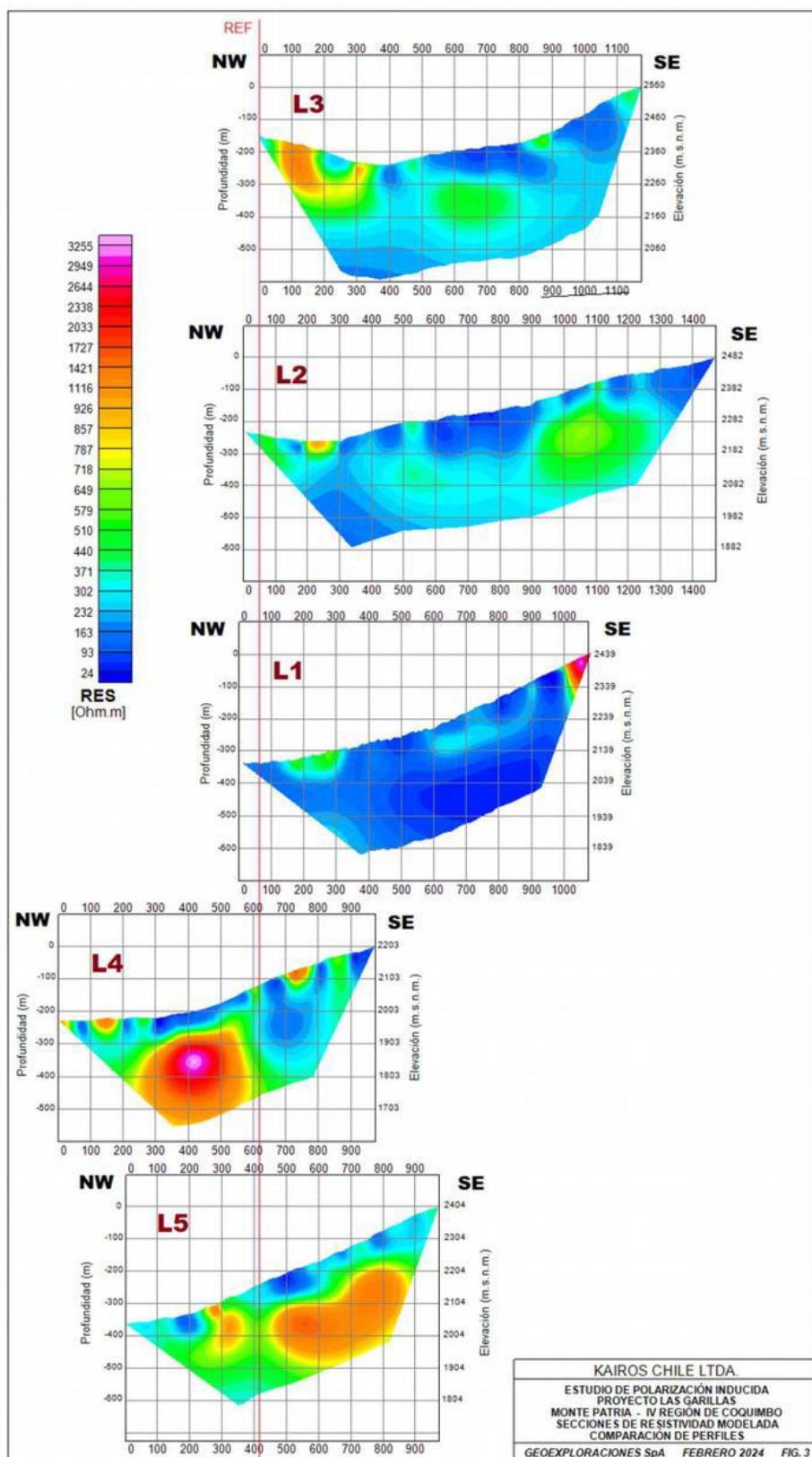
Figures 9-16 and 9-17 show the resistivity and chargeability anomalies respectively.

A number of resistivity and chargeability anomalies were identified by the survey. Figure 9-16 shows the resistivity results. Note the prominent resistivity anomalies especially on Lines 4 and 5.

Figure 9-17 shows the chargeability results. While chargeability was considered while selecting drill targets, other factors were considered as well. These factors included the proximity to the Oro Brillante Mine and sampling thereof, as well as access and the ease of constructing drill pads. Taking all of the above factors into account, chargeability anomalies on lines 1 and 2 were selected as targets.

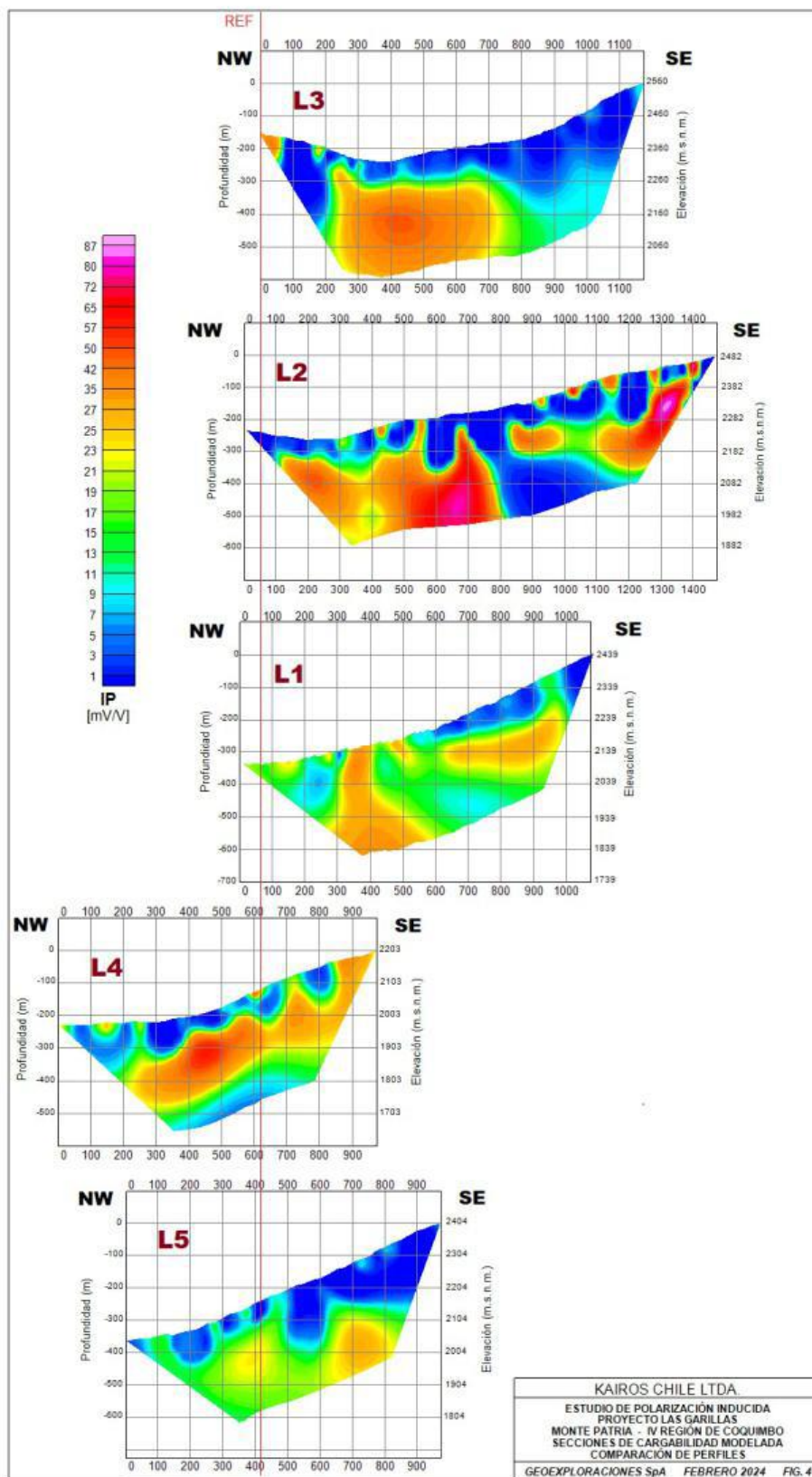
See Drilling. Many potential drill targets remain that could be drilled in a future campaign.

Figure 9-16: Resistivity Anomalies (Geoexploraciones, 2024)



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Figure 9-17: Chargeability anomalies (Geoexploraciones, 2024).



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Exploration expenditures to date are detailed in table 9-3 below. These figures are summarized from data provided to the Author by Walker. The exchange rate used is 1 USD = 1.37 CDN.

Table 9-3: Exploration expenditures to date

Las Garillas Exploration Expenditures		
Item	USD	CDN Equiv.
Las Garillas claims acquisition and maintenance costs	17,929	24,562
Oro Brillante claims acquisition and maintenance costs	318,482	436,320
Professional Fees; Geologists, Assistants and sampling crews	99,048	135,696
Field Costs; R&B, Transport, supplies	66,054	90,494
Assays	45,775	62,711
IP Geophysical Program	31,653	43,365
Oro Brillante Diamond Drilling Program	408,137	559,148
Total Expenditures	987,078	1,352,296

Drilling

The work described in this section was completed by LITH.

A five-hole, 1502.5-meter drilling campaign was carried out during April and May of 2024. Table 10-1 provides the collar locations. Both collar coordinates and elevations are from a GPS that was set to the WGS 84 datum and allowed to sit on the collar location for 10 minutes. While the east and north coordinates should be within a few meters, the elevation numbers are not considered accurate and must be taken with a grain of salt.

Table 10-1 provides the collar and elevation details while table 10-2 provides drilling details.

Table 10-1: Drilling collar data

Hole Name	UTM Zone	East WGS 84	North WGS 84	Elevation GPS (m)	East PSAD 56	North PSAD 56
OB-01-24	19 J	330762	6607877	2030	330963	6608206
OB-02-24	19 J	330796	6607840	2180	330997	6608169
OB-03-24	19 J	330954	6607883	2239	331155	6608213
OB-04-24	19 J	331172	6607988	2280	331373	6608318
OB-05-24	19 J	330862	6607761	2202	331063	6608091

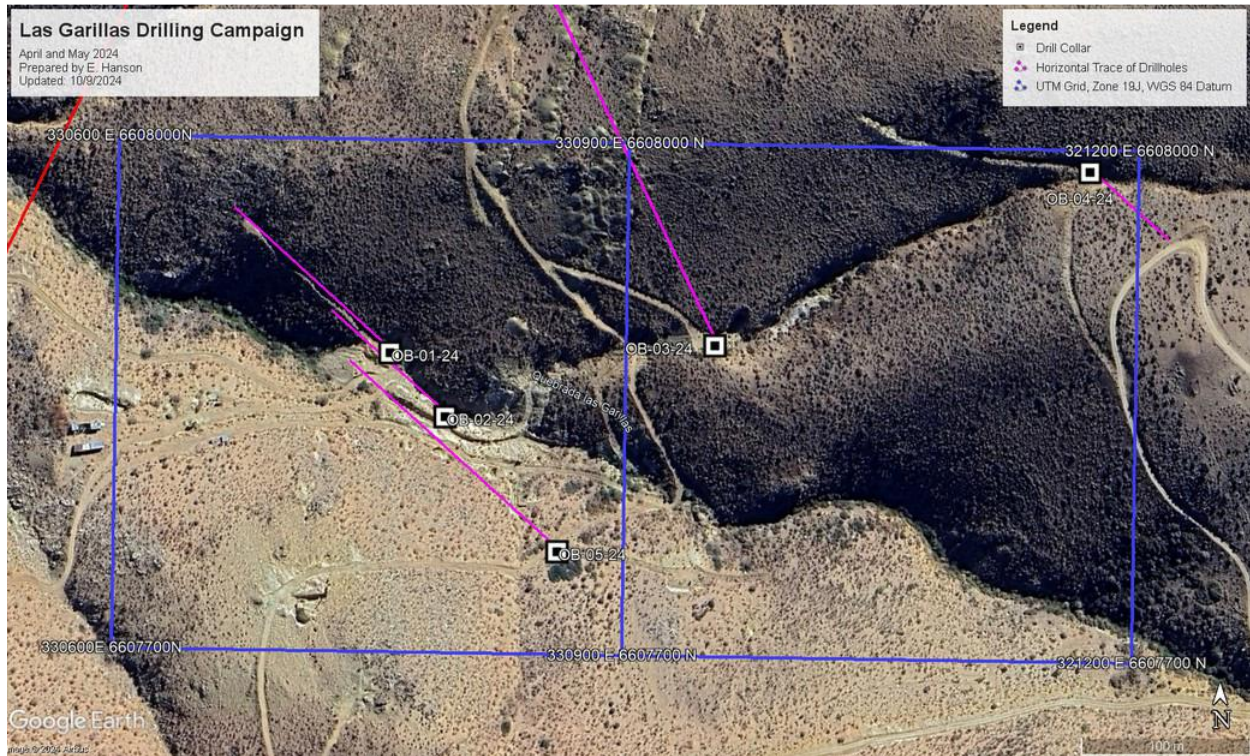
Table 10-2: Drilling details

Hole Name	Incl.	Azimuth	Drilled Depth (m)	Horizontal Trace (m)
OB-01-24	-60	312	250.2	125
OB-02-24	-75	312	353.0	91.4
OB-03-24	-45	335	313.5	221.7
OB-04-24	-80	132	350.5	60.9
OB-05-24	-45	312	235.3	166.4

Total drilled = 1502.5

The figure below shows the five drill collars and their respective horizontal traces. The horizontal trace of a shallowly inclined hole, such as one drilled at -45 degrees, will be less than the horizontal trace of a steeply inclined hole, such as one drilled at -80 degrees. A vertical hole would have no horizontal trace at all.

Figure 10-1: Collar positions & horizontal traces of hole drilled during in April and May 2024



The holes were sampled from close to the top of the hole to the bottom. A total of 748 samples have been selected for cutting. Samples from the drilling program have been submitted to the ALS Global laboratory but as of the effective date of this report, no assay results have been returned.

Collar positions and hole orientations for holes OB-01-24, OB-02-24, OB-04-24, were selected, in part, to explore IP chargeability anomalies. The figures below demonstrate this. Hole OB-05-24 was also collared close to IP Line 1, but the target was not an IP anomaly. Hole OB-03-24 was collared between IP Lines 1 and 2.

Figure 10-2: IP Chargeability Line 1 X-section with 3 holes shown

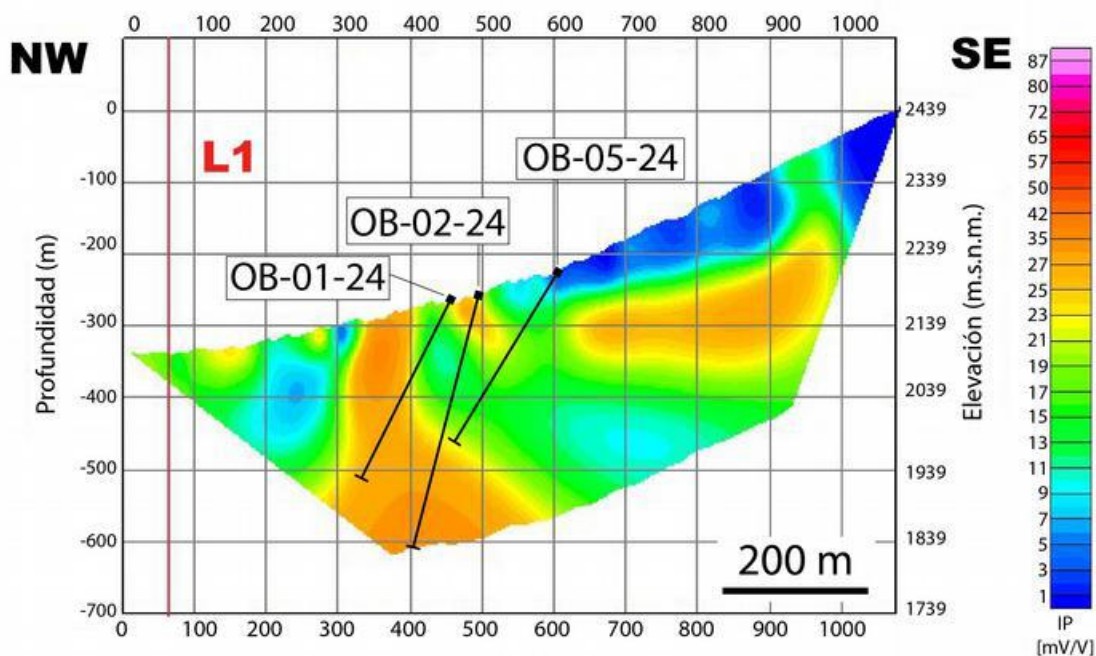
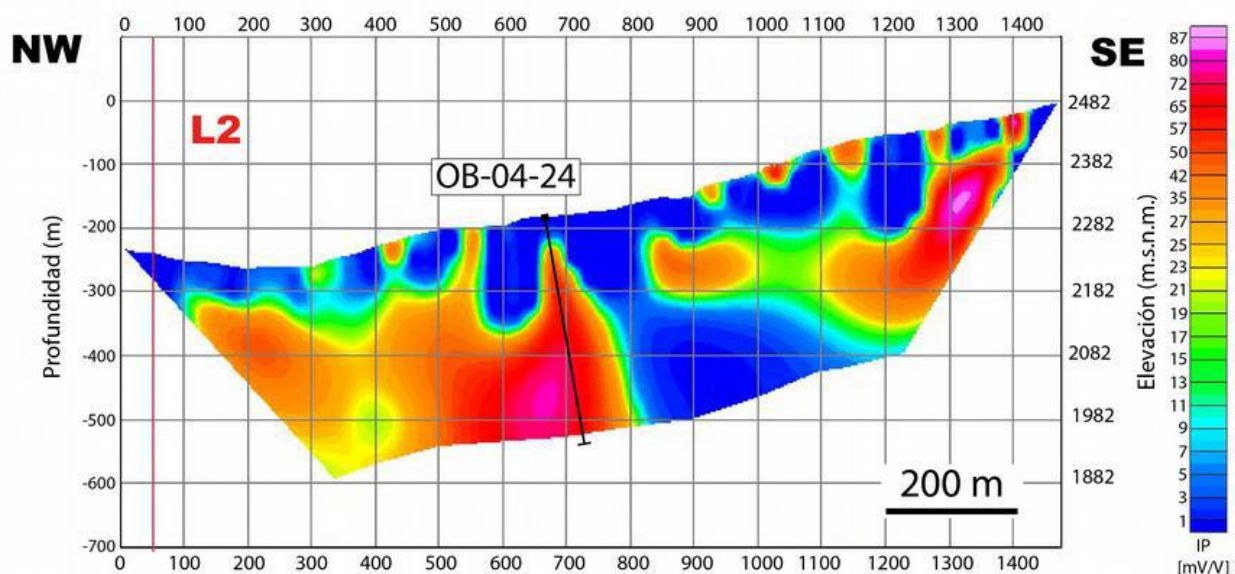


Figure 10-3: IP Chargeability Line 2 X-section showing hole OB-04-24



The lithology seen in the drill core is dominated by granodiorite phases that occasionally grade to granite. A volcanic unit was also logged in hole OB-01-24. Various dykes are also present. Alteration minerals observed include clay, chlorite, sericite (muscovite), and secondary potassium feldspar.

All five holes intersected strong sulphide mineralization. By far the most commonly seen sulphide mineral is pyrite. Chalcopyrite, molybdenite, and sphalerite were also observed but in much smaller quantities. No visible gold was seen. Rock sampling, both surface and underground, suggests that much of the pyrite seen in drill core might be carrying gold.

All of the drilling of the April and May 2024 campaign involved diamond drilling. The Author, would set the head for each drillhole, which is to align the drill to the correct azimuth and angle the drill to the correct inclination. Azimuth was set with a magnetic compass and inclination set with an inclinometer. The Author

would monitor progress of the drillholes and, in consultation with Walker, decide when to shut down each hole.

Core size was HQ with a core diameter of 63.5mm. Core was collected at the drill by staff of Minera Kairos and laid out on a core logging table for the Author. Core recovery was measured. A geological log was produced. Upon completion of the geological log, the Author would select and mark out samples for cutting. Sample widths varied according to the visible mineralization but were generally about 2m in length.

When the sample selection was done, the marked core and a core cutting sheet were given to staff of Minera Kairos for cutting. Cutting was done with an electric rock saw. The core was cut, bagged and stored on the Property and would eventually be delivered to the lab by staff of Minera Kairos.

Overall recovery was good. There were no drilling, sampling, or recovery factors that would cast doubt on the results.

As the Project is at an early stage, the true thickness of any mineralized zones is not yet known.

Sample Preparation, Analysis, & Security

Sample Preparation, QC, Splitting, Reduction & Security

All samples collected before the drilling campaign of April to May of 2024 on behalf of LITH were delivered by sampling crews contracted by Minera Kairos to the ALS Global lab in La Serena, Chile. These samples were in the possession of Minera Kairos sample crews right up to delivery to the lab. Early in the exploration of Las Garillas, the La Serena lab did the sample preparation while analysis was generally done at the ALS Global lab in Lima, Peru.

By the time the drilling campaign started, the ALS facility in La Serena became only a receiving station for samples with prep done at the ALS Global lab in either Santiago, Chile (for fire assay) or the ALS Global lab in Lima, Peru (for multi-element ICP). During the drilling campaign, samples were cut with a rock saw, bagged in plastic bags, and given a numbered sample tag by staff of Minera Kairos, all of which was under the supervision of the Author.

Although two initial batches of samples from hole OB-01-24 were sent to the ALS Global receiving station in La Serena, it was decided that all subsequent samples would only be sent after the end of the drilling campaign such that all samples would be analyzed together. All samples have subsequently been delivered to the ALS Global receiving station in La Serena.

No blanks, standards, or duplicates were added by Minera Kairos. The quality control procedures of ALS Global are relied on.

Upon receiving a batch of samples, the lab weighs each individual sample and gives the sample a bar code label.

Assaying, Labs Used & Lab Accreditation

During early exploration of the Las Garillas Claims before the April to May 2024 drilling campaign, the ALS Global facility in La Serena was a sample preparation facility. Samples were prepared in La Serena and generally sent to the ALS lab in Lima, Peru for analysis.

Rock samples from surface and underground sampling were prepared using ALS Global's standard rock preparation method, code PREP-31. The samples are dried and then the entire sample is crushed to 70% less than 2mm. A split was taken and this sub-sample is pulverized to 85% passing 75 microns.

Stream sediment samples and soil samples receive a different sample preparation from the rock samples. ALS Global's PREP-41 procedure is used for both stream sediment and soil samples. The samples are dried at <60°C and then sieved to -180 microns (80 mesh). All samples analyzed received a standard 30g Fire Assay for gold, and a 35-element aqua regia digestion ICP analysis.

By the time the drilling campaign of April and May 2024 began, the ALS facility in La Serena was only a receiving station for samples with samples needing fire assay being sent to Santiago, Chile and samples needing multi-element analysis being sent to Lima, Peru. For the drilling campaign, the sample preparation method selected was PREP-31B, a slightly different preparation method than the standard rock preparation, PREP-31. PREP-31B is similar to PREP-31. The only difference is that a larger split is taken after crushing and that split is pulverized. PREP-31 uses a 250g split while PREP-31B uses a 1 kg split.

ALS Global in La Serena, Copiapó, Santiago, and Lima are all fully accredited laboratories with ISO 9001 and ISO 17025 accreditation. ALS Global is not related to the Issuer nor to LITH or Kairos SpinCo.

Quality Control/Quality Assurance

All samples remained in the custody of Minera Kairos until being delivered to the lab. Staff of Minera Kairos inserted no blanks, duplicates, or standards into the sample stream for any surface sampling prior the drilling campaign of April and May of 2024 or for the drilling campaign itself. The Author relied on the internal procedures of ALS Global. The Author is unaware of the details of the QA/QC procedures of ALS Global, or the details of reference standards or blank material used by ALS Global.

Author's Opinion

There was no opportunity for anyone to tamper with samples as all samples remained in custody of Minera Kairos staff until being delivered to the lab. Should the Project progress to the stage of mineral resource estimates, then subsequent drilling will require a QA/QC program that includes the use of reference standards, blanks, and duplicates, apart from any used by the lab.

It is the opinion of the Author that the procedures followed for sample preparation, security, and analysis, were adequate.

Data Verification

Data Verification

The Author was present for some of the surface sampling, but did not participate in the underground sampling. The Author was present for the entire drilling campaign. On April 15, 2024, before the drilling started, Walker visited the Project and inspected the drill sites. Geological interpretations and general procedures were discussed that involved keeping the reliability and trustworthiness of the data high.

Although no verification samples have been taken, LITH and ALS Global investigated some high variability in the gold assays of some surface samples taken early in the exploration efforts. Gold assays by three different methods confirmed that while there was variability in the results, for most samples, the variability was within reasonable limits. See Exploration.

Limitations and Failures of Data Verification

No limitations or failures of data verification are known to exist. Should the Project progress to the stage of determining mineral resources, then expanded data verification procedures should be undertaken.

Opinion of the QP

It is the opinion of the QP that procedures to ensure the adequacy of the data were sufficient.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing are known to have taken place. Artisanal miners at the Oro Brillante mine use a trapiche for crushing ore and mercury for collecting the gold.

Mineral Resource Estimates

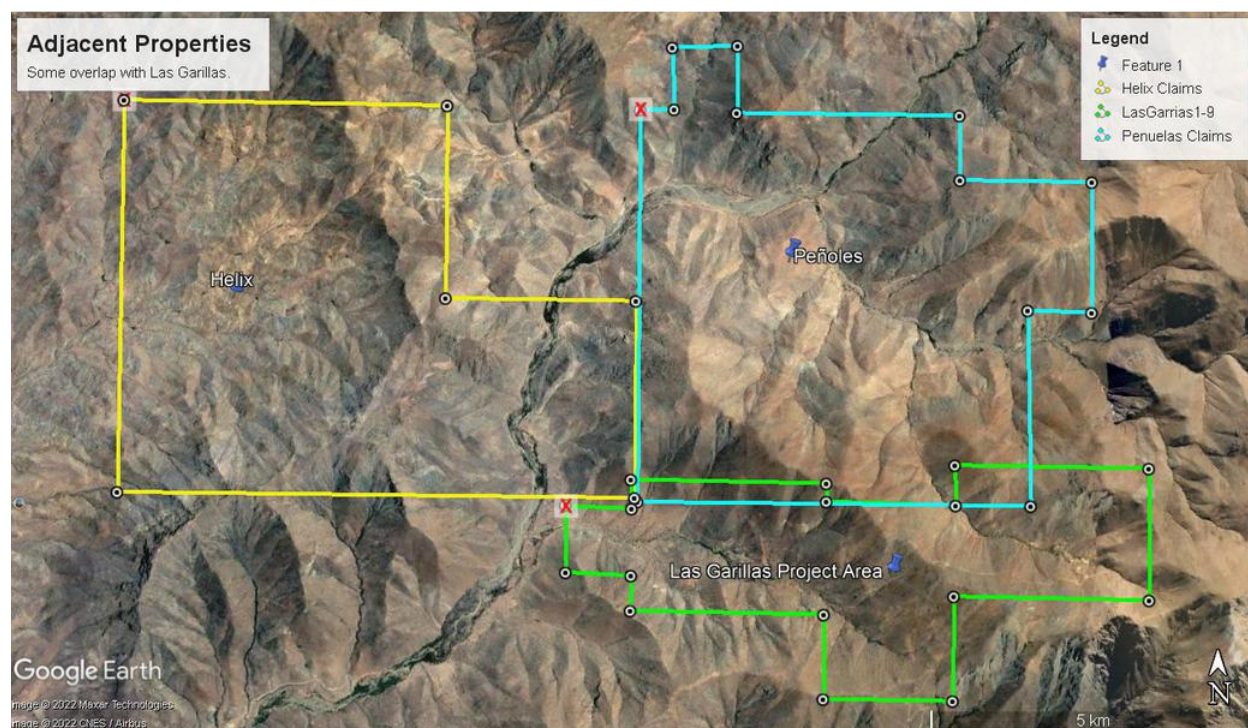
No mineral resource estimates have been undertaken.

Adjacent Properties

The Author has been unable to verify the information in this section of the Las Garillas Technical Report. Information pertaining to adjacent properties is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

Chilean subsidiaries of Helix and Peñoles, hold adjacent claims that overlap somewhat with the Las Garillas Project area. Information on the adjacent property held by Helix is taken from mining industry media publications and was not verified. The Author did not have access to any official reports by Helix or their joint venture partners. The mineralization reported on the Helix property is not necessarily indicative of mineralization on the Las Garillas Property.

Figure 23-1: Claims held by Helix and Peñoles. Internal claims not shown



Helix Resources and associated joint venture partners

To the immediate north-west and overlapping slightly with the Las Garillas Property, are a group of claims called Joshua held by Helix. In 2012, a mining industry publication reported that Helix had found a porphyry system on their Joshua project and had drilled some mineralized intersections (Proactive Investors, 2012).

In 2016, Proactive Investors further reported positive results on their Joshua Copper Porphyry Project. (Proactive Investors, 2016)

In November of 2018, the publication Small Caps reported that Helix and a company called Manhattan Corporation had formed a joint venture on the Joshua Project and had further news on strong copper mineralization (Small Caps, 2018).

Manhattan Corporation is listed on the Australian Securities Exchange. Their current website makes no mention of any projects in Chile.

Peñoles

Peñoles have a group of claims to the immediate north of the Las Garillas Property, confusingly also called Joshua. Note that these claims also have some overlap with the Las Garillas Property. The Author was unable to source information pertaining to exploration activities that Peñoles undertook.

Other Relevant Data and Information

It is the opinion of the Author that the Las Garillas Technical Report is clear and not misleading.

Interpretations and Conclusions

Exploration efforts on the project have included general prospecting, stream sediment sampling, soil sampling, surface and underground rock sampling, mapping, geophysics in the form of resistivity and IP, and, most recently, a drilling campaign. Prospective geochemical and geophysical anomalies have been identified. Drilling has confirmed strong pyrite mineralization in the area around the Oro Brillante Mine. Mining at Oro Brillante, which took place as recently as October 2022, suggests the existence of mineralization which has been economic for artisanal miners in the past.

Although some overlapping claims present some risk, the bulk of the Property is not affected by this.

The Las Garillas Technical Report provides no information pertaining to the economics of production should LITH (or Kairos SpinCo) decide to undertake such activities.

The Author concludes that the Property has good exploration potential.

Recommendations

Proposed Exploration Program

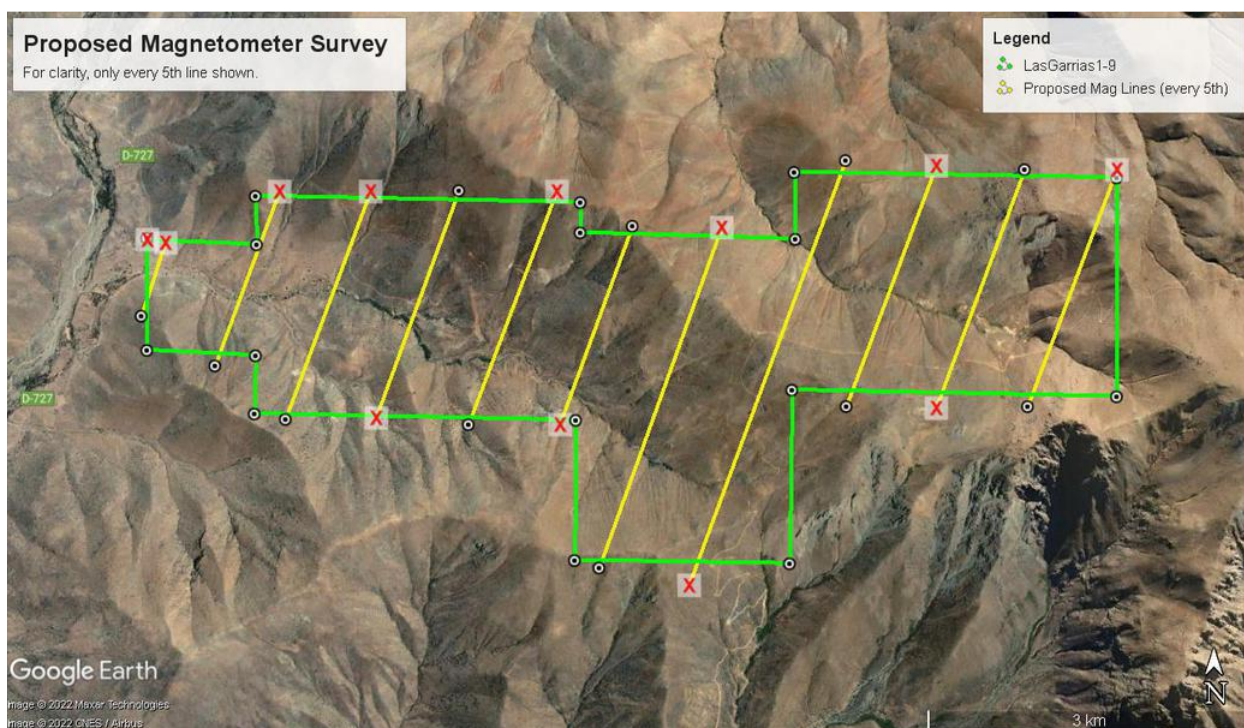
The following proposed exploration program and budget is a comprehensive plan to systematically explore the entire Las Garillas Project area. It includes the analysis (assaying) of the drilling samples from the April and May of 2024 drilling campaign. Until those samples are analyzed, it will remain unknown if the pyrite mineralization carries with it gold mineralization as well. Beyond that, the plan includes a magnetometer survey covering the entire Las Garillas Project area. The Author recommends lines orientated at AZ 020 with 200m between lines. This results in a total of approximately 105 Line - Kilometers. However, the Author recommends that geophysical professionals be included into the design of the magnetometer survey. See figure 26-1.

The magnetometer survey, along with existing geochemical data and ground-truthing by a field geologist, will allow the selection of further IP lines. As well as extending the existing IP lines, the copper-in-soil geochemical anomaly in the southwest corner of the Las Garillas Project area is a likely candidate for some IP work. See figure 9-11. Table 26-1 below details the proposed exploration budget.

Table 26-1: Proposed Exploration Budget

Exploration Budget				
Item	Units of Item	Days/Units	Rate (CDN)	Cost (CDN)
Assay Drilling Samples	Samples	748	68	50,864
Interpret results – Geologist's time – 5 days	Days	5	700	3,500
Magnetometer Survey	Line – Kilometer	105	275	28,875
Geologist follow up field work	Days	10	700	7,000
Truck Rental	Days	10	140	1,400
Fuel and Supplies	Days	10	35	350
Meals and accommodation for geologist	Days	10	120	1,200
Follow up IP Survey	Line – Kilometer	15	7600	114,000
VP-X time, review data, field visit	Days	5	1400	7,000
Sub-Total =				214,189
5% Contingency =				10,709
Total =				224,898

Figure 26-1: Proposed Magnetometer Survey. For clarity, only every 5th line shown



Upon completion of the proposed exploration program, a new campaign of drilling can be considered.

OTHER PROPERTIES

1. Apolo-Sancarron

Exploration Targets

Multi-million-ounce high sulphidation epithermal vein and disseminated gold-silver deposits.

Introduction

Apolo and Sancarrón are 'grass roots' exploration properties located in the El Indio Gold Belt at altitudes of 3500 - 4700m, 130 kilometers northeast of La Serena. The El Indio Gold Belt is noted for its multimillion-ounce gold deposits such as El Indio, 20 kilometres to the south and Pasqua-Lama, 35 kilometres to the north of the properties (Figure 1).

Both properties cover multiple large zones of gold and silver bearing hydrothermal alteration.

The properties are accessible by the all-weather road from La Serena to the El Indio mining camp and then by seasonal dirty roads up the Rio del Medio and Rio Apolinario valleys.

Claims and Ownership

The Apolo property consists of 1 exploration and 12 exploitation concessions totaling 2,529 hectares. The Sancarrón property consists of 4 exploration and 6 exploitation concessions totaling 2,700 hectares.

Both properties are owned by LITH through its wholly owned Chilean subsidiary Minera Kairos.

Property Geology

Apolo

The Apolo claims lie within the central axis of the El Indio Gold Belt and are generally underlain by a west dipping Upper Oligocene to Lower Miocene continental volcanic sequence belonging to the Doña Ana Formation.

The bulk of the property covers several central vent volcanic complexes of dominantly andesitic lavas, breccias and agglomerates belonging to the lower Escabroso Member of the Doña Ana Formation. The Escabroso volcanics are the extrusive products of at least three, possible four local vents.

On the western third of the property the Escabroso Member is unconformably overlain by an intercalated sequence of rhyolitic to dacitic flows and minor ignimbrites belonging to the upper Tilito Member of the Doña Ana Formation. In the northwest corner of the property both the Escabroso and Tilito rocks are in intrusive contact with a quartz-diorite stock belonging to the Neogene Infiernillo Unit.

The principle structural element of the property is a prominent system of NW and NNE-NE trending faults belonging to the regionally extensive Baños de Toro Fault system, which crosscuts the belt of eroded strato-volcanoes in the eastern and central sectors of the claims.

Sancarron

The Sancarrón claims also lie within the central axis of the El Indio Gold Belt and are generally underlain by a northwest dipping Upper Jurassic continental volcanic sequence belonging to the Algarrobal Formation and Upper Palaeozoic to Lower Triassic continental volcanic and sedimentary rocks belonging to the Pastos Blancos Formation.

The bulk of the property covers several central vent volcanic complexes of dominantly andesitic-basaltic flows and breccias intercalated with local agglomerates and rhyolitic-dacitic flows belonging to the Algarrobal Formation. The Algarrobal volcanic rocks appear to be the extrusive products of at least two large local vents. The Algarrobal Formation unconformably overlies the Pastos Blancos Formation, which occupies most of the northeast third of the property.

The Pastos Blancos Formation is locally comprised of rhyolitic-dacitic flows, breccias, ignimbrites and intercalated andesitic flows agglomerates and sandstones. In the northeast corner and south-central sectors of the property quartz-diorite stocks belonging to the Neogene Infiernillo Unit have intruded both the Algarrobal and Pastos Blancos.

The principle structural element of the property is a system of N-NE trending faults belonging to the regionally extensive Baños de Toro Fault system, which crosscuts the belt of eroded strato-volcanoes in the central and northeastern sectors of the claims.

Exploration History

In 1990-91, prospectors operating from the El Indio mining camp, then owned by Lac Minerals, completed preliminary reconnaissance prospecting of the alteration zones exposed along an E-W trending branch of the Apolinaro River that crosses the northern third of the Apolo property.

During this same program preliminary reconnaissance prospecting of the two northern alteration zones from the Apolinaro River, which cuts the northeast corner of the Sancarron property was also carried out.

In December 2021, Minera Kairos personnel initiated a rock sampling program at the Apolo and Sancarrón projects with the objective of verify the 1990-91 gold and silver assays mentioned above and recorded on a 1992 geology and alteration compilation map of the area which did not have the specific sample coordinates. For this purpose, the sampling areas indicated on this map were located on the current property, using as reference points the shapes of the creeks, faults, mining property, etc. Once this was done, the areas where the old samples were indicated to have been taken were identified on the local satellite images, for subsequent fielding checking in the December program.

Exploration Potential

The Apolo and Sancarron properties are still at an early exploration stage and to date there is insufficient data to allow anything more than comparisons to known deposits of similar type to illustrate the potential size of the mineralized bodies that could be encountered.

2. Carmona

Exploration Targets

The Carmona project has the potential to host several related deposit types,

- Semi-massive sulfide vein and disseminated Au-Ag-Cu deposits and or,

- Porphyry style Cu-Au-Ag plus associated Cu-Au-Ag skarn deposits

Introduction

Carmona is an early staged exploration property covering several large zones of phyllic to silicic hydrothermal alteration that encompasses an old pre-Columbian gold mining camp.

Regionally, it lies on the eastern flank of the Central Cretaceous - Palaeocene Porphyry Copper-Gold Belt in a similar regional geological – structural setting as the ex-Dayton gold and currently operating Teck Resources Carmen de Andacollo copper-gold-silver mines to the northwest and the Relincho deposit to the north.

The Carmona property is readily accessible year-round from the town of Ovalle, 70 kilometres to the west, via paved road to the village of Cerrillos 20 kilometres southwest of the property boundary. Several good gravel roads heading generally northeast from Cerrillos to several old mines afford access to the interior of the property.

Claims and Ownership

The Carmona property consists of 27 exploration concessions totaling 7,500 hectares, owned 100% by LITH through its wholly owned Chilean subsidiary Minera Kairos.

Property Geology

The Carmona property is part of the Oro Brillante mining district and lies within the Vicuña Fault system on the eastern edge of the Central Porphyry Copper-Gold Belt and covers a gently east dipping Mid-Upper Cretaceous stratified volcano-sedimentary sequence belonging mainly to the Ovalle Group and Viñita Formation.

Marine to continental andesitic volcanic rocks with interbedded fossiliferous marine sediments of the Ovalle Group dominate the eastern half of the property. Viñita Formation continental andesitic lavas, ignimbrites, trachyte, volcanic breccias and derived epiclastic sediments from several central vent volcanic complexes dominate the western half of the property.

Younger Late Cretaceous-Eocene quartz-diorite and granodiorite bodies belonging to the Cogoti Supergroup intrude the volcano-sedimentary rocks. The largest of these intrusives, the Guanta stock is a 5 km long N-S trending body intruding the Ovalle Group volcano-sedimentary sequence.

The principle structural elements of the property are major N-NNE trending faults belonging to the regionally extensive Vicuña Fault system and associated NW trending splays which generally separate the Ovalle Group and Viñita sequences and host smaller Cogoti plugs and dykes.

Exploration History

There has been no recent systematic exploration in the property area prior to Minera Kairos 2019 – 2022 geological and geochemical programs. There are, however, several old high-grade mines (Salamanca, Gualtatas Norte and Andariegos) which were worked for grades greater than 50 g/t gold along both flanks of Quebrada Buitre in the south quadrant of the property. Old "marayas" (Inca rocker mills) of various vintages are still present on the prospect. Artesian miners also worked the area up to about 1995.

In 1983, the Chilean government Agency for Regional Development (SERPLAC) funded an exploration program in the local area which included geological mapping, and geochemical sampling. Samples were taken by SERPLAC from the narrow veins within the old Salamanca Mine on the south edge of the property.

In 1990, a Chilean private company Exploraciones Rio Bravo Ltda. (RIO BRAVO) prospected the southern part of the Carmona property, mainly to verify some of the SERPLAC sampling and test the sericite rich hydrothermal breccias associated with the local branches of the Vicuña Fault system.

Minera Kairos Exploration

Between April 2019 and June 2022 Minera Kairos completed a preliminary reconnaissance geological mapping and stream sediment geochemical survey covering the bulk of the Carmona property and detailed soil geochemical sampling, geological mapping and rock sampling concentrated within the Central and South alteration zones.

Exploration Potential

The Carmona Property is still at an exploration stage and to date there is insufficient data to allow anything more than comparisons to known deposits of similar type to illustrate the potential size of the mineralized bodies that may be encountered. The nearest deposit with comparable metallogenic setting, prior poly-metallic vein production history, alteration and mineralization is the currently operating Teck Resources Carmen de Andacollo gold-silver and copper-gold-silver mines 55 km to the northwest.

3. La Fortuna

Exploration Target

Disseminated gold-silver and or copper-gold porphyry deposits.

Introduction

The Fortuna property is an early-stage gold-copper exploration property located 95 kilometers northeast of La Serena, Region IV, Chile, covering several large gold, silver and copper enriched hydrothermal alteration zones.

Regionally it is located within the San Felix thrust and fold belt which locally defines the western edge of the Andean Mega Porphyry Copper-Gold-Molybdenum Belt of Eocene – Miocene age, 50 kilometres southeast of the village of San Felix, in the Province of Huasco, III Region, Chile and 32 kilometres west of American Barrick's' Pascua-Lama mine development project.

The Fortuna property is readily accessible via the all-weather road to the Pascua-Lama, which heads east-northeast from Highway 5N, 75 kilometres north of La Serena. The Fortuna property is accessible year-round by road from La Serena. Driving time is in the order of 1 hour and 45 minutes.

Claims and Ownership

The property consists of 25 contiguous exploration concessions and 4 contiguous exploitation concessions totaling 7,700 hectares owned 100% by LITH through its wholly owned Chilean subsidiary Minera Kairos.

Property Geology

The Fortuna property lies on the western edge of the San Felix thrust and fold belt in the Casablanca District, 35 kilometres west of the Pascua-Lama gold-silver-copper deposit and 90 kilometres southeast of the El Moro copper-gold porphyry deposit. The San Felix thrust and fold belt is the southerly continuation of Agua Marga-Sierra Castillo Fault system and the Potrerillos thrust and fold belt in the El Salvador copper-gold porphyry district located at the south end of the Domeyko Fault system.

The property is underlain by a Mid-Upper Triassic stratified volcanosedimentary sequence belonging mainly to the San Felix and El Verraco Formations. Epiclastic sediments dominate the former; the later andesitic lavas, volcanic breccias and derived epiclastic sediments. Major northeast trending faults belonging to the regionally extensive San Felix thrust and fold belt and associated northwest trending splays slice up the volcano-sedimentary rocks into a series of sub-parallel fault blocks.

Late Cretaceous-Eocene quartz-diorite and granodiorite bodies belonging to the Cogoti Super Group intrude the volcano-sedimentary rocks. The more acid porphyritic phases of these intrusives range from monzonite to quartz dacite and quartz porphyritic rhyolite and generally occur as tabular to semi-circular bodies along the San Felix belt fault systems.

Exploration History

LITH is not aware of any prior systematic exploration in the property area. There are, however, old placer tails along Fortuna Creek below the Fortuna and Casablanca Zones which evidence small scale alluvial gold mining reportedly dating from the late 1950's.

In 1995 and 1996 a Chilean private company, Minera Andelá (Andelá) prospected the Casablanca Zone. The Andelá reconnaissance sampling focused on the northeastern sector of the Casablanca Zone.

Between November 2011 and March 2012 POLAR STAR, a Canadian Exploration Company, partially completed broad scale, in part helicopter supported, reconnaissance stream sediment geochemical sampling and prospecting of the main Casablanca and Fortuna drainage systems in the northwest quadrant of the property.

In November-December 2013 Minera Kairos extended these reconnaissance surveys into the southeast quadrant of the property.

Exploration Potential

The prospecting, geological and geochemical surveys completed to date outlined eight priority target areas worthy of follow-up exploration: Fortuna, Casablanca North, Casablanca South, Henriquez, Toro, Lindo, Co. 3670 and Colorado.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information is derived from the audited financial statement of Kairos SpinCo as at June 30, 2024:

Cash ⁽¹⁾	\$1.00
Share capital ⁽¹⁾	\$1.00

Note:

- 1) Kairos SpinCo issued has issued one (1) Kairos SpinCo Share for \$1.00 cash. Kairos SpinCo has had no operations since incorporation.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

Following the Kairos Effective Date, Kairos SpinCo will raise a minimum of \$1,050,000 pursuant to the Kairos SpinCo Private Placement. Upon having received such funds, the estimated unaudited pro-forma working capital of Kairos SpinCo at June 30, 2024 is \$1,050,000. Consequently, Kairos SpinCo will have approximately \$1,050,000 in working capital after the Kairos Arrangement and Kairos SpinCo Private Placement have been completed.

Principal Purposes

The following table summarizes the expenditures anticipated by Kairos SpinCo required to achieve its business objectives during the 12 months following completion of the Kairos Arrangement:

Principal Purpose – Canadian Dollars	Amount to be Expended
Las Garillas Initial Exploration Program	\$225,000
General and administrative expenses	\$175,000
Chilean government annual concession renewal costs for the Kairos Properties	\$130,111
Oro Brillante option agreement payment obligations	\$410,142
Unallocated general working capital	\$109,747
Total	\$1,050,000

Kairos SpinCo intends to spend the funds available to it as stated in the table above which provides funding in the amount of Cdn\$225,000 to complete the Las Garillas Initial Exploration Program. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for Kairos SpinCo to achieve its objectives or to pursue other opportunities that management believes are in the interests of Kairos SpinCo. See "Risk Factors – Risks Relating to Kairos SpinCo's Business" in this Schedule "H".

Business Objectives, Strategy and Milestones

The primary business objectives for Kairos SpinCo over the next 12 months are to:

- 1) Complete the Las Garillas Initial Exploration Program;
- 2) Update the Las Garillas Technical Report to incorporate the results of the Las Garillas Initial Exploration Program; and
- 3) Evaluate further funding requirements and secure such required additional funding.

PRO-FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Kairos SpinCo as at June 30, 2024, adjusted to give effect to the Kairos Arrangement. You should read this table in conjunction with the Kairos SpinCo Pro-forma Financial Statements included in Appendix "III" to this Circular.

Expressed in Canadian dollars	As at June 30, 2024
Share capital	\$3,805,000
Retained earnings	-
Shareholders' Equity	\$3,805,000
	\$3,805,000

SUMMARY HISTORICAL AND PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION

The audited financial statements for Kairos SpinCo are for the period from the date of incorporation on April 10, 2024 to June 30, 2024. Kairos SpinCo had no operations during this period.

The unaudited pro-forma statement of financial position for the period ended June 30, 2024, 2024 gives effect to the Kairos Arrangement as if it had occurred on June 30, 2024.

The summary audited and pro-forma financial information should be read in conjunction with the Kairos SpinCo Audited Financial Statements and the Kairos SpinCo Pro-forma Financial Statements, which are attached as Appendices "I" and "III", respectively, to this Circular.

The summary audited and pro-forma financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the Kairos Arrangement had been completed on the date or for the periods noted above, nor do they purport to project the results of operations or financial position for any future period or as of any future date. In addition to the pro-forma adjustments that comprise this pro-forma financial information, various other factors will have an effect on the financial condition and results of operations of Kairos SpinCo following the completion of the Kairos Arrangement. See "Risk Factors – Risks Relating to Kairos SpinCo's Business" in this Schedule "H".

SELECTED PRO-FORMA FINANCIAL INFORMATION

Selected pro-forma financial information is as follows:

Expressed in Canadian dollars	As at June 30, 2024
Cash	-
Exploration and evaluation properties – mineral properties	3,805,000
	\$3,805,000
Share capital	\$3,805,000
	\$3,805,000

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of Kairos SpinCo consists of an unlimited number of Kairos SpinCo Shares and an unlimited number of preferred shares, issuable in series. As at June 30, 2024, there was one (1) Kairos SpinCo Share outstanding. As at the date of this Circular, there is one (1) Kairos SpinCo Share and no preferred shares issued and outstanding.

Following the purchase by Kairos SpinCo of all of the issued and outstanding shares in the capital of Minera Kairos for the Kairos Share Purchase Price, there will be 100 Kairos SpinCo Shares issued and outstanding, each held by LITH. Following the stock split and after giving effect to the Kairos Arrangement, there will be 20,632,765 Kairos SpinCo Shares issued and outstanding, which will be distributed such that the LITH Shareholders will become Kairos SpinCo Shareholders and LITH will cease to hold any Kairos SpinCo Shares.

Each Kairos SpinCo Share entitles the holder to receive notice of and attend all meetings of shareholders and to one vote at such meetings. Kairos SpinCo shareholders will be, at the discretion of the Kairos SpinCo Board and subject to applicable legal restrictions, entitled to receive any dividends declared by the Kairos SpinCo Board on Kairos SpinCo Shares. Kairos SpinCo shareholders will be entitled to share equally in

any distribution of the assets of Kairos SpinCo upon the liquidation, dissolution, bankruptcy or winding-up of Kairos SpinCo or other distribution of its assets among the Kairos SpinCo shareholders for the purpose of winding-up its affairs.

The preferred shares of Kairos SpinCo are issuable in one or more series. The Kairos SpinCo Board is empowered to fix the number of preferred shares and the rights, privileges, restrictions and conditions to be attached to the preferred shares of each series. No preferred shares have been issued.

DIVIDENDS AND DISTRIBUTIONS

To date, Kairos SpinCo has not declared or paid any dividends or distributions on the Kairos SpinCo Shares. Kairos SpinCo does not anticipate that cash dividends or distributions will be paid on its Kairos SpinCo Shares in the foreseeable future. Any declaration and payment in the future of any cash dividends or distributions will be at the discretion of the Kairos SpinCo Board.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Kairos SpinCo's audited financial statements for the period ended June 30, 2024 are attached to this Schedule "H" as Appendix "I".

Kairos SpinCo's MD&A for the period ended June 30, 2024 is attached to this Schedule "H" as Appendix "II".

OPTIONS TO PURCHASE SECURITIES

As of the date hereof, there are, and upon completion of the Kairos Arrangement there will be, no options to purchase Kairos SpinCo Shares issued and outstanding.

PRIOR SALES

Kairos SpinCo issued one (1) Kairos SpinCo Share to LITH at a price of \$1.00.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of Kairos SpinCo, as of the date of the Circular, no securities of any class of securities of Kairos SpinCo are held in escrow or subject to contractual restrictions on transfer following the completion of the Kairos Arrangement.

PRINCIPAL SHAREHOLDERS

To the knowledge of management of LITH and Kairos SpinCo, no person, firm or company will beneficially own, control or direct, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Kairos SpinCo immediately following the Kairos Effective Time other than as set below:

Name	Number of Kairos SpinCo Shares	Percentage of Kairos SpinCo Shares
Gator Capital Ltd.	3,797,128	18.40% ⁽¹⁾

Note:

- 1) On a non-diluted basis.

DIRECTORS AND EXECUTIVE OFFICERS

The names, municipality of residence and positions with Kairos SpinCo of the individuals who will serve as the directors and executive officers of Kairos SpinCo after giving effect to the Kairos Arrangement are set out below:

Name, Place of Residence and Position(s) with Kairos SpinCo	Principal Occupation During Five Preceding Years	Date Appointed	Number and Percentage of Kairos SpinCo Shares Owned Directly or Indirectly⁽¹⁾
Steven Cochrane ⁽²⁾ <i>Calgary, Alberta</i> President, Chief Executive Officer and Director	President and Chief Executive Officer of LITH since August 2017.	President and CEO: July 19, 2024, Director: April 10, 2024	324,600 1.57%
Al J. Kroontje ⁽²⁾ <i>Calgary, Alberta</i> 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.	April 10, 2024	967,700 4.69%
Michelle DeCecco ⁽²⁾ <i>Calgary, Alberta</i> Director	Vice President and Chief Operating Officer of LITH since 2021. Chief Executive Officer of Mondo Resources Inc. since 2013.	July 18, 2024	1,600 0.01%
Terence Walker <i>La Serena, Chile</i> Director	Vice-President, Exploration of LITH. 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.	July 18, 2024	Nil
Jana Lillies <i>Calgary, Alberta</i> Chief Financial Officer and Corporate Secretary	Chief Financial Officer of LITH since 2017. Prior thereto, Controller of LITH from 2010 to 2017.	July 19, 2024	45,000 0.22%

Notes:

- 1) After giving effect to the Kairos Arrangement.
- 2) A member of the Audit Committee.

Steven Cochrane – Age 71

Mr. Cochrane has been President and Chief Executive Officer of LITH since August 2017 and has 36 years of investment industry experience during which he has participated in raising in excess of \$500,000,000 for a variety of public companies in various businesses and industry sectors including mining. This experience includes his role as Vice President and Investment Advisor at Richardson GMP (and its predecessors) from March 2003 until August 2017.

Al J. Kroontje – Age 68

Mr. Kroontje is a professional engineer with over 30 years of experience in the resource industries who has also acted as a director, officer and audit committee member of numerous public companies. He is president of his private investment company Tailwind Capital Partners Inc.

Michelle DeCecco – Age 44

Ms. DeCecco has over 20 years of experience in the public mining sector specializing in capital markets, security regulations and corporate development. Throughout her career, Ms. DeCecco has been responsible for developing and executing overall corporate strategy including acquisitions, joint ventures, strategic partnerships, with a strong focus on shareholder communications. Michelle is the Vice President & COO of LITH and holds a Master's in Business Administration.

Terence Walker – Age 77

Mr. Walker is a Professional Geologist based in La Serena, Chile who has been active in mineral exploration in Chile for the past 23 years. Mr. Walker was Vice President, Exploration of POLAR from January 2008 to February 2012.

Jana Lillies – Age 57

Ms. Lillies has been Chief Financial Officer of LITH since 2017, and is currently and has been the Chief Financial Officer of numerous public companies.

The directors of Kairos SpinCo will thereafter be elected by the shareholders of Kairos SpinCo at each annual meeting of Kairos SpinCo shareholders, and will hold office until the next annual meeting of Kairos SpinCo, or until his or her success is duly elected or appointed, unless: (i) his or her office is earlier vacated in accordance with the constating documents of Kairos SpinCo; or (ii) he or she becomes disqualified to act as a director. The following table sets out for each member of management, the expected time that such individual expects to devote to Kairos SpinCo:

<u>Name</u>	<u>Estimated Proportion of Time Committed to Kairos SpinCo Until Completion of the Initial Exploration Program</u>	<u>Position</u>	<u>Has Signed a Non-Competition or Non-Disclosure Agreement?</u>
Steven Cochrane	10%	President, Chief Executive Officer and Director	No
Jana Lillies	10%	Chief Financial Officer and Corporate Secretary	No

Ownership of Kairos SpinCo Shares

Following the Kairos Effective Time, the directors and executive officers of Kairos SpinCo, as a group, will beneficially own, or control or direct, directly or indirectly, approximately 1,338,900 Kairos SpinCo Shares being approximately 6.49% of the issued and outstanding Kairos SpinCo Shares (on a non-fully diluted basis) immediately following the Kairos Effective Time.

Cease Trade Orders

To the knowledge of management, no proposed director or executive officer of Kairos SpinCo is, as of the date of the Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including LITH) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued (i) while such person was acting in that capacity, or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Bankruptcies

To the knowledge of management, no proposed director or executive officer of Kairos SpinCo, or shareholder holding a sufficient number of securities to affect materially the control of Kairos SpinCo is, as of the date of this Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such 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, Kairos Arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management, no director or executive officer of Kairos SpinCo, or shareholder holding a sufficient number of securities to affect materially the control of Kairos SpinCo has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, Kairos Arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of management, no proposed director or executive officer of Kairos SpinCo, or shareholder holding a sufficient number of securities to affect materially the control of Kairos SpinCo 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 investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Kairos SpinCo will be subject in connection with the operations of Kairos SpinCo. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

EXECUTIVE COMPENSATION

To date, Kairos SpinCo has not carried on any active business. No compensation has been paid to date by Kairos SpinCo to its proposed executive officers.

Following completion of the Kairos Arrangement and completion of the Las Garillas Initial Exploration Program, it is anticipated that Kairos SpinCo will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth. Kairos SpinCo has arranged that the initial compensation structure reflects its intention to keep general and administrative costs low.

Kairos SpinCo has not established an annual retainer fee or meeting attendance fee for directors. However, Kairos SpinCo expects to reimburse directors for reasonable expenses incurred in the course of the performance of their duties as directors.

EQUITY COMPENSATION PLANS

Kairos SpinCo Option Plan

Kairos SpinCo has adopted a stock option plan that is identical to the LITH Option Plan. A summary of the Kairos SpinCo Option Plan is provided below but is qualified in its entirety by the full text of the plan contained in Appendix "IV" attached hereto.

The Kairos SpinCo 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 ("**Kairos SpinCo Options**") to purchase Kairos SpinCo Shares. The purpose of the Kairos SpinCo Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of Kairos SpinCo or any of its subsidiaries to achieve the longer-term objectives of Kairos SpinCo; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Kairos SpinCo; and to attract to and retain in the employ of Kairos SpinCo or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in Kairos SpinCo.

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

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

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

If a holder of Kairos SpinCo 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 Kairos SpinCo Options, whichever is earlier, exercise any Kairos SpinCo Options held by the holder, but only to the extent that the holder was entitled to exercise the Kairos SpinCo Options at the date of such cessation. In the event of the death of a holder of Kairos SpinCo 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 Kairos SpinCo Options, whichever is earlier, but only to the extent that the holder was entitled to exercise the Kairos SpinCo Options at the date of such holder's death.

Kairos SpinCo intends to issue options pursuant to the Kairos SpinCo Option Plan after completion of the Las Garillas Initial Exploration Program.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS AND EMPLOYEES

No director, senior officer, employee, or any of their respective associates or affiliates is or has been at any time since the inception of Kairos SpinCo, indebted to Kairos SpinCo or any of its subsidiaries.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

At the Kairos Effective Time, it is expected that Kairos SpinCo's audit committee (the "**Kairos SpinCo Audit Committee**") will be comprised of Messrs. Kroontje and Cochrane, and Ms. DeCecco, each of whom is "financially literate" within the meaning of NI 52-110. Mr. Cochrane shall not be "independent" of Kairos SpinCo. Mr. Kroontje and Ms. DeCecco shall be "independent" of Kairos SpinCo within the meaning of NI 52-110. Mr. Cochrane is not "independent" of Kairos SpinCo within the meaning of NI 52-110 by virtue of his position as President and Chief Executive Officer.

Relevant Education and Experience

The following relevant education and experience of the members of the Kairos SpinCo Audit Committee have been used in assessing their financial literacy:

Mr. Kroontje is a professional engineer with over 30 years of experience in the resource industries who has also acted as a director, officer and audit committee member of numerous public companies.

Mr. Cochrane has 36 years of investment industry experience during which he has participated in raising in excess of \$500,000,000 for a variety of public companies in various businesses and industry sectors including mining. This experience includes his role as Vice President and Investment Advisor at Richardson GMP (and its predecessors) from March 2003 until August 2017.

Ms. DeCecco has over 20 years of experience in the public mining sector specializing in capital markets, security regulations and corporate development. Throughout her career, Ms. DeCecco has been responsible for developing and executing overall corporate strategy including acquisitions, joint ventures, strategic partnerships, with a strong focus on shareholder communications. Michelle is the Vice President & COO of LITH and holds a Master's in Business Administration.

Kairos SpinCo Audit Committee Charter

It is anticipated that the Kairos SpinCo Board will adopt an audit committee charter, substantially in the form attached as Appendix "V" mandating the role of the Kairos SpinCo Audit Committee in supporting the Kairos SpinCo Board in meeting its responsibilities to Kairos SpinCo Shareholders.

Corporate Governance

The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers, which Kairos SpinCo shall be following the Kairos Effective Time. In addition, the CSA have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which will prescribe certain disclosure by Kairos SpinCo of its corporate governance practices. This disclosure is presented below.

Board of Directors

Following the Kairos Effective Time, the Kairos SpinCo Board will be comprised of four directors, of whom three shall be independent for the purposes of NI 58-101 and one who shall not be independent for the purposes of NI 58-101.

The following directors are independent in that they do not have a direct or indirect material relationship with Kairos SpinCo or one which could, in the view of the Kairos SpinCo Board, be reasonably expected to interfere with the exercise of a member's independent judgment:

Al Kroontje

Michelle DeCecco

Terence Walker

The following directors are not independent:

Steven Cochrane

There are no special structures or processes in place to facilitate the functioning of the Kairos SpinCo Board independently of Kairos SpinCo's management. However, the independent directors intend to meet regularly without the non-independent directors being in attendance and shall be given full access to management so that they may express their own views and communicate their expectations of the management.

Directorships

Certain of the proposed directors are also directors of other reporting issuers, as follows:

Director	Other Reporting Issuers
Steven Cochran	LITH Angkor Resources Corp. Stuve Gold Corp.
Al Kroontje	LITH San Lorenzo Gold Corp. Stuve Gold Corp. Hoshi Resource Corp.
Michelle DeCecco	Monumental Energy Corp. Sali Lithium Corp. Beyond Lithium Inc.
Terence Walker	LITH San Lorenzo Gold Corp. Stuve Gold Corp.

Board Mandate

The mandate of the Kairos SpinCo Board is to manage or supervise the management of the business and affairs of Kairos SpinCo.

Position Descriptions

The Kairos SpinCo Board has not developed written position descriptions for the Chairman, the Chair of each committee or the Chief Executive Officer. While the Kairos SpinCo Board has not developed a written position description for each such position, the Kairos SpinCo Board delineates the roles and responsibilities for each such position through ongoing communications among Kairos SpinCo Board members that occur with respect to such roles.

Orientation and Continuing Education of Board Members

Subsequent to the completion of the Las Garillas Initial Exploration Program, new Kairos SpinCo Board members are expected to receive an information package which includes reports on operations and results, Kairos SpinCo's policies and committee mandates. Kairos SpinCo Board committee meetings are expected to be held at Kairos SpinCo's offices and are planned to be combined with presentations by Kairos SpinCo's management and employees to give the directors additional insight into Kairos SpinCo's business. In addition, management of Kairos SpinCo shall make itself available for discussion with all Kairos SpinCo Board members.

Measures to Encourage Ethical Business Conduct

The Kairos SpinCo Board has found that the fiduciary duties placed on individual directors by Kairos SpinCo's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Kairos SpinCo Board in which the director has an interest, have been sufficient to ensure that the Kairos SpinCo Board operates independently of management and in the best interests of Kairos SpinCo.

Nomination of Directors

The Kairos SpinCo Board does not currently have a nominating committee ("**Nominating Committee**"). If appointed, the Nominating Committee shall consider the size of the Kairos SpinCo Board and 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 Kairos SpinCo Board's duties effectively and to maintain a diversity of view and experience. The Kairos SpinCo Board will consider the future composition of the Nominating Committee, and until such time as one is appointed, shall be responsible for the aforementioned considerations.

Determination of Compensation of Directors and Officers

The Kairos SpinCo Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors and officers of Kairos SpinCo.

Assessments

The Kairos SpinCo Board shall assess, on a periodic basis, the effectiveness of the Kairos SpinCo Board as a whole and of the Committees of the Board and the contribution of individual members.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained in the Circular. The risks described below are not an exhaustive description of all the risks associated with Kairos SpinCo's business. Please also refer to the section on "Risk Factors" in the Circular.

Risks Relating to Kairos SpinCo in Connection with the Kairos Arrangement

Following the Kairos Arrangement, Kairos SpinCo may be unable to make the changes necessary to operate as an independent entity and may incur greater costs

Following the Kairos Arrangement, the separation Kairos SpinCo from the other business of LITH may materially affect Kairos SpinCo. Kairos SpinCo may not be able to implement successfully the changes necessary to operate independently. Kairos SpinCo may incur additional costs relating to operating independently that could materially affect its cash flows and results of operations. Kairos SpinCo will require LITH to provide Kairos SpinCo with certain services and facilities on a transitional basis. Kairos SpinCo may, as a result, be dependent on such services and facilities until it is able to provide or obtain its own.

There does not exist a separate operating history of Kairos SpinCo as a stand-alone entity

Upon the Kairos Arrangement becoming effective, Kairos SpinCo will become an independent company. The operating history of LITH cannot be regarded as the operating history of Kairos SpinCo. The ability of Kairos SpinCo to raise capital, satisfy its obligations and provide a return to its shareholders will be dependent on future performance. It will not be able to rely on the capital resources of LITH.

Kairos SpinCo has no history of operations, earnings or dividends

Kairos SpinCo has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that the Kairos Properties will generate earnings, operate profitably or provide a return on investment in the future. The likelihood of success of Kairos SpinCo must also be considered in light of the risks, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Kairos SpinCo's proposed business strategies described in this Circular incorporate its management's best analysis of potential markets, opportunities and difficulties that it may face. No assurance can be given that the underlying assumptions will be achieved.

Kairos SpinCo has never paid a dividend and has no current plans to pay dividends in the future.

No market for Kairos SpinCo Shares

There is currently no market through which the Kairos SpinCo Shares may be sold. Kairos SpinCo has made application to list the Kairos SpinCo Shares on the TSXV, but any listing will be subject to Kairos SpinCo fulfilling all of the listing requirements of the TSXV and TSXV approval. If Kairos SpinCo is unable to meet the listing requirements or if listing is not approved by the TSXV for any reason, the purchasers may not be able to resell the Kairos SpinCo Shares. This may affect the pricing of the Kairos SpinCo Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Kairos SpinCo Shares, and the extent of issuer regulation.

An investment in Kairos SpinCo's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of Kairos SpinCo may lose their entire investment.

Risks Relating to Kairos SpinCo's Business

Risks factors of the business

Kairos SpinCo's operations are subject to all of the hazards and risks normally incidental to exploring, developing and exploiting natural resources. These risks include, but are not limited to: environmental hazards; industrial accidents; labour disputes; unusual or unexpected geologic formations or other

geological or grade problems; unanticipated changes in metallurgical characteristics and metal recovery; unanticipated ground or water conditions, rock falls, seismic activity, cave-ins, pit wall failures, flooding, rock bursts; periodic interruptions due to bad or hazardous weather conditions and other acts of God; unfavourable operating conditions; social unrest; and market conditions and commodity prices to which management can react but which management cannot control.

Any of these risks and hazards could adversely affect Kairos SpinCo's exploration activities or mining activities resulting in any of the following: an increase in the cost of exploration, development or production to a point where it is no longer economically feasible to continue; Kairos SpinCo writing down the carrying value of one or more properties or mines; delays or a stoppage in the exploration, development or production of the projects; suspensions of contracts with customers; damage to or destruction of mineral properties or processing facilities; environmental damage; and personal injury, death and legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may have a material adverse impact on the business, operations and financial performance of Kairos SpinCo.

Mining industry risks

The exploration for and development of mineral deposits involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Substantial expenses may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. There is no certainty that the exploration programs planned by Kairos SpinCo will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors such as the following: the particular attributes of the deposit, including size, grade and proximity to infrastructure; commodity prices, which fluctuate widely and cannot be predicted with certainty; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. As a result, it is possible that the financial performance of mineral properties will differ from plans and forecasts made in advance by Kairos SpinCo.

In addition, it is also common for mining operations to experience unexpected problems both during the start-up and during ongoing operations. To the extent that unexpected problems occur that affect production in the future, Kairos SpinCo's revenues may be reduced, costs may increase and Kairos SpinCo's profitability and ability to continue its mining operation may be adversely affected.

Kairos SpinCo substantially depends on one mineral project.

The Las Garillas Claims account for most of Kairos SpinCo's potential for the future generation of revenue. Any adverse development affecting the Las Garillas Claims will have a material adverse effect on Kairos SpinCo's business, prospects, profitability, financial performance and results of operations. These developments include, but are not limited to, the inability to obtain financing to develop the Las Garillas Claims, changes in technical parameters of project development, changes in costs or anticipated costs which may make it uneconomic to develop and/or operate the Las Garillas Claims, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, property, and which could hinder the development and operation of the Las Garillas Claims.

Kairos SpinCo's exploration and development properties (including the Las Garillas Claims) may not be successful, are highly speculative in nature, and may not result in the development of a producing mine.

Exploration for copper, gold and silver is highly speculative in nature. Kairos SpinCo's exploration activities in Chile involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and the availability of exploration capital. Kairos SpinCo cannot give any assurance that its current or future exploration efforts will result in the discovery of new mineral resources or a mineral reserve, or the conversion of mineral resources to mineral reserves or the discovery of new producing mines or ore bodies for the commercial extraction of minerals.

In addition, mineral deposits, even though discovered, may be insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Kairos SpinCo may be affected by additional factors which are beyond the control of Kairos SpinCo and which cannot be accurately

predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors, which may make a mineral deposit unprofitable to exploit.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Kairos SpinCo's mineral properties are in the exploration or early development stage only and are without known bodies of mineral reserves. Development of the Las Garillas Claims or any other of Kairos SpinCo's mineral properties will only follow upon obtaining satisfactory exploration results and the completion of feasibility or other economic studies. Whether such a producing mine is eventually economically feasible will depend on numerous factors, most of which are beyond the control of Kairos SpinCo, including: the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to mining tenements as well as obtaining all necessary consents, permits and approvals for the development of the mine. Should a producing mine be developed at the Las Garillas Claims, for which Kairos SpinCo can provide no assurance, other factors will ultimately impact whether mineral extraction and processing can be conducted economically at the Las Garillas Claims, including actual mineralization, consistency and reliability of ore grades and future commodity prices, as well as the effective design, construction and operation of processing facilities.

Fluctuations in the market price of mineral commodities

The profitability of Kairos SpinCo's operations will be dependent in part upon the market price of mineral commodities and base and precious metals, particularly gold. Mineral and metal prices fluctuate widely and are affected by numerous factors beyond the control of Kairos SpinCo. The level of interest rates, the rate of inflation, the world supply of and demand for mineral commodities, and exchange rate fluctuations can all cause significant commodity price fluctuations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be uneconomic, thereby having a material adverse effect on Kairos SpinCo's business, financial condition and results of operations. Fluctuations in market prices of mineral commodities subsequent to the date of any estimate of mineral reserve or mineral resource may require revision of such estimate. An adverse fluctuation in the market price of mineral commodities may cause a re-evaluation of the economic feasibility of any project. If the economic feasibility of a project is subsequently questioned, Kairos SpinCo may be adversely affected and may have to write off costs previously incurred.

Licenses and permits necessary for operations

The operations of Kairos SpinCo require licenses and permits from various governmental authorities. Obtaining necessary permits and licenses can be a complex and time-consuming process. Although all current operations are conducted under valid licenses and permits, Kairos SpinCo cannot be certain that it will be able to obtain necessary new licenses or permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop, delay or restrict Kairos SpinCo from proceeding with the development of an exploration project or the development and operation of a mine. Any failure to comply with applicable laws and regulations or permits could result in interruption or closure of exploration, development or mining operations, or fines, penalties or other liabilities being assessed against Kairos SpinCo. Kairos SpinCo could also lose its mining concessions under the terms of its existing agreements.

In particular, the Chilean government has recently announced its intention to form the "National Lithium Company of Chile" whose mandate will be to enter into government/private sector partnerships on non-strategic salars within Chile. Many of Kairos SpinCo's properties are located on those non-strategic salars.

Kairos SpinCo will require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to Kairos SpinCo.

Subsequently, Kairos SpinCo will make substantial capital and other expenditures related to exploration, and upon successful exploration results, future development and production. Kairos SpinCo will initially fund the exploration expenditures initially from the working capital provided by the Kairos SpinCo Private Placement, as Kairos SpinCo has no source of operating income. Kairos SpinCo will have further capital requirements and exploration expenditures as it proceeds to expand exploration activities at any of its properties, develop any such properties, or take advantage of opportunities for acquisitions, joint ventures

or other business opportunities that may be presented to it. Kairos SpinCo may incur major unanticipated liabilities or expenses. In particular, any development of the Las Garillas Claims into an operating mine will require substantial capital commitments which Kairos SpinCo cannot currently quantify and does not currently have in place. Kairos SpinCo can provide no assurance that it will be able to obtain financing on favourable terms or at all. Where Kairos SpinCo issues common shares or securities convertible into common shares in the future, such issuance will result in dilution, possibly substantial, to the then existing shareholders of Kairos SpinCo.

Kairos SpinCo is subject to risks relating to elevating capital costs and project delays.

Kairos SpinCo's Las Garillas Claims are located in Chile, a country with a busy and growing mining industry. Several other large scale projects are planned or in construction therefore both skilled and unskilled labour demand may frustrate developers. As a result, the ability to advance projects as scheduled and budgeted is uncertain.

Kairos SpinCo's operations are subject to operational risks and hazards inherent in the mining industry.

Kairos SpinCo's operations are subject to operational risks and hazards inherent in the mineral exploitation and extraction industry, including, but not limited to, variations in grade, deposit size, earthquakes and other Acts of God, density and other geological problems, hydrological conditions (including a shortage of water), availability of power, metallurgical and other processing problems, mechanical equipment performance problems, drill rig shortages, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, labour, and adverse weather conditions and unexpected inflationary changes in Chile as a result of the development and operation of other mineral projects in the country. Should any of these risks and hazards affect any of Kairos SpinCo's exploration and development activities, it may cause delays or a complete stoppage in Kairos SpinCo's exploration or development activities, which would have a material and adverse effect on the business of Kairos SpinCo.

Kairos SpinCo has no history of mineral production.

Kairos SpinCo currently has no advanced exploration or development projects. The Las Garillas Claims are an early stage exploration project that has no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations. Kairos SpinCo has no experience with projects in a stage and operation status similar to the Las Garillas Claims and uncertainties remain with exploration stage mining operations and Kairos SpinCo can provide no assurance that the necessary expertise will be available if and when it seeks to place any of its mineral properties into production, including the Las Garillas Claims. Kairos SpinCo has no experience in placing mineral properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with major mining companies that can provide such expertise. There can be no assurance that Kairos SpinCo will have available to it the necessary expertise when and if it places any of its mineral properties into production, including the Las Garillas Claims.

There is no assurance that title to mineral properties will not be challenged.

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral concessions and claims may be disputed. While Kairos SpinCo has investigated title to the mineral concessions and claims underlying the Las Garillas Claims, and other properties over which it has acquired options to purchase the underlying mineral concessions and claims, Kairos SpinCo cannot guarantee that title to any such properties will not be challenged, or that title to such properties will not be affected by an unknown title defect. Kairos SpinCo's mineral properties may be subject to prior unregistered liens, agreements or transfers, native land claims or other undetected title defects.

Kairos SpinCo is subject to a number of inherent exploration, development and operating risks.

Kairos SpinCo is engaged in mineral exploration and development, which is highly speculative in nature and involves many risks and is frequently not economically successful. Establishing and increasing mineral resources or mineral reserves depends on a number of factors including, among others, the quality of Kairos SpinCo's management and their geological and technical expertise, and the quality of land available for exploration. Once mineralization is discovered, it may take several years of additional exploration and

development until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling or drifting, to determine the optimal metallurgical process and to finance and construct mining and processing facilities. At each stage of exploration, development, construction and mine operation, various permits and authorizations are required, including the support and cooperation of surrounding communities and stakeholders. Applications for many permits require significant amounts of management time and the expenditure of substantial amounts for engineering, legal, environmental, social and other activities. At each stage of a project's life delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project and may reduce its economic viability. As a result of these uncertainties, there can be no assurance that mineral exploration and development programs will ultimately result in minerals.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions.

Kairos SpinCo conducts exploration activities entirely in Chile. Kairos SpinCo's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on Kairos SpinCo's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on Kairos SpinCo's cash flows, earnings, results of operations and financial condition. Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits (including export and/or customs approvals), opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold or other metals exports, and inadequate infrastructure. These risks may limit or disrupt Kairos SpinCo's operations and exploration activities, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

Changes in mining or investment policies or shifts in political attitudes in Chile may adversely affect Kairos SpinCo's business. Operations may be affected by governmental regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, including indigenous groups, water use and mine safety. The effect of these factors cannot be accurately predicted.

Government regulations may have an adverse effect on Kairos SpinCo's exploration and development activities and future operations.

Kairos SpinCo's exploration and development activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, mine development and protection of endangered and protected species, treatment of indigenous peoples and other matters. Each jurisdiction in which Kairos SpinCo has properties regulates mining and mineral exploration activities. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and conditions of existing permits and agreements applicable to Kairos SpinCo or its properties, which could have a material and adverse effect on Kairos SpinCo's current exploration and development activities. Where required, obtaining necessary permits can be a complex, time-consuming process and Kairos SpinCo cannot provide assurance whether any necessary permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Kairos SpinCo from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

Kairos SpinCo will not be able to obtain insurance coverage to cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.

The mineral exploration and mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, and monetary losses and possible legal liability. Kairos SpinCo does not currently carry any insurance policies. The insurance policies that Kairos SpinCo and its subsidiaries may obtain do not provide coverage for all losses related to their business and the occurrence of losses, liabilities or damage not covered by such insurance policies could have a material and adverse effect on Kairos SpinCo's profitability, results of operations and financial condition.

Kairos SpinCo will rely on its management team and outside contractors and the loss of one or more of these persons may adversely affect Kairos SpinCo.

The success of Kairos SpinCo is dependent to a significant extent on the efforts and abilities of its management and outside contractors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. Kairos SpinCo does not have in place formal programs for succession and training of management. There is significant competition to attract and retain qualified personnel in the mining industry. There can be no assurance that Kairos SpinCo will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect Kairos SpinCo's business, results of operations and financial condition.

Environmental and other regulatory requirements may adversely affect Kairos SpinCo.

Kairos SpinCo's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. The exploration operations of Kairos SpinCo and development and commencement of production on its properties, do and will require permits from various local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, treatment of indigenous groups and other matters.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The activities of Kairos SpinCo depend, to a substantial degree, on adequate infrastructure.

Mining, processing, development and exploration activities depend, to a substantial degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of Kairos SpinCo.

Kairos SpinCo faces significant competition for attractive mineral properties.

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Kairos SpinCo's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources Kairos SpinCo, Kairos SpinCo may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Currency risk

Kairos SpinCo's operations will incur most of its expenditures in Chilean pesos while its products are priced in United States dollars and its financial performance is reported in Canadian dollars. As a result of the use of different currencies, Kairos SpinCo may be subject to foreign currency fluctuations, which may materially affect the financial position and results of Kairos SpinCo. Kairos SpinCo does not currently engage in currency hedging to offset the risk of currency fluctuations.

Certain directors and officers may have conflicts of interest.

Certain of the directors and officers of Kairos SpinCo are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Kairos SpinCo may become subject to conflicts of interest. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Repatriation of earnings

There is no assurance that Chile or any other foreign country in which Kairos SpinCo or its subsidiaries may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Difficulty in enforcement of judgements

Substantially all of Kairos SpinCo's assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgements obtained against Kairos SpinCo, including judgements predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against Kairos SpinCo under Canadian securities laws.

Certain directors and officers, including Jose de Castro Alem, reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against Kairos SpinCo's directors and officers who are not resident in Canada. In the event a judgement is obtained in a Canadian court against one or more of our directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgement against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Chile or Argentina. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

PROMOTERS

Under applicable Canadian securities laws, LITH may be considered a promoter of Kairos SpinCo in that it took the initiative in founding Kairos SpinCo for the purpose of implementing the Kairos Arrangement.

Following the Kairos Effective Time, LITH will not beneficially own, control or direct, directly or indirectly, any voting or other equity securities of Kairos SpinCo.

MATERIAL CONTRACTS

Other than the Kairos Arrangement Agreement and the Kairos Share Purchase and Sale Agreement, Kairos SpinCo has not entered into any contract, other than contracts entered into in the ordinary course of business, that is material to Kairos SpinCo and that was entered into within the most recently completed financial year or before the most recently completed financial year but is still in effect.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which Kairos SpinCo is a party to, or in respect of which any of its assets are the subject of, which is or will be material to Kairos SpinCo, and Kairos SpinCo is not aware of any such legal proceedings that are contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against Kairos SpinCo by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Kairos SpinCo, and Kairos SpinCo has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL

Except as set out elsewhere in this Circular, no: (i) proposed director or executive officer of Kairos SpinCo; (ii) person that is expected to be a beneficial owner of, or who exercise direct or indirect control or direction over, more than 10% of the outstanding Kairos SpinCo Shares; or (iii) any associate or affiliate of any person referred to in (i) or (ii) above has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Kairos SpinCo or its subsidiary.

The directors and officers of Kairos SpinCo are also the directors and officers of LITH.

AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of Kairos SpinCo is MNP LLP. Its offices are located at Suite 2000, 112-4th Avenue S.W., Calgary, Alberta T2P 0H3.

It is expected that Odyssey Trust Company will be the transfer agent and registrar for the Kairos SpinCo Shares at its offices in Calgary, Alberta.

INTERESTS OF EXPERTS

Kairos SpinCo's auditors are MNP LLP, who have confirmed they are independent in respect of Kairos SpinCo within the meaning of relevant rules and related interpretations prescribed by the professional bodies in Canada and any applicable legislation.

Eric L. Hanson, B.Sc., P.Geo., is the author of the Las Garillas Technical Report. As of the date of this Circular, Mr. Hanson does not own any of the issued and outstanding LITH Shares or Kairos SpinCo Shares.

Evans, an independent financial advisory firm, has prepared the valuation report entitled "Comprehensive Valuation Report for Lithium Chile Inc. on Kairos Gold Inc." attached hereto as Schedule "J". Evans is considered to be independent of LITH and Kairos SpinCo.

APPENDIX "I"

**AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM DATE OF INCORPORATION ON
APRIL 10, 2024 TO JUNE 30, 2024**

(see attached)

KAIROS GOLD INC.

Financial Statements

For the period from the date of Incorporation on April 10, 2024 to June 30, 2024

To the Shareholder of Kairos Gold Inc.:

Opinion

We have audited the financial statements of Kairos Gold Inc. (the "Company"), which comprise the statement of financial position as at June 30, 2024 and changes in shareholder's equity and cash flows for the period from April 10, 2024 (date of incorporation) to June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024, and the results of its operations and its cash flows for the period from April 10, 2024 (date of incorporation) to June 30, 2024 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Calgary, Alberta

September 9, 2024

MNP LLP

Chartered Professional Accountants

MNP

KAIROS GOLD INC.
Statement of Financial Position
As at June 30, 2024
(Expressed in Canadian Dollars)

Assets	Notes		
Current			
Cash		\$	1
Total assets		\$	1

Shareholder's Equity

Share capital	4	\$	1
Total shareholders' equity		\$	1

Nature of operations	1
Proposed transaction	7

Approved by the Board:

signed "Al J. Kroontje"

Al Kroontje, Director

signed "Steve Cochrane"

Steve Cochrane, Director

The accompanying notes are an integral part of these financial statements.

KAIROS GOLD INC.**Statement of Cash Flows****For the period from the date of incorporation on April 10, 2024 to June 30, 2024***(Expressed in Canadian Dollars)*

	Notes		
Financing activities:			
Issuance of common shares	4	\$	1
		<hr/>	
Cash flows provided by financing activities		\$	1
Increase in cash		\$	1
Cash, end of period		\$	1

The accompanying notes are an integral part of these financial statements.

KAIROS GOLD INC.

Statement of Changes in Shareholder's Equity

For the period from the date of incorporation on April 10, 2024 to June 30, 2024

Common shares:	Number of common shares	\$
Shares issued for cash upon incorporation on April 10, 2024 (Note 4)	1	1
Balance, June 30, 2024	1	1

The accompanying notes are an integral part of these financial statements.

KAIROS GOLD INC.

Notes to the Financial Statements

For the period from the date of incorporation on April 10, 2024 to June 30, 2024

1. Nature of operations

Kairos Gold Inc. (the "Corporation" or "Kairos"), a private corporation, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on April 10, 2024. The registered office is located at 700, 903 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 0P7.

Kairos is a wholly-owned subsidiary of Lithium Chile Inc. ("LITH") and has had no operations to the date of these financial statements.

The Company was established in order to facilitate spin-out of certain mining assets. LITH intends to transfer all of the shares of its wholly owned Chilean subsidiary, Minera Kairos Chile Spa ("Minera Kairos"), to the Corporation. Minera Kairos is the owner of all of the copper/gold/silver claims held by LITH in Chile.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Corporation has not had any transactions except for the issuance of common shares since inception. The Company's continuation as a going concern is dependent upon successful completion of the transaction described in Note 7. Management intends to finance operating costs over the next twelve months with cash transfers from LITH. These conditions indicate the existence of material uncertainties that may cause doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of presentation

a) Statement of compliance

These financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect at the closing date of June 30, 2024.

These financial statements, and the policies applied herein, were authorized for issue by the Board of Directors on September 9, 2024.

b) Basis of measurement

These financial statements have been prepared under the historical cost method.

These financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

c) Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

There were no key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

KAIROS GOLD INC.

Notes to the Financial Statements

For the period from the date of incorporation on April 10, 2024 to June 30, 2024

3. Summary of material accounting policies

a) Cash

Cash includes cash on hand and deposits held with banks.

b) Fair value of financial instruments

The Corporation has classified its financial instrument fair values based on the required three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

c) Share capital

Proceeds from the issuance of common shares are classified as equity in the statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction, net of any tax effects.

4. Share capital

a) Authorized:

Unlimited number of common voting shares and preferred shares without nominal or par value.

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued since the Corporation's inception.

b) Issued Common Shares

Issued share capital is as follows.

	#	\$
Shares issued for cash upon incorporation	1	1

5. Capital management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to have sufficient capital to be able to explore and develop mineral properties in Chile. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

KAIROS GOLD INC.

Notes to the Financial Statements

For the period from the date of incorporation on April 10, 2024 to June 30, 2024

6. Financial instruments and risk management

The Corporation, as part of its operations, carries financial instruments consisting of cash. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from this financial instrument.

The Corporation doesn't have financial assets and liabilities measured at fair value. The carrying amount of cash approximates its fair value due to its short-term maturity.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation believes it has no significant credit risk.

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Corporation had a cash balance of \$1 and no liabilities.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Corporation has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Corporation does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Corporation is not exposed to commodity price risk.

7. Proposed transaction

LITH intends to transfer all of the shares of its wholly owned Chilean subsidiary, Minera Kairos Chile Spa ("Minera Kairos"), to the Corporation. Minera Kairos is the owner of the copper/gold/silver claims in Chile. Thereafter, at a meeting of the shareholders of LITH planned for October 17, 2024, the LITH Shareholders will be asked to consider, and, if thought advisable, approve a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act (Alberta)* involving the distribution of the common shares of Kairos (the "Kairos Shares"), to the shareholders of LITH on the basis of one (1) Kairos Share for every ten (10) common shares of LITH held by a shareholder of LITH on the effective date of such distribution. (the "Effective Time").

To facilitate such distribution of Kairos Shares to the LITH shareholders in the correct ratio, it is intended that a share split will be completed immediately prior to the Effective Time, such that the number of issued and outstanding Kairos Shares at the Effective Time will be equal to one-tenth (1/10) of the number of the then issued and outstanding LITH common shares.

APPENDIX "II"

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED JUNE 30, 2024

(see attached)

KAIROS GOLD INC.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for Kairos Gold Inc. ("Kairos" or the "Corporation") is a review of how the Corporation performed during the period covered by the audited financial statements of the Corporation from the date of incorporation on April 10, 2024 to June 30, 2024 (the "Audited Statements") and of the Corporation's financial condition and future prospects. This MD&A complements and supplements the Audited Statements and should be read in conjunction with the Audited Statements and the related notes thereto. The Audited Statements have been prepared in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

The Corporation's Board of Directors has reviewed and approved this MD&A which is effective September 9, 2024.

Certain information presented in this MD&A constitutes forward looking information that is subject to substantial risks and uncertainties. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to describe these forward-looking statements. By their nature, forward-looking statements necessarily involve risks such as loss of market, lack of qualified personnel, impact of the regulatory environment, and competition from other companies. Readers are cautioned that the assumptions used in the preparation of forward-looking information and statements, although considered reasonable at the time may prove to be imprecise. As such, undue reliance should not be placed on forward-looking statements. A number of factors, many of which are beyond the control of Kairos, may affect the actual performance of Kairos and actual results may differ from those expressed or implied by such forward looking information. Accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will occur, or if they do occur, what benefit Kairos will derive from them. Readers are cautioned not to place undue reliance on these forward-looking statements.

DESCRIPTION OF BUSINESS

Kairos Gold Inc. was incorporated by a Certificate of Incorporation pursuant to the provisions of the Business Corporations Act (*Alberta*) on April 10, 2024. The Corporation has had no operations since incorporation. It is a private company and is wholly-owned by Lithium Chile Inc. ("LITH"). LITH's common shares trade on the TSX Venture Exchange (the "**Exchange**") under the symbol "LITH".

At June 30, 2024, the Corporation had cash of \$1 being received on the issuance of the incorporator's 1 common share. Due to the nature of the mining industry, additional financing will be required in due course.

Management will seek additional forms of financing through the issuance of new equity or debt instruments to commence exploration activities. Without such funding being available, the Corporation may not be able to commence exploration activities.

SELECTED FINANCIAL INFORMATION

The following summarizes information derived from the Corporation's financial statement as at June 30, 2024:

Cash	\$	1
Share capital	\$	1
Number of common shares outstanding		1

OUTLOOK AND SUBSEQUENT EVENTS

At a Meeting of the holders of common shares in the capital of LITH (the "**LITH Shareholders**") planned for October 17, 2024, the LITH Shareholders will be asked, among other things, to consider, and, if thought advisable, approve a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) involving the distribution of the common shares of Kairos Gold Inc. (the "Kairos Shares") to the LITH Shareholders on the basis of one (1) Kairos Share for every ten (10) LITH common shares held by a LITH Shareholder.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

In addition, the following transactions are planned or have occurred subsequent to June 30, 2024 and are part of a series of transactions related to the Arrangement:

- The Corporation will acquire 100% of the shares of Minera Kairos Chile SpA ("Minera Kairos"), a wholly-owned subsidiary of LITH for the sum of \$3,805,000
Minera Kairos holds interests in copper, gold and silver properties in Chile.
- The Corporation will affect a stock split such that the number of issued and outstanding Kairos Shares will be equal to one tenth (1/10) of the number of issued and outstanding LITH shares. As at June 30, 2024, the stock split ratio would result in the number of issued and outstanding Kairos Shares to be 20,632,765.

The Corporation has submitted a listing application to the Exchange. In order to meet the Exchange's initial listing requirements, the Corporation intends to raise funds in the amount of \$1,050,000 following the completion of the Arrangement. This amount reflects the estimated 12 months financial obligations for the following:

- the recommended work program of \$225,000;
- payment obligations of approximately \$410,142 in connection to the Oro Brillante exploitation claim option agreement;
- annual Chilean concession and tax payments of approximately \$130,111;
- general and administrative expenses of \$175,000; and
- unallocated working capital of \$109,747

It is intended that such funding will be secured through the completion of a private placement in which LITH may or may not participate.

Financial Resources and Liquidity

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As described in the Outlook and Subsequent Event section, the Corporation will have \$1 cash and no liabilities. However, in due course additional funds will be required to fund its current operating costs and planned capital expenditure program.

Mineral Property Expenditure Commitments

The mineral properties to be acquired through the acquisition by the Corporation from LITH of 100% of the shares of Minera Kairos do not have any minimum work or expenditure commitments. The Corporation is obligated to make annual tax payments of approximately US\$4.15 to US\$27.66/hectare to the Chilean government in relation to exploration and exploitation concessions.

SHARE CAPITAL

Issued

	#	\$
Shares issued for cash upon incorporation	1	1

CASH FLOW

To date, the Corporation has a nominal cash balance of \$1 from the initial common share issuance.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Kairos is not a party to any industry contracts or obligations and there are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

There are no critical or material accounting estimates.

BUSINESS RISKS

Mining Industry Risks

The exploration for and development of mineral deposits involves a high degree of risk that even a combination of careful evaluation, experience, knowledge and sufficient financial resources may not eliminate. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit such as size, grade and proximity to infrastructure; commodity prices which are inherently cyclical and cannot be predicted with certainty; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted and the combination of these factors may result in not receiving an adequate return on invested capital.

Properties without Known Mineable Reserves

The Corporation's activities will continue to be directed towards the search for, evaluation of, and development of mineral deposits. There is no assurance that expenditures associated with those activities will result in securing commercial mineral deposits and actual expenditures may be higher than currently anticipated.

Uncertainty as to Calculations of Mineral Deposit Estimates

There is a significant degree of uncertainty attributable to the calculation of mineral deposit estimates. Until the mineral is actually mined and processed, mineral deposit estimates, grades and recovery rates must be considered as estimates only. Consequently, there can be no assurance that any mineral deposit estimates or grade information will prove accurate. In addition, the value of mineral deposits may vary depending on mineral prices and other factors. Any material change in grades, stripping ratios or other mining and processing factors may affect the economic viability of projects. Furthermore, mineral deposit estimate information should not be interpreted as any assurance of mine life or of the potential profitability of existing or future projects.

Uninsurable Risks

The Corporation may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce the funds available for development and mining activities. Payment of liabilities for which the Corporation does not carry insurance may have a material adverse effect on the Corporation's financial position.

Currency

Currency fluctuations may materially affect the financial position and results of Kairos. Kairos does not intend to engage in currency hedging to offset currency fluctuations risks.

Governmental Regulation of the Mining Industry

The mineral development or exploration activities of Kairos are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to protection of the environment. Although the Corporation believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of Kairos or more stringent implementation thereof could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover deposits but also from finding deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of resources or reserves acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of Kairos and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of facilities, commodity markets, processing equipment availability and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in Kairos not receiving an adequate return of investment capital.

There is no assurance that Kairos' mineral exploration and development activities will result in any discoveries or acquisitions of commercial bodies of minerals. The long-term profitability of Kairos operations will in part be directly related to the costs and success of its development efforts which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Although substantial benefits may be derived from the discovery or acquisition of a deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

If Kairos loses or abandons its interest in its properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by Kairos, whether by way of option or otherwise, should Kairos wish to acquire any additional properties.

The business of exploration and development of minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines and there is no guarantee Kairos' new projects will become producing mines.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and Kairos may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Kairos.

Permits and Licenses

The future operations of Kairos may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that Kairos will be able to obtain all necessary permits and approvals that may be required to undertake development activity or commence construction or operation of mine facilities on Kairos' properties.

Environmental Legislation

Environmental laws and regulations may affect the operations of Kairos. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, Kairos generally relies on recognized designers and development contractors, from which Kairos will, in the first instance, seek indemnities. Kairos intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions hereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including Kairos may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Kairos and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although Kairos believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of Kairos' interests.

Market Prices

If Kairos seeks to bring a property to production, the profitability of its operations will be dependent in part upon the market price of the minerals. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of Kairos. The level of interest rates, the rate of inflation, the world supply of and demand for mineral commodities, and exchange rate stability can all cause significant price fluctuations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Kairos' business, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases and Kairos will compete with many companies possessing greater financial and technical resources than itself. Competition in the mining industry is primarily for: mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and, the capital for the purpose of funding such properties. Many competitors not only explore for and mine minerals, but conduct refining and marketing operations on a world-wide basis. Such competition may result in Kairos being unable to acquire desired properties (due to the auction process involved in property acquisition), to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Kairos' prospects for mineral exploration and success in the future.

Additional Financing

The exploration and development of Kairos' properties, including continuing exploration and development projects, and the construction of mining facilities and the commencement of mining operations, will require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration development or production on any or all of Kairos' properties or even a loss of a property interest. Sources of funds now available to Kairos are limited and may include the sale of equity capital, properties, royalty interests, the entering into of future joint ventures and the exercise of outstanding options and warrants. Additional financing may not be available when needed or, even, if available, the terms of such financing might not be favourable to Kairos and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on Kairos' business, financial condition and results of operations.

Competition for Key Personnel

Kairos will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on Kairos. Kairos' ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. Kairos faces intense competition for qualified personnel and there can be no assurance that Kairos will be able to attract and retain such personnel.

Possible Volatility of Stock Price

The market price of Kairos Shares will be subject to wide fluctuations in response to factors such as actual or anticipated variations in Kairos' consolidated results of operations, changes in financial estimates by securities analysts, general market consolidated and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of the Kairos Shares. Factors such as the price of minerals, announcements by competitors, and changes in stock market analyst recommendations regarding Kairos, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Kairos Shares. Moreover, it is likely that during future quarterly periods, Kairos' results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Kairos Shares could be materially adversely affected.

In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against Kairos, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on Kairos' business, financial condition and results of operations.

Ability to Manage Growth

The size of Kairos' business and assets is expected to grow in the coming years. In order to effectively deploy its capital and manage its growth, Kairos will need to retain additional personnel and augment, improve or replace existing systems and controls. As a result, there can be no assurances that Kairos will be able to effectively manage its growth and, if it is unable to do so, its business, financial conditions and results could be adversely affected.

Ability to Sell Securities

Securities of Kairos may be subject to resale restrictions under applicable securities legislation. Accordingly, there may be a long time period between the date of purchase of securities and the date that a shareholder is able to sell these securities. In this time, the market price of Kairos' securities will vary. Additionally, there may be limited liquidity in the market for such securities. As such, there is no assurance that the market price at which a shareholder is able to sell any will equal or exceed the price at which the securities were originally issued by Kairos.

Acquisition Risk

As part of Kairos' business strategy, it may seek to grow by acquiring businesses that it believes will complement its current business. Kairos may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel into its business. Kairos cannot guarantee that it can complete any acquisition it pursues on favourable terms, or that any completed acquisitions will ultimately benefit its business and the results of operations of Kairos.

The risks inherent with acquisitions include the risks associated with the integration of acquired operations, diversion of management's attention and potential loss of key employees. Kairos may not be able to successfully integrate products, technologies or personnel of a business acquired in the future. Failure could have a Material Adverse Effect on the business, financial condition and results of operations of Kairos.

Dividends

To date, Kairos has not paid any dividends on their outstanding shares and does not expect to do so in the foreseeable future. Any decision to pay dividends on Kairos' Shares will be made by the Board of Directors of Kairos on the basis of Kairos' earnings, financial requirements and other conditions.

Conflicts of Interest

Certain of the directors and officers of Kairos will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Kairos may become subject to conflicts of interest. The Business Corporations Act (Alberta) ("ABCA") provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Other Risks

Kairos also faces a number of risk factors that are outside of its control, generally, including, without limitation, terrorist activities, natural disasters, general economic and other conditions.

CORPORATE INFORMATION

CONTACT

Head Office

Kairos Gold Inc.
700, 903 – 8th Avenue S.W.
Calgary, Alberta T2P 0P7

DIRECTORS

Al J. Kroontje
Steve Cochrane
Michelle DeCecco
Terence Walker

AUDITORS

MNP LLP

Calgary, Alberta

BANKERS

ATB Financial

Calgary, Alberta

APPENDIX "III"

PRO FORMA FINANCIAL STATEMENTS OF KAIROS SPINCO

(see attached)

KAIROS GOLD INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at JUNE 30, 2024
(Unaudited)
(Canadian Dollars)

	June 30, 2024	Notes	Pro Forma Adjustments	Pro Forma
ASSETS				
Current				
Cash	\$ 1		\$ -	\$ 1
Exploration and evaluation properties – mineral properties	-	2(a)	3,805,000	3,805,000
	\$ 1		\$ 3,805,000	\$ 3,805,001
SHAREHOLDERS' EQUITY				
Share capital	1	3	\$ 3,805,000	\$ 3,805,001
	\$ 1		\$ 3,805,000	\$ 3,805,001

See accompanying notes to the pro forma consolidated statement of financial position

KAIROS GOLD INC.

Notes to Pro-Forma Unaudited Consolidated Statement of Financial Position As at June 30, 2024

1. Basis of Presentation

Management has prepared the accompanying unaudited pro-forma consolidated statements of financial position of Kairos Gold Inc. ("Kairos" or the "Corporation"), in accordance with Canadian generally accepted accounting principles. The pro-forma consolidated statement of financial position has been prepared from information derived from the audited financial statements of Kairos for the period from the date of incorporation on April 10, 2024 to June 30, 2024 together with other information available to the Corporation. Management believes the pro-forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the proposed transaction between Lithium Chile Inc. ("LITH") and Kairos.

The pro-forma consolidated financial statements should be read in conjunction with the audited financial statements for the period from the date of incorporation on April 10, 2024 to June 30, 2024 and the Plan of Arrangement Information Circular dated September 9, 2024 prepared in relation to a planned meeting of shareholders of LITH to approve a plan of arrangement (see below "Pro-Forma Transactions")

The pro-forma consolidated statement of financial position has been prepared on the basis that the completion of all of the transactions described below occurred on June 30, 2024. However, the pro-forma consolidated statement of financial position is not indicative of the financial position which would have resulted if the transaction had actually occurred on June 30, 2024.

2. Pro-Forma Transactions

At a meeting of the shareholders of LITH planned for October 17, 2024, the LITH Shareholders will be asked, among other things, to consider, and, if thought advisable, approve a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) involving, among other things, the distribution of common shares of Kairos (the "Kairos Shares"), currently a wholly-owned subsidiary of LITH, to the shareholders of LITH on the basis of one (1) Kairos Share for every ten (10) LITH Shares held by a LITH shareholder on the effective date of such distribution.

In addition, the following transactions are planned or have occurred subsequent to June 30, 2024 and are part of a series of transactions related to the Arrangement:

- a. The Corporation will acquire 100% of the outstanding shares of Minera Kairos Chile SpA ("Minera Kairos"), a wholly-owned subsidiary of LITH for the sum of \$3,805,000.
Minera Kairos owns interests in copper, gold and silver properties in Chile.
- b. Subsequently, the Corporation will affect a stock split such that the number of issued and outstanding Kairos Shares will be equal to one tenth of the number of issued and outstanding LITH shares. As at June 30, 2024, the stock split ratio would result in the number of issued and outstanding Kairos Shares to be 20,632,765.
- c. The Corporation intends to submit a listing application to the TSX Venture Exchange Inc. (the "Exchange"). These pro-forma statements do not include the funding required to meet the minimum listing requirement of \$1,050,000. This amount reflects the estimated 12 months financial obligations for the following:
 - the recommended work program of \$225,000;
 - the next option payment for the Oro Brillante acquisition in the amount approximately \$410,142;
 - annual Chilean concession and tax payments of approximately \$130,111;
 - general and administrative expenses of \$175,000; and
 - unallocated working capital of \$109,747

It is intended that such funding will be secured through the completion of a private placement in which LITH may or may not participate.

KAIROS GOLD INC.

Notes to Pro-Forma Unaudited Consolidated Statement of Financial Position As at June 30, 2024

3. Share Capital Continuity

A continuity of the Corporation's issued common share capital and related recorded values after giving effect to the pro forma transactions described in note 2 above is set out below

	Notes	Number of shares #	Amount
Common Shares			
Issued on incorporation		1	\$ 1
Acquisition of Minera Kairos	2(a)	99	3,805,000
Balance, end of period		100	\$ 3,805,001

APPENDIX "IV"

KAIROS SPINCO STOCK OPTION PLAN

(see attached)

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 Kairos Gold 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 August 13, 2024, 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.

APPENDIX "V"

AUDIT COMMITTEE CHARTER

(see attached)

KAIROS GOLD 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.

SCHEDULE "I"

LITH 2.0 SPINCO FOLLOWING THE LITH 2.0 ARRANGEMENT

(see attached)

SCHEDULE "I"

LITH 2.0 SPINCO FOLLOWING THE LITH 2.0 ARRANGEMENT

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APPENDICES:

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NOTICE TO READER

Capitalized terms used in this Schedule "I" and not otherwise defined herein shall have the meanings ascribed thereto in the Glossary of Terms contained in the Circular to which this Schedule "I" is attached.

FORWARD-LOOKING STATEMENTS

This Schedule "I" includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the LITH 2.0 Arrangement and the expected timing related thereto, the tax treatment of the LITH 2.0 Arrangement, the expected operations, financial results and condition of LITH 2.0 SpinCo following the LITH 2.0 Arrangement, the closing of the LITH 2.0 Share Purchase and Sale Agreement, LITH 2.0 SpinCo's future objectives and strategies to achieve those objectives, including, the future prospects of LITH 2.0 SpinCo as an independent company, any market created for LITH 2.0 SpinCo's securities, the estimated cash flow, capitalization and adequacy thereof for LITH 2.0 SpinCo following the LITH 2.0 Arrangement, the expected benefits of the LITH 2.0 Arrangement to, and resulting treatment of, the LITH 2.0 SpinCo Shareholders and the holders of options, the anticipated effects of the LITH 2.0 Arrangement, the estimated costs of the LITH 2.0 Arrangement, the satisfaction of the conditions to consummate the LITH 2.0 Arrangement, the terms of LITH 2.0 SpinCo's funding, anticipated exploration timelines for the Los Morros Claims, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management's current beliefs, expectations and assumptions and are based on information currently available to management, management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Schedule "I", LITH 2.0 SpinCo has made certain assumptions with respect to, among other things, the anticipated approval of the LITH 2.0 Arrangements by LITH Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSXV), the expectation that each of LITH and LITH 2.0 SpinCo will comply with the terms and conditions of the LITH 2.0 Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the LITH 2.0 Arrangement Agreement, that no unforeseen changes in the legislative and operating framework for LITH 2.0 SpinCo will occur, that LITH 2.0 SpinCo will meet its future objectives and priorities, that LITH 2.0 SpinCo will have access to adequate capital to fund its future projects and plans, that LITH 2.0 SpinCo's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the LITH 2.0 Arrangement not being obtained; the potential benefits of the LITH 2.0 Arrangement not being realized; the potential for the combined trading prices of the LITH Shares and the LITH 2.0 SpinCo Shares after the LITH 2.0 Arrangement being less than the trading price of LITH Shares immediately prior to the LITH 2.0 Arrangement; there being no established market for the LITH 2.0 SpinCo Shares; the potential inability or unwillingness of current LITH Shareholders to hold LITH Shares and/or LITH 2.0 SpinCo Shares following the LITH 2.0 Arrangement; LITH's ability to delay or amend the implementation of all or part of the LITH 2.0 Arrangement or to proceed with the LITH 2.0 Arrangement even if certain consents and approvals are not obtained on a timely basis; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the LITH 2.0 Arrangement; the reduced diversity of LITH and LITH 2.0 SpinCo as separate companies; the costs related

to the LITH 2.0 Arrangement that must be paid even if the LITH 2.0 Arrangement is not completed; and general business and economic uncertainties and adverse market conditions; risks related to LITH 2.0 SpinCo's status as an independent public company following the LITH 2.0 Arrangement; and risks related to the achievement of LITH 2.0 SpinCo's business objectives, including the acquisition of any additional mineral leases or other interests. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Schedule "I", see the risk factors discussed under the heading "Risk Factors" in this Schedule "I" and under the heading "Risk Factors" in the Circular, as well as the risks factors included in LITH's management's discussion and analysis for the year ended December 31, 2023 and as described from time to time in the reports and disclosure documents filed by LITH and LITH 2.0 SpinCo with the Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact LITH 2.0 SpinCo's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on LITH 2.0 SpinCo's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in and incorporated into this Schedule "I" are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of the Circular and except as required by applicable law, LITH and LITH 2.0 SpinCo undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by LITH or LITH 2.0 SpinCo that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Reference should also be made to the section entitled "Forward-Looking Information" in the Circular.

CORPORATE STRUCTURE

Name, address and incorporation

LITH 2.0 SpinCo was incorporated on April 11, 2024 under the ABCA.

The head and registered office of LITH 2.0 SpinCo is Suite 700, 903 - 8th Avenue S.W., Calgary, Alberta, T2P 0P7.

Pre-LITH 2.0 Arrangement Transactions

Since the incorporation of LITH 2.0 SpinCo by its parent company, LITH 2.0 SpinCo has had no operations. In order to give full effect to the overall terms of the LITH 2.0 Arrangement, LITH 2.0 SpinCo intends to enter into the LITH 2.0 Share Purchase and Sale Agreement with LITH pursuant to which LITH will sell, and LITH 2.0 SpinCo will purchase, all of the issued and outstanding shares in the capital of Inversiones Kairos for the LITH 2.0 Share Purchase Price. The completion of the LITH 2.0 Share Purchase and Sale Agreement will result in Inversiones Kairos, which holds the LITH 2.0 Properties, becoming a wholly-owned subsidiary of LITH 2.0 SpinCo. The LITH 2.0 Properties held by Inversiones Kairos are considered by LITH's management to be prospective for lithium accumulations. Until the LITH 2.0 Arrangement has been completed, LITH 2.0 SpinCo will continue to be a wholly-owned subsidiary of LITH. After completion of the LITH 2.0 Arrangement, LITH 2.0 SpinCo will be an independent Canadian reporting issuer initially owned by the LITH Shareholders on the LITH 2.0 Effective Date.

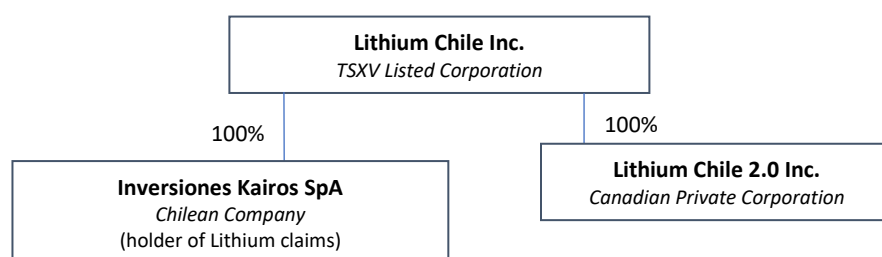
In addition to the LITH 2.0 Share Purchase and Sale Agreement described above, the following additional transactions will take place in order to give full effect to the overall terms of the LITH 2.0 Arrangement. Completion of these additional transactions is conditional upon LITH and LITH 2.0 SpinCo having satisfied certain conditions precedent, the most significant of which is LITH having obtained LITH Shareholder approval for the LITH 2.0 Arrangement. The additional transactions include:

- 1) Prior to entering into the LITH 2.0 Share Purchase and Sale Agreement, LITH will provide funding to LITH 2.0 SpinCo in the form of the LITH 2.0 SpinCo Financing, in an amount to be determined by the LITH Board based on the capital available to LITH at the time of the issuance. The proceeds from the LITH 2.0 SpinCo Financing will be used to fund general and administrative costs and will provide funds in the amount of \$916,000 to fund the Los Morros Initial Exploration Program.

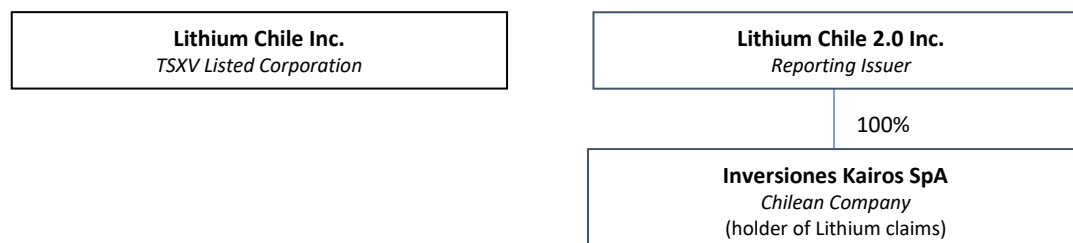
- 2) LITH 2.0 SpinCo will, immediately prior to the LITH 2.0 Effective Time, split the outstanding LITH 2.0 SpinCo Shares such that the issued and outstanding LITH 2.0 SpinCo Shares at the LITH 2.0 Effective Time will be equal to one-quarter (1/4) of the number of the then issued and outstanding LITH Shares so that LITH Shareholders will receive exactly one (1) LITH 2.0 SpinCo Share for every four (4) LITH Shares held by such LITH Shareholders at the LITH 2.0 Effective Time, subject only to rounding for fractional shares as described in the Circular to which this Schedule "I" is attached. As at June 30, 2024, the split of the outstanding LITH 2.0 SpinCo Shares would result in the number of issued and outstanding LITH 2.0 SpinCo Shares to be 51,581,914, which is the number of issued and outstanding LITH 2.0 SpinCo Shares that will be outstanding after giving effect to the LITH 2.0 Arrangement.

Intercorporate Relationship

The following diagram summarizes the ownership of, and intercorporate relationship between each of LITH, LITH 2.0 SpinCo and Inversiones Kairos prior to completion of the LITH 2.0 Share Purchase and Sale Agreement and the LITH 2.0 Arrangement:



The following diagram summarizes the ownership of, and intercorporate relationship between each of LITH, LITH 2.0 SpinCo and Inversiones Kairos after completion of the LITH 2.0 Arrangement.



BUSINESS OF LITH 2.0 SPINCO

Overview

On April 11, 2024, LITH formed LITH 2.0 SpinCo with the goal of creating a new corporation which will focus on the exploration and development of the LITH 2.0 Properties held in Chile. The LITH 2.0 Properties are held in LITH's wholly-owned Chilean subsidiary, Inversiones Kairos, a Chilean based "Sociedad por Acciones" or "Company by Shares". The LITH 2.0 Properties consist of a property portfolio consisting of 106,136 hectares in Chile prospective for lithium, which includes the Los Morros Claims.

History

LITH 2.0 SpinCo has not owned any assets (including no mineral claims) nor has it carried on any business activities to date. LITH 2.0 SpinCo intends to enter into the LITH 2.0 Share Purchase and Sale Agreement which contemplates the purchase of all of the issued and outstanding shares in the capital of Inversiones Kairos by LITH 2.0 SpinCo from LITH for the LITH 2.0 Share Purchase Price.

Strategy

As of the date hereof, LITH 2.0 SpinCo has one (1) LITH 2.0 SpinCo Share issued and outstanding, which has been issued to LITH. In order to maintain a 4:1 distribution ratio, LITH 2.0 SpinCo will split the existing LITH 2.0 SpinCo Shares immediately prior to the LITH 2.0 Effective Time, so that the number of LITH 2.0

SpinCo Shares issued and outstanding shall be exactly one-quarter (1/4) of the number of shares of LITH that are issued and outstanding after giving effect to any share issuances that occur between the date hereof and the LITH 2.0 Effective Date.

If the LITH 2.0 Arrangement is approved by the LITH Shareholders, LITH will distribute the LITH 2.0 SpinCo Shares at the LITH 2.0 Effective Time to the LITH Shareholders of record on the Record Date on a 4:1 basis so that the LITH Shareholders will receive one (1) LITH 2.0 SpinCo Share for every four (4) LITH Shares held by LITH Shareholders. The LITH Board may not proceed with the LITH 2.0 Arrangement if the LITH Sales Process is not successfully concluded.

LITH 2.0 SpinCo intends to expend the funds provided by the LITH 2.0 SpinCo Financing to conduct the first phase of the Los Morros Initial Exploration Program as recommended by Los Morros Technical Report. Dependent upon having received satisfactory results from Phase 1 of the Los Morros Initial Exploration Program, LITH 2.0 SpinCo intends to continue to Phase 2 of the Los Morros Initial Exploration Program. The remainder of the funds from the LITH 2.0 SpinCo Financing will be utilized for general working capital purposes and LITH 2.0 SpinCo may expend funds on further exploration of the Los Morros Claims, or another of its properties.

DESCRIPTION OF THE LOS MORROS CLAIMS

Qualified Person

On June 11, 2024, LITH commissioned a technical report on its Los Morros Claims (the "**Los Morros Technical Report**"). The Los Morros Technical Report was prepared in compliance with the requirements of NI 43-101, by Eric Hanson, P. Geo. (the "**Author**"), and is dated June 23, 2024. Mr. Hanson, an independent Consulting Geologist, has more than 30 years of exploration geology experience gained in Canada, South Africa, Namibia, Senegal, Uganda, Portugal, Brazil, Argentina, Bolivia, Mexico, and Chile. Mr. Hanson is a "qualified person" as that term is defined in NI 43-101.

The purpose of the Los Morros Technical Report is to describe and evaluate the Los Morros Claims with the objective of determining whether the claims merit further exploration work. All disclosure in this section relating to the Los Morros Claims of a scientific or technical nature is based on the Los Morros Technical Report. The Los Morros Technical Report is available for review at LITH's profile at www.sedarplus.ca.

Property Description and Location

The Los Morros Claims consist of 6 granted and owned exploration claims, totalling 1700 hectares. All claims are currently held by Minera Kairos, the wholly owned Chilean subsidiary of LITH. The project area is referred to herein as the "**Los Morros Project**" or the "**Project**" or the "**Property**". The Los Morros Claims are located 145 km to the east and inland of the city of Antofagasta, Chile. See Figures 4-1 and 4-2. Access is via the Baqedano railway station, located on the main north-south highway known as route 5 or the Panamerican Highway. The centre of the Los Morros Claims is at 503000 Easting, 7373000 Northing, PSAD 56, Zone 19J. Elevations are in the order of 2200m.

Figure 4-1: General location map. Modified after Geoexploraciones, 2021

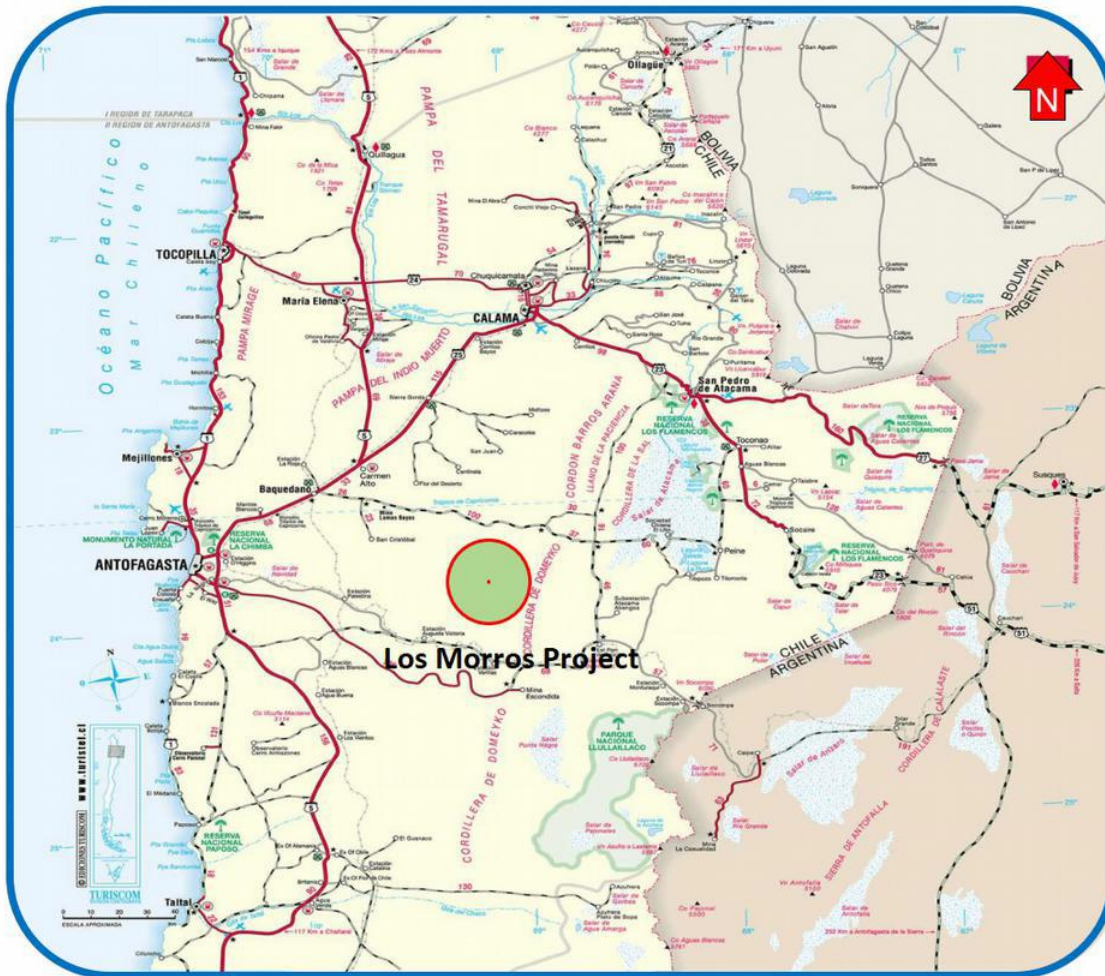
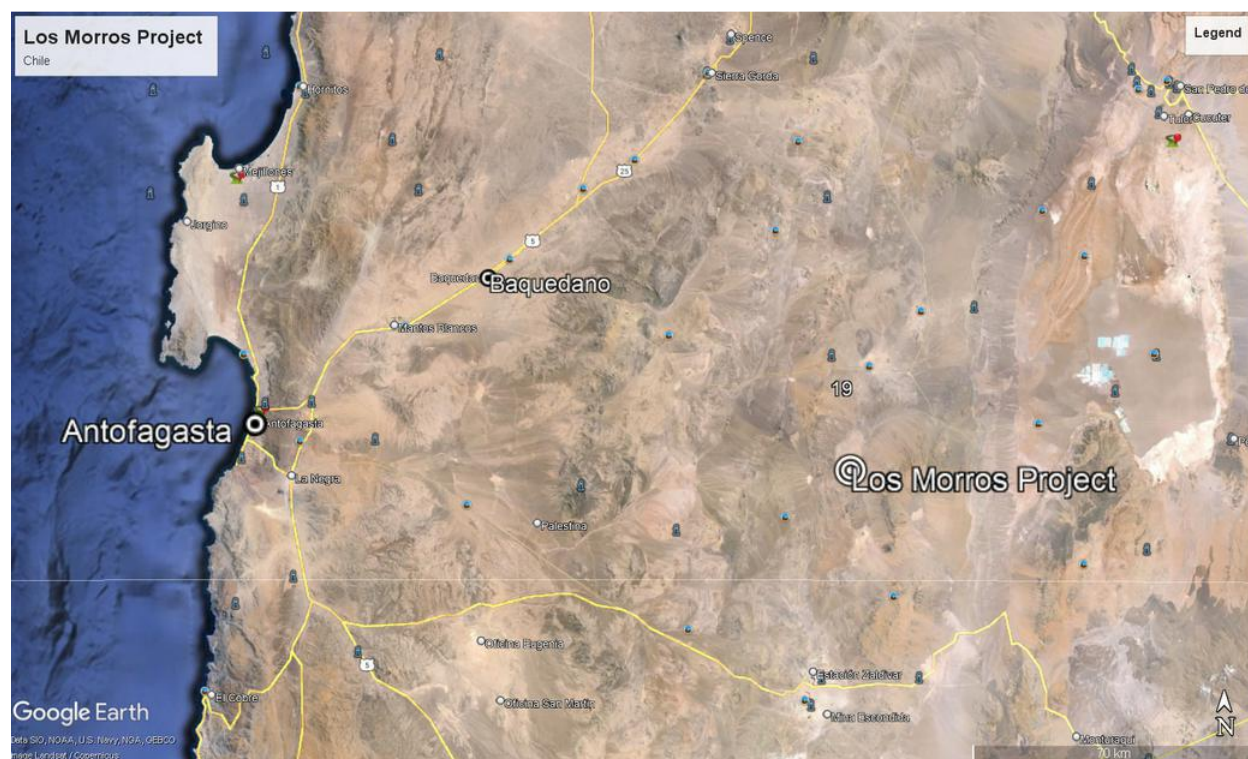


Figure 4-2. Satellite image showing Los Morros Project location



Claims and Ownership

The Los Morros Claims consist of 6 exploration claims totalling 1700 hectares.

Table 4-1: Los Morros Project Claims

Claim Name	Claim in Name of	ROL Number	Status	Area (ha)	Date of Expiry
MORRO IV 1	Minera Kairos	02206-K677-4	Granted	300	Jan 3, 2028
MORRO IV 2	Minera Kairos	02206-K676-6	Granted	200	Nov 13, 2027
MORRO IV 3	Minera Kairos	02206-K672-3	Granted	300	Oct 25, 2027
MORRO III 4	Minera Kairos	02206-K359-7	Granted	300	Jul 22, 2026
MORRO III 5	Minera Kairos	02206-K360-0	Granted	300	Sept. 20, 2026
MORRO IV 6	Minera Kairos	02206-K674-K	Granted	300	Oct 12, 2027
Total area =				1700	

The status of mineral claims in Chile can be checked online. The government body SERNAGEOMIN maintains a website for this purpose. Claims can be searched for by claim name, claim owner, ROL number of the claim, or geographically. The website of mineral claims is called the CATASTRO DE CONCESIONES MINERAS. It should be noted however, that the website is not always kept up to date.

Figure 4-3: Individual Los Morros Project Claims

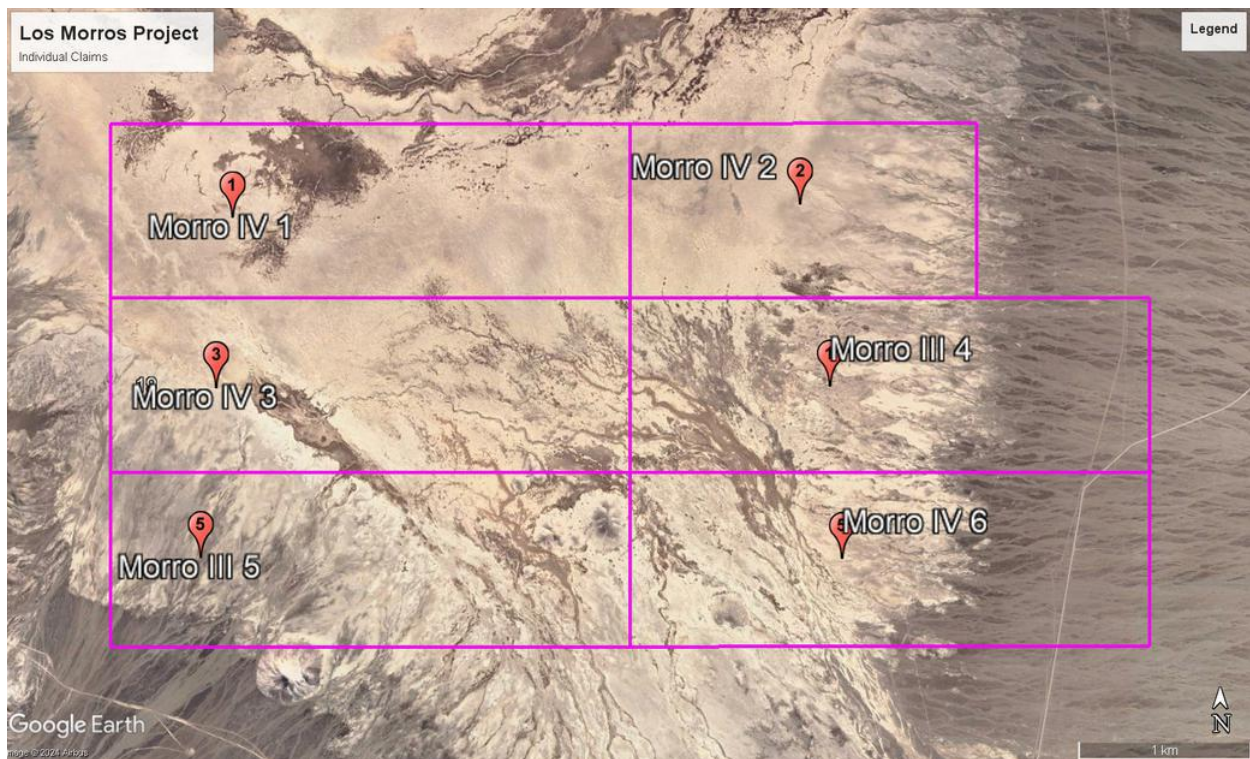
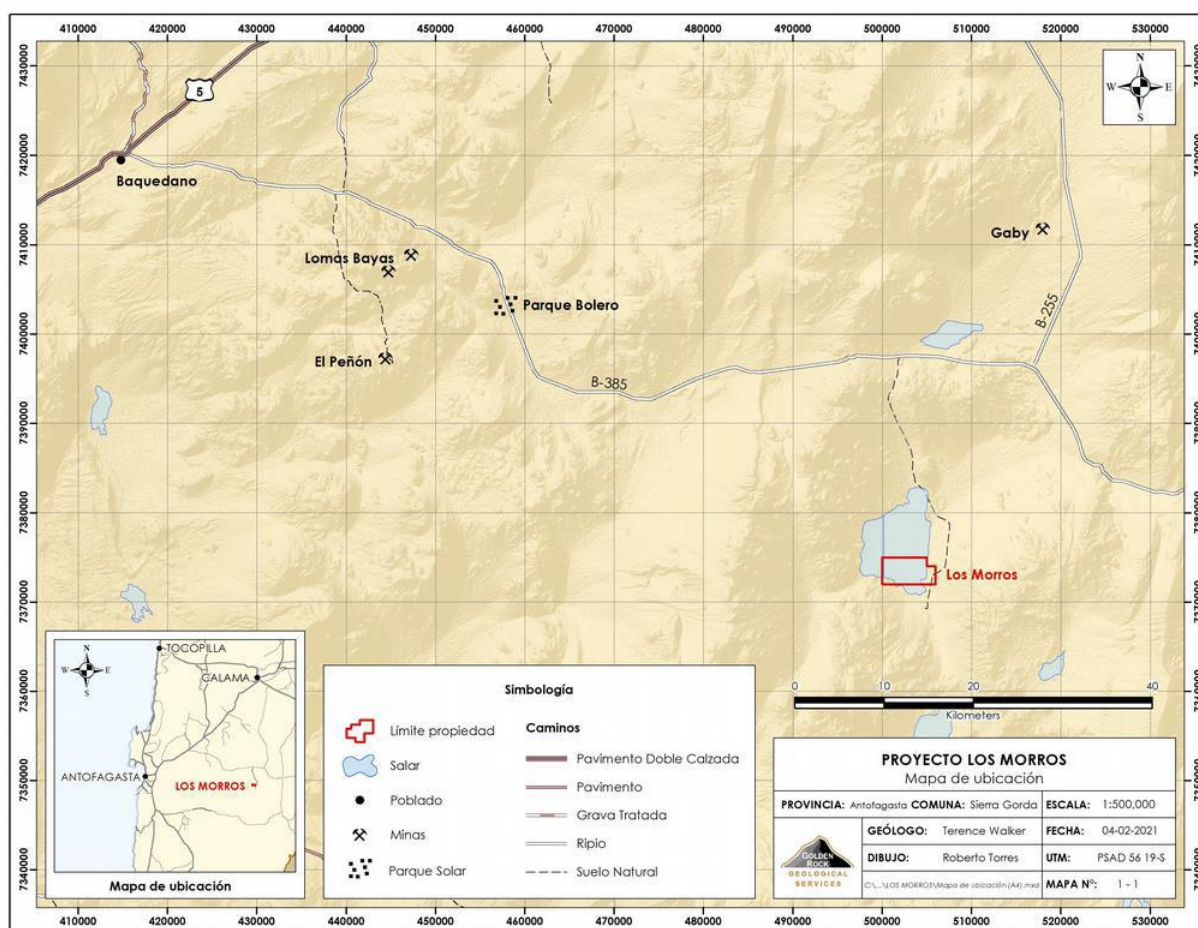


Figure 4-4: Access Map. Note Baquedano Station on Route 5 and the Gaby Mine



Mineral Claims and Mining Property Rights in Chile

In accordance with Chilean mining legislation, there are two types of modern mining concessions in Chile; exploration concessions and exploitation concessions.

Exploration Concessions – The titleholder of an exploration concession has the right to carry out all types of mining exploration activities within the area of the concession. Exploration concessions can overlap or be granted over the same area of land however, only the titleholder with the earliest dated exploration concession over a particular area can exercise the rights granted by the exploration concession.

For each exploration concession, the titleholder must pay annual fees. See table 4.2 on the amount of these annual fees. Exploration concessions have duration of four years. At the end of this period, the concessions must be converted into exploitation concessions.

A titleholder with the earliest dated exploration concession has preferential rights to exploitation concessions in the area covered by the exploration concession over and above any third parties with or without later dated exploration concessions covering all or part of that area. However, the titleholder must oppose any applications made by third parties for overlapping exploitation concessions within the area for the exploration concession for it to remain valid.

Exploitation Concessions – The titleholder of an exploitation concession is granted the right to explore and exploit the minerals located within the area of the concession and to take ownership of the minerals that are extracted. Exploitation concessions cannot overlap or be granted over the same area of land.

Exploitation concessions are of indefinite duration and an annual fee is payable to the Chilean Treasury. The annual fees for exploitation claims are five times more per hectare than exploration claims.

Where a titleholder of an exploration concession has applied to convert the exploration concession into an exploitation concession, the application for the exploitation concession and the exploitation concession itself is backdated to the date of the exploration concession.

A titleholder to an exploitation concession must apply to annul or cancel any exploitation concessions that overlap with the area covered by its exploitation concession within a specific time period in order for the exploitation concession to remain valid.

Surface Rights

All of the surface rights associated with the claims making up the Los Morros Claims are held by the Chilean military.

Legal Access

Surface rights of the Property are held by the Chilean military, which at times, uses the area in and around the Property for military exercises. Authorization to do field work must be obtained beforehand. To date, this has not been a problem in the past. Access for operations that involve underground operations including drilling require a permit issued under Chilean mining law by Chilean mining authorities.

Royalties, Back-in rights, etc.

The Property is not subject to any additional royalties, back-in rights or other encumbrances.

Environmental Liabilities

The Author is not aware of any additional environmental liabilities associated with the Property.

Permits

Any future drilling programs will require the filing of a standard Notice of Work with the Chilean Mining Authority, Servicio Nacional de Geológica y Minería ("**SERNAGEOMIN**").

Significant Risk Factors

To the knowledge of the Author, there are no other significant factors or risks besides those noted in the Los Morros Technical Report that may affect access, title, or the right or ability to perform work on the Los Morros Claims.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Elevation & Vegetation

The Los Morros Claims are located approximately 145 km inland from the Pacific Ocean coast. Flat plains with occasional low hills dominate the area. The Los Morros Project area is within the Atacama Desert ecosystem and as such, there is very little vegetation of any kind. Elevation is in the range of 2200 to 2300m above sea level.

Access

Access is possible year round. From Antofagasta, take the Panamerican Highway, locally known as "Ruta 5", to the north-east for about 73 km, up to the Baquedano train station. From there, access is by generally well maintained dirt roads. From leaving the Panamerican Highway at Baquedano, the driving distance to the property is approximately 130 km. A four wheel drive vehicle is recommended.

Proximity to Population Centres

To the northeast, approximately 122 km, is the town of San Pedro de Atacama. 144 km to the north is the city of Calama. Operating mines in the area include the Escondita Mine, 58 km to the south, and the Gaby Mine (Gabriela Mistral), 42 km to the northeast. There is road access to the Property from all of these locations.

Climate and Operating Season

Work is possible year round in this desert climate. Typically there is a modest amount of rainfall in January and February and negligible rainfall in the other months.

Surface Rights, Power & Water

Surface rights are held by the Chilean military. No formal access agreement exists. Access has not been a problem to date but must be authorized in advance.

Grid power is not available. Power must be supplied by generator.

There is no water supply on the Property. Water rights in Chile are controlled by the government using the General Water Directorate, known as the "Dirección General de Aguas".

History

Prior Ownership

The area in and around the Los Morros Project is prospective for copper. According to LITH's VP of Exploration, Terrance Walker, the Los Morros Project area itself was held by Freeport – McMorRan. Freeport – McMorRan let the claim lapse and the Los Morros Project area was claimed by Terrance Walker on behalf of LITH.

Work by Previous Owners/Operators

No known exploration work for lithium is known to have taken place by previous owners or operators.

Historical Mineral Resources/Reserve Estimates

The Author is not aware of any reserve estimates having been completed in accordance with the requirements of NI 43-101.

Production

There has been no past production of lithium on the Property. The Author is unaware of any past production of copper or other commodities from the Project area.

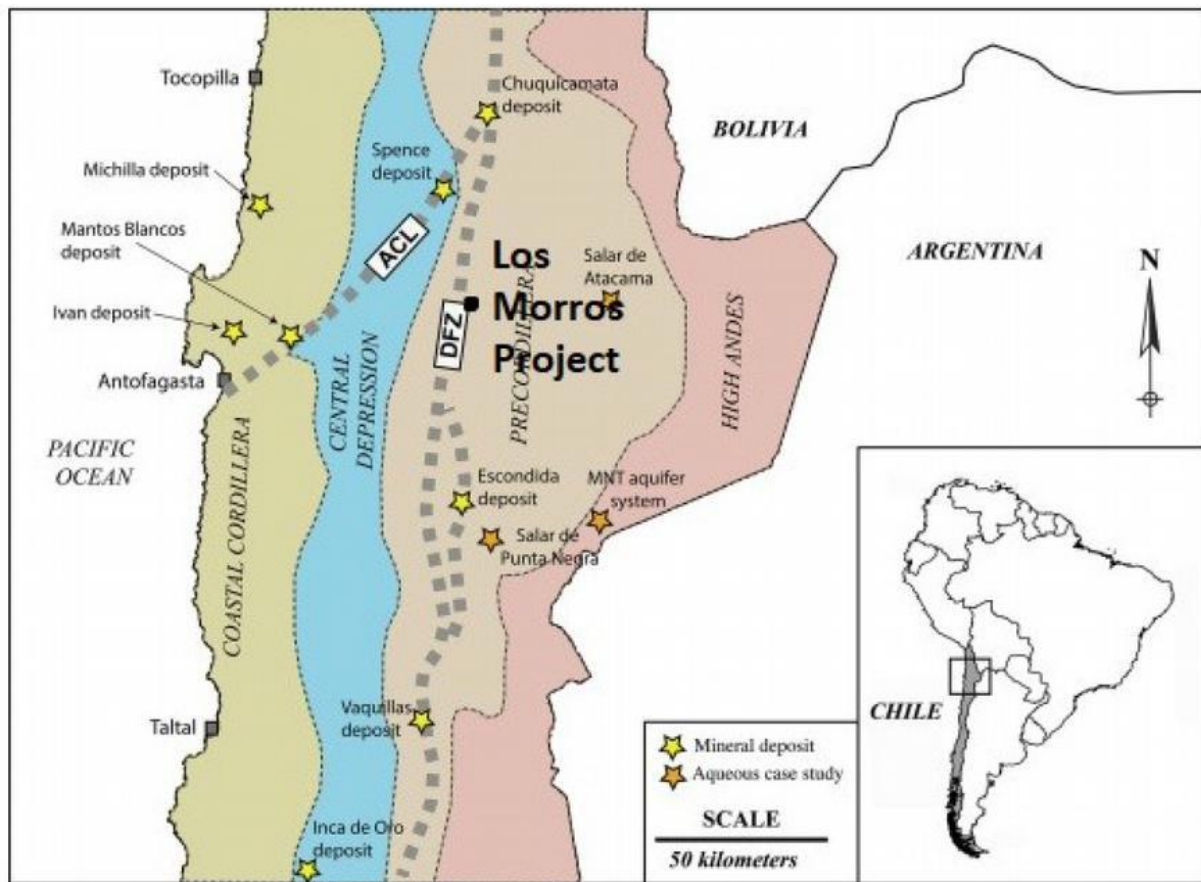
Geological Setting and Mineralization

Regional, Local and Property Geology

Northern Chile is divided into various zones or geological "belts". These zones are, from west to east, the Coastal Cordillera, the Central Depression, the Precordillera, and the High Andes. The Los Morros Project is located in the Precordillera, in or near the Domeyko Fault Zone. See figure 7-1. Figure 7-2 shows the Salar de Los Morros, the Los Morros Project area, in relation to other salars in the region. Figure 7-3 zooms to the Salar de Los Morros.

Figure 7-4 shows the geology of the Project area. Locally, the geology in and around the Los Morros Project is dominated by evaporite sequences of halite (salt) and gypsum. Also present are alluvial gravel deposits of the Miocene Epoch. These gravel deposits contain various intercalations of sand, silt, and tuff. Unconsolidated alluvial and colluvial deposits ranging in grain size from gravel to clay sized particles, are of Quaternary age. Some maps, although not the map in Figure 7-2, show a small amount of felsic hypabyssal intrusive rocks of the Agua Dulce formation within the Project area. The Agua Dulce formation is of Carboniferous to Permian in age.

Figure 7-1: Geological belts of Chile. After Kidder, et al, 2020. (Modified)



DFZ = Domeyko Fault Zone, ACL = Antofagasta-Calama Lineament

Figure 7-2: Salar de Los Morros in relation to other salars. (Modified after Villalobos, undated)

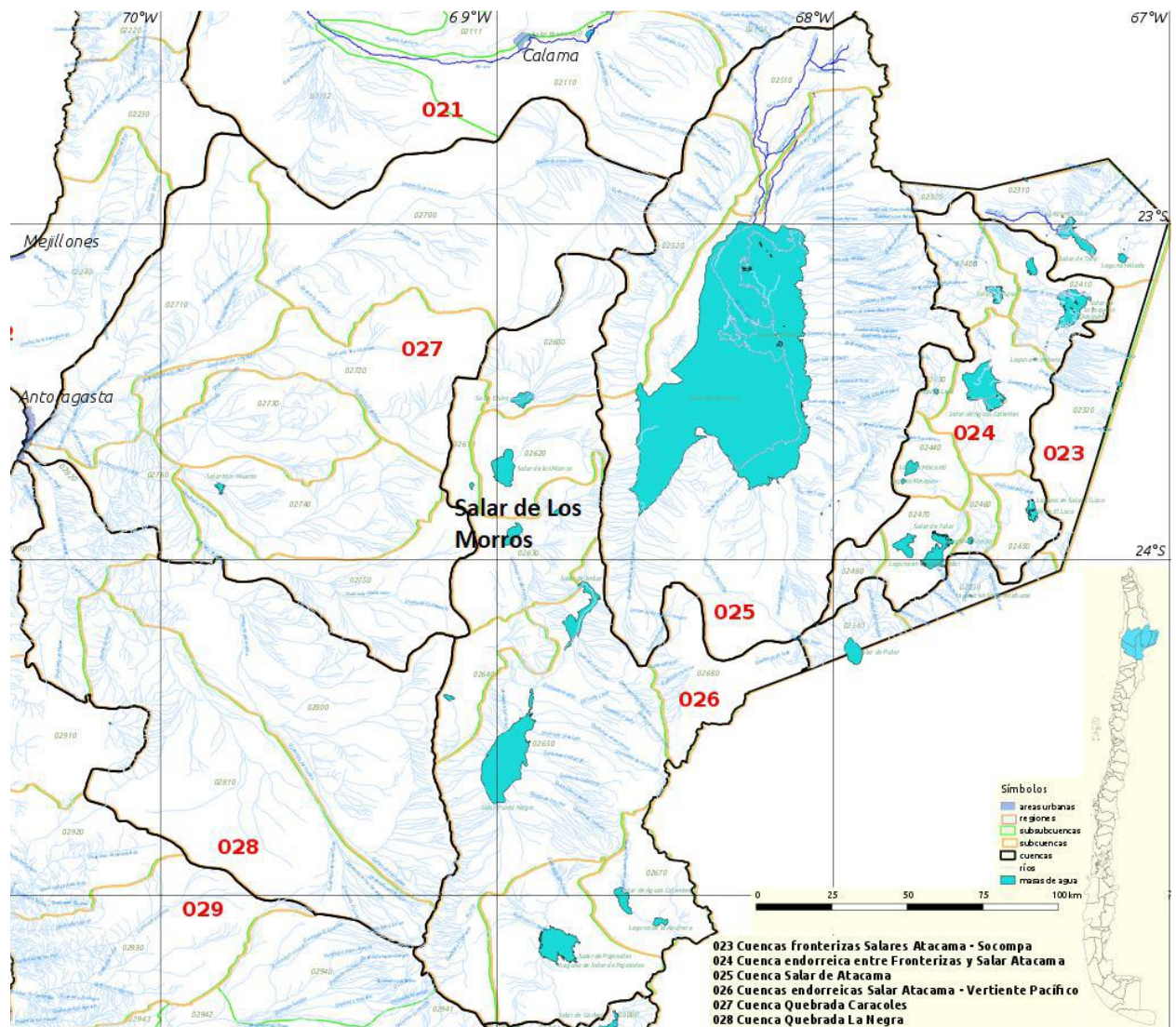


Figure 7-3. Zoom to Salar de Los Morros. (Modified after Villalobos, undated)

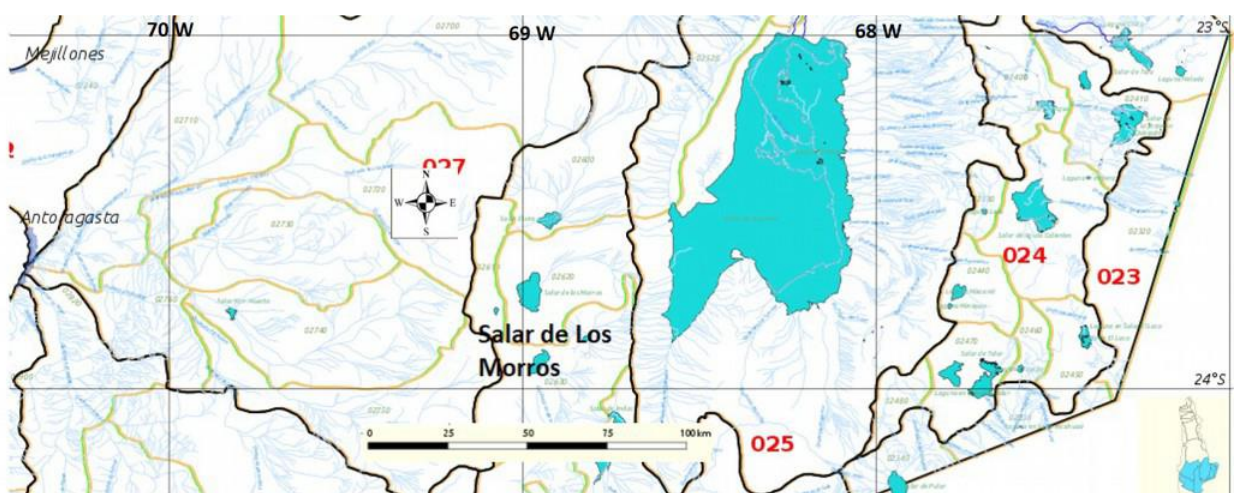
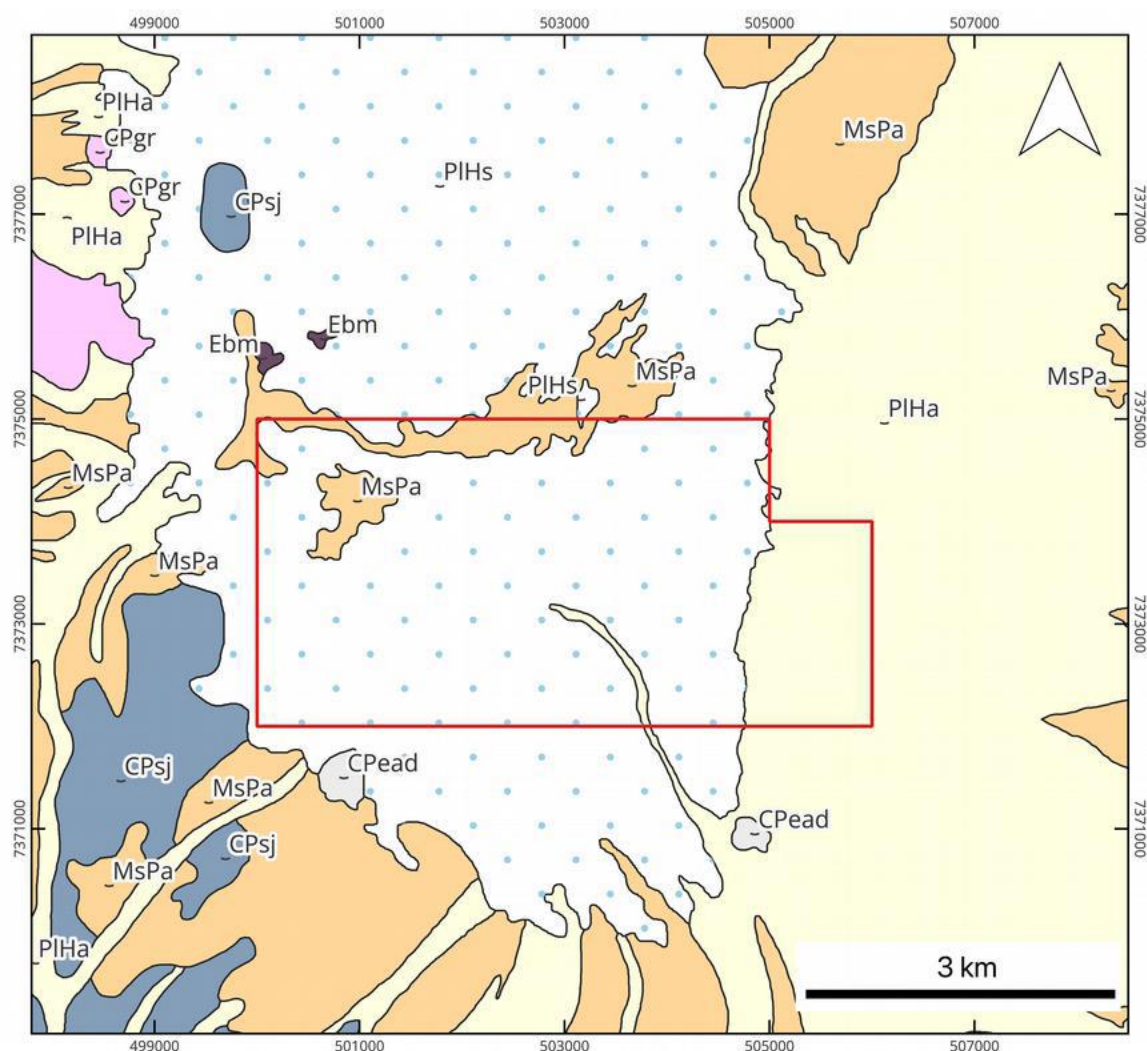


Figure 7-4. Local geology of the Los Morros Project



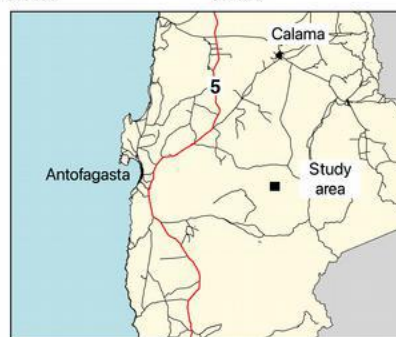
Property boundary

LEGEND

- PIHs** Saline deposits (Pleistocene - Holocene)
Evaporitic sequence of halite and gypsum.
- PIHa** Alluvial and Colluvial deposits (Pleistocene - Holocene)
Unconsolidated gravels, sands, silts, and clays.
- MsPa** Upper Miocene Alluvial deposits
Gravel deposits with intercalations of sands, silts, and fallout tuffs.
- Mg** Old gravel deposits (Lower Miocene - Middle Miocene)
Sequence of polymictic continental gravels with intercalations of sand.
- Ebm** Salar de Los Morros Basalts (Lower Eocene - Middle Eocene)
Porphyritic basalts of olivine and pyroxene.
- CPead** Agua Dulce Formation (Upper Carboniferous - Lower Permian)
Rhyolitic hypabyssal intrusions and domes with hydrothermal alteration.
- CPgr** Carboniferous-Permian Granitoids (291-297 Ma)
Granites with biotite, amphibole, and biotite.
Granodiorites with amphibole, pyroxene, and biotite.
Diorites with biotite, hornblende, and pyroxene.
- CPsj** Sierra del Jardín Riolites (Carboniferous - Permian)
Rhyolitic volcanic sequence composed of porphyries and welded tuffs.

GEOLOGICAL REFERENCES:

Carta Sierra Mariposa 1:100.000, Sernageomin, 2012
Carta Oficina Domeyko 1:100.000, Sernageomin, 2007



LOS MORROS PROJECT	
Regional geology	
GOLDEN ROCK Geological Services	REGION : Antofagasta
	GEOLOGY :
	DRAWN : Luis Astudillo
	PROJECTION : PSAD56
	COMMUNE : Sierra Gorda
	DATE : 13-06-2024
CLIENT : LITHIUM CHILE	

Significant Mineralization, Geological Controls, etc.

Salars or salt pans are normally the remnants of prehistoric lakes. They occur in desert environments when:

- (a) Rainwater flows into a lake and the water cannot drain further.
- (b) The rate of evaporation exceeds the rate of precipitation, as is the case in deserts.

Over thousands of years, mineral rich waters flow into the lake. The water evaporates and minerals precipitate. Given enough time, the entire lake fills with these evaporated minerals. Salts are quite common beneath a salt crust on the surface, water and brine (salty water) often remain.

In volcanically active areas, lava or pyroclastic flows can be deposited into the same paleo-lake and during rare events of high rainfall, normal clastic sedimentation occurs as well. The filled paleo-lake can therefore contain evaporite minerals, volcanics, volcanoclastics, and clastic sediments.

At Los Morros, the knowledge of geological controls is limited but will involve the extent of porous and permeable subsurface zones.

Deposit Types

Lithium brine deposits are subdivided into three types; Continental, geothermal, and oil field (Pisilli, M., 2023). Los Morros is an example of a continental type lithium brine deposit. The best known continental lithium brine deposit is the Salar de Atacama, the largest salar (salt flat) in Chile, located approximately 62 km from the Los Morros Project.

Continental lithium brine deposits are most commonly found in the famous "Lithium Triangle", the area where Chile, Bolivia, and Argentina all meet.

Exploration

Solid Samples - Geochemistry

In March of 2017, the Author collected 5 sediment samples. These samples were collected from less than 1m from the surface, using an auger. Samples were not sieved. The entire sample was prepared and analysed. The analysis method used was an aqua regia digestion with a 51 element suite analysed by ICP-MS, ALS Global method code ME-MS41. Table 9-1 below gives sample numbers and the results for 5 selected elements including lithium.

Table 9-1: Solid samples and results for 5 selected elements

Sample Number	Li-ppm	B-ppm	Mg-%	Na-%	S-%	Sr-ppm
97586	478	190	1.44	4.21	2.92	2000
97587	268	180	1.39	>10.0	0.54	676
97588	434	110	1.21	3.4	1.56	567
97589	28.3	90	1.06	1.52	1.12	568
97590	32.6	60	0.65	0.25	4.92	130

Two samples assayed over 400 ppm lithium (Li) with the highest being 478 ppm. This demonstrates that there is considerable lithium in the area. One sample assayed over 10% sodium (Na) suggesting a high salt content while another sample assayed 2.93% sulphur, suggesting a high sulphate content. The same sample assayed curiously high in strontium (Sr).

Sample locations are shown on figure 9-1.

Water samples – Field Measurements and Geochemistry

In the north-east corner of the Property, very close to the Property boundary, a well has been drilled. In 2005, the consulting company Dictuc wrote a report commissioned by the Dirección General de Aguas, the Chilean government body responsible for water affairs. The report describes the well as being drilled on behalf of Compania Minera Picacho, a subsidiary of Codelco (Dictuc, 2005).

In 2021, LITH geologist R. Vasquez collected water samples at various depths. R. Vasquez records that the water table was at 41m below the surface and took samples at 50m, 75m, 100m, and 125m depth.

Some measurements were taken on site and later samples were sent to a laboratory for multi-element analysis.

Table 9-2: Field measurements of water samples – First parameters

Sample ID	Depth m	pH	Temperature °C	Atmospheric Pressure (mbar)	Resistivity Ω·m
LM-21-050	50	2.57	22.46	1022.8	0.15
LM-21-075	75	3.33	22.38	1022.4	0.11
LM-21-100	100	2.97	22.22	1022.4	0.1
LM-21-125	125	2.63	22.62	1022.4	0.06

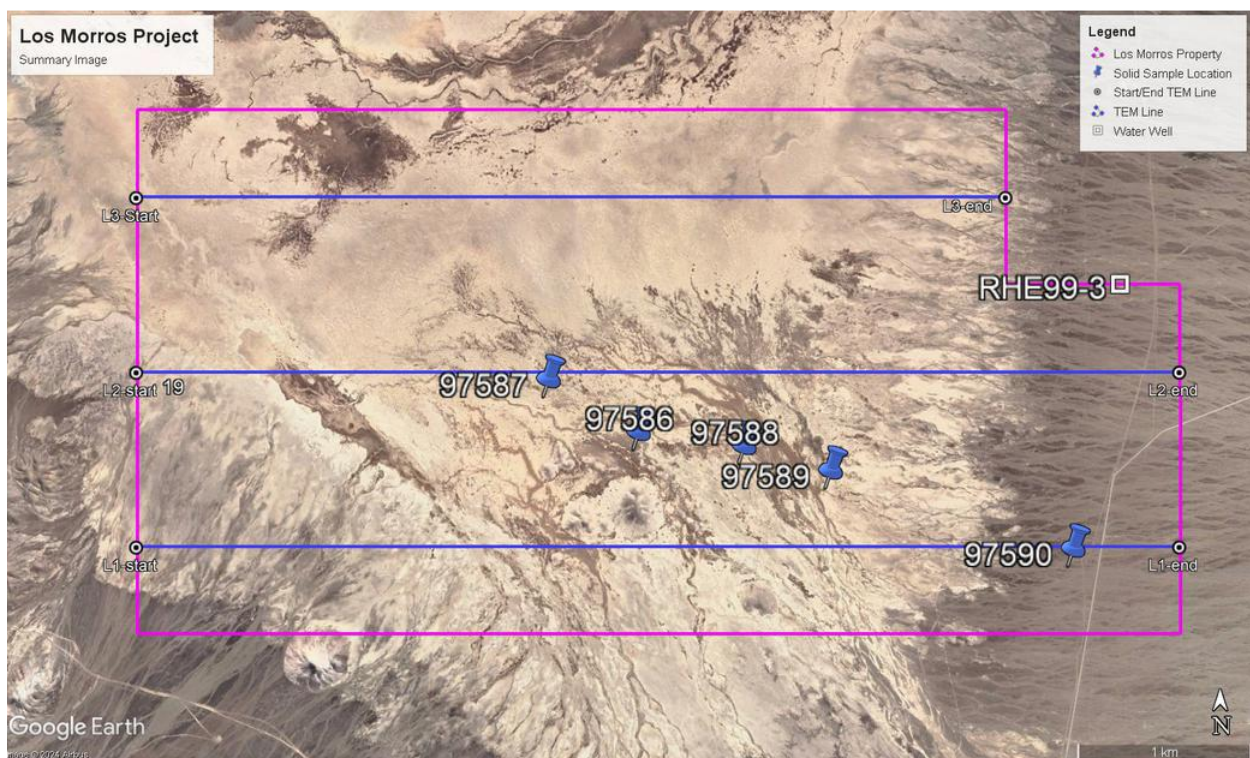
Table 9-3: Field measurements of water samples – Second parameters

Sample ID	Measured Conductivity mS/cm	Total Dissolved Solids ppt -parts per thousand	Salinity g/kg	ORP Oxidation Reduction Potential mV
LM-21-050	61.66	32.4	43.93	222.6
LM-21-075	86.7	45.62	65.24	81.4
LM-21-100	96.14	50.75	>70	134.2
LM-21-125	165.6	86.72	>70	428.7

Table 9-4: Water analysis for selected elements

Sample ID	B mg/L	Ca mg/L	Fe mg/L	K mg/L	Li mg/L	Mg mg/L	Na mg/L	S mg/L
LM-21-050	27	2620	4520	100	0.6	563	10000	647
LM-21-075	23	3950	3190	100	0.8	770	17500	640
LM-21-100	20	4370	3000	200	1	844	20300	621
LM-21-125	38	5740	780	400	2.3	1390	50900	707

Figure 9-1: Sample and well locations, TEM lines



Note that the lithium values from the water samples seen in table 9-4 are quite low and of no economic interest.

Geophysics

In 2021, a geophysics contractor, Geoexploraciones S.A. , was contracted to do 3 east – west lines of TEM – Transient Electromagnetic or Time Domain Electromagnetic – surveys, totalling 17 line – kilometers. The purpose of TEM surveys is to find conductive and resistive zones. This survey was carried out between February 21 to March 15, 2021.

The TEM lines were spaced one kilometer apart with stations placed every 200m along each line with a coincident loop of 200 X 200 meters.

The transmitter used was a Zonge model ZT-30 while the receiver used was an AGT (32 bit) model gDAS32.

As can be seen in the profiles (see figures 9-4, 9-5, and 9-6) the depth of investigation varies along the lines.

The results of this survey are detailed in a March 2021 report (Geoexploraciones, 2021).

The Zonge International website gives an overview of the TEM method (Zonge International, 2024).

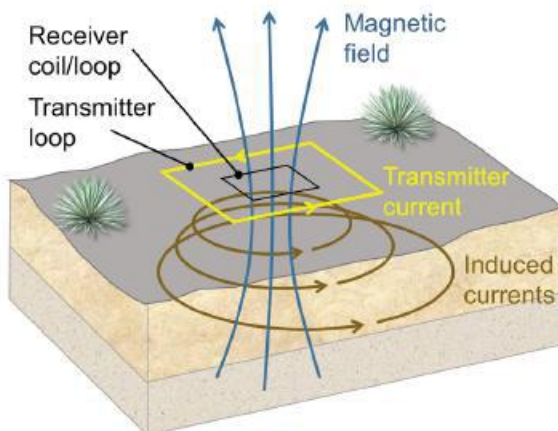
The Author has summarized the method description below.

The method is known variously as;

1. The transient electromagnetic (TEM) method.
2. Time domain EM (TDEM).
3. Pulse EM (PEM).

When rock properties change, the conductivity of the rock often changes as well. The TEM method will identify conductive and non-conductive zones which can correlate with changes in the subsurface such as a change from an aquifer to a impermeable clay rich zone. In over 50 years of use, the method has proven its value in the fields of exploration, environmental studies, and engineering applications. The size of the transmitter loop goes up with the depth of investigation. See figure 9-2 for a schematic diagram showing the principle of TEM.

Figure 9-2. Schematic diagram showing the TEM principle (Bucker et al, 2017)



The results of the survey divide the Los Morros Project area into 3 zones. A non-anomalous zone, an anomalous zone of less than one Ωm , and an anomalous zone of 1 – 2 Ωm . See figure 9-3.

Figures 9-4, 9-5, and 9-6 are the individual TEM profiles produced by Geoexploraciones. Strong near-surface anomalies can be seen on all three profiles, especially on lines 2 and 3.

Figure 9-3. Anomalous TEM zones. Geoexploraciones, 2021

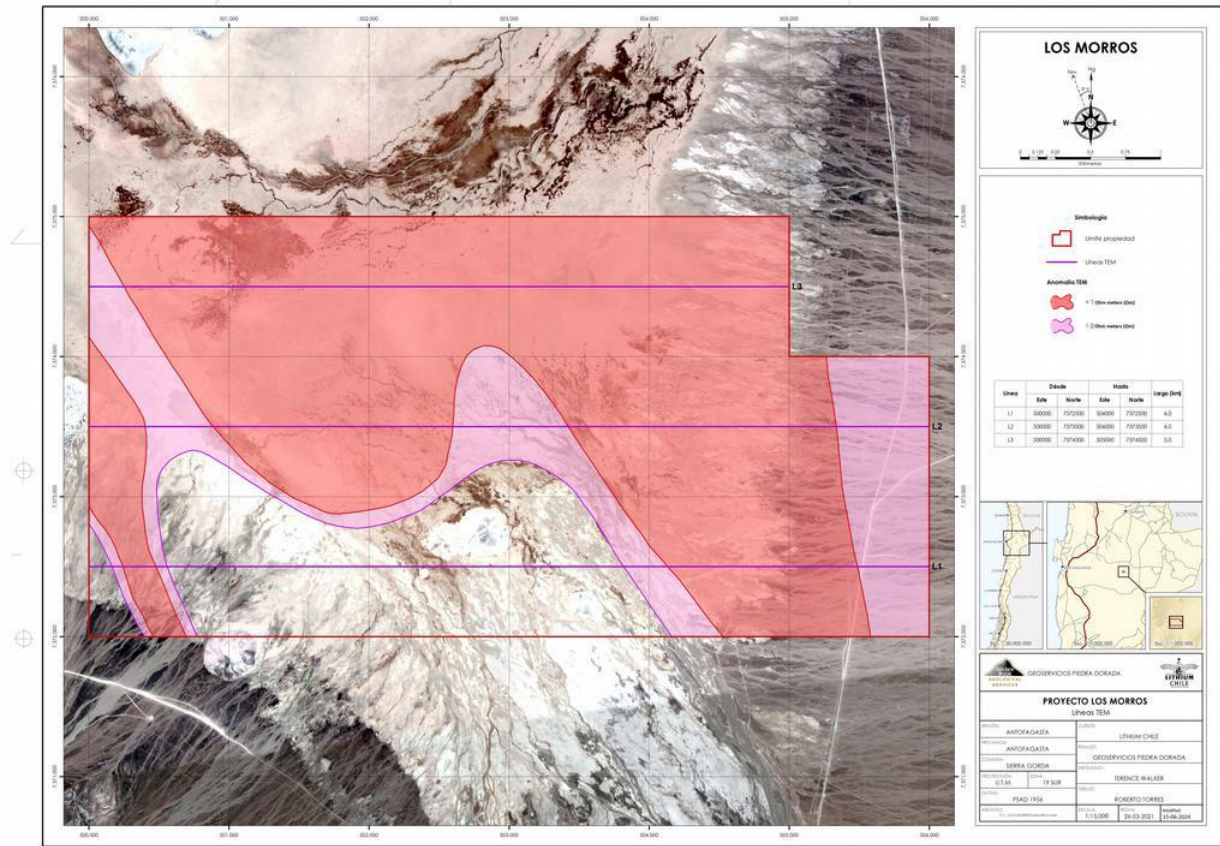


Figure 9-4: TEM profile Line 1. (Geoexploraciones, 2021)

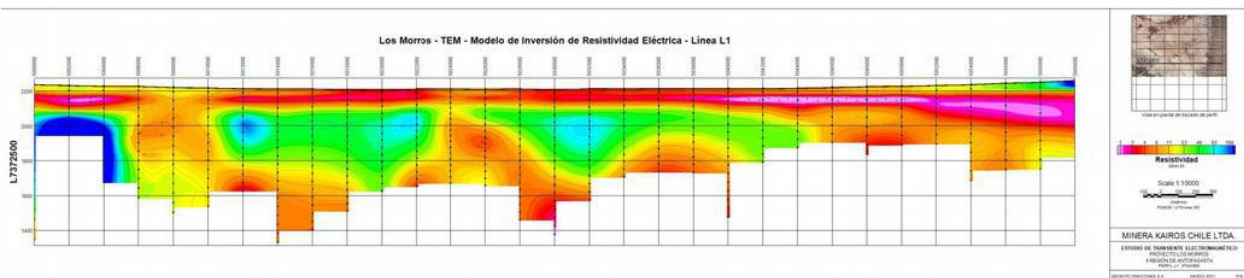


Figure 9-5: TEM profile Line 2. (Geoexploraciones, 2021)

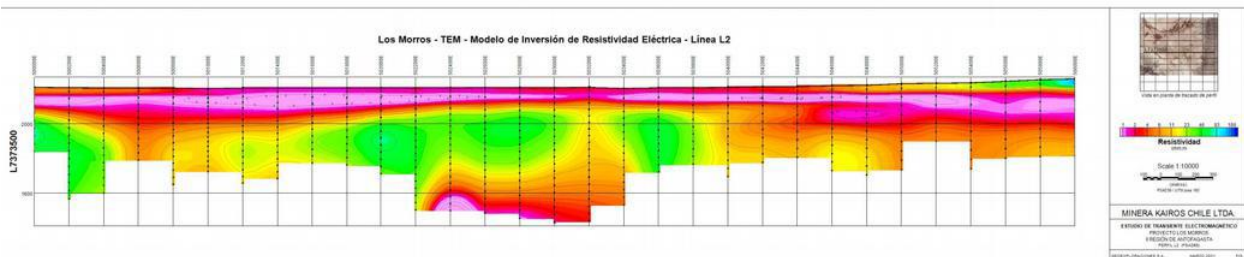
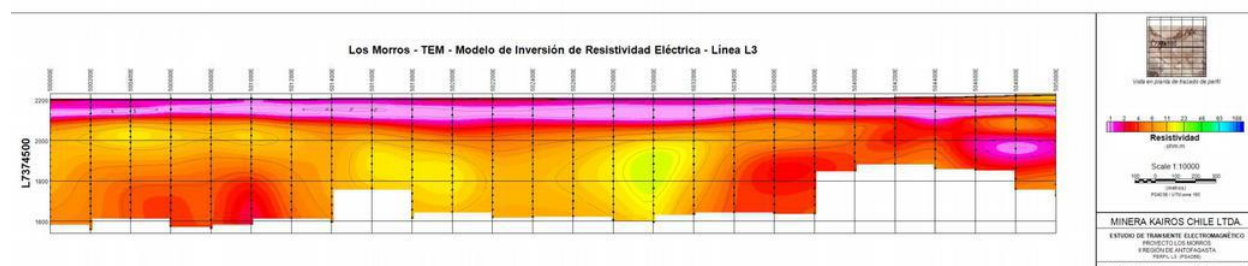


Figure 9-6: TEM profile Line 3. (Geoexploraciones, 2021)



Exploration Expenditures

Exploration expenditures to date were supplied to the Author by LITH's VP of Exploration, Terrance Walker, and are shown in table 9-5. The exchange rate used to give the Canadian dollar equivalents was 1 USD = 1.37 CAD.

Table 9-5: Exploration expenditures to date

Los Morros Exploration Expenditures		
Item	USD	CAD Equivalent
Claims acquisition and maintenance costs	19,109	26,180
Professional Fees; Geologists, Assistants and sampling crews	19,313	26,459
Field Costs; R&B, Transport, supplies	3,362	4,606
Assays	690	945
TEM Geophysical Program	42,194	57,806
Total Expenditures	84,669	115,996

Drilling

LITH has done no drilling on the Los Morros Project. On the north-east boundary of the Property is a hole drilled on behalf of Compania Minera Picacho, a subsidiary of Codelco (Dictuc, 2005).

Sample Preparation, Analysis, & Security

Sample Preparation, QC, Splitting, Reduction & Security

All samples, both solid and liquid, collected by LITH were delivered by sampling crews to the ALS Global lab in La Serena, Chile. These samples were in the possession of LITH sample crews right up to delivery to the lab.

Assaying, Labs Used & Lab Accreditation

Liquid samples were analyzed at the ALS Global Lab in North Vancouver, BC, Canada. Solid samples were prepared at the ALS Lab in La Serena, Chile, and analyzed at the ALS lab in Lima, Peru. Liquid samples were analyzed by three different methods, all variants of multielement ICP.

Table 11-1: ALS method codes for water/brine samples

ANALYTICAL PROCEDURES		
ALS CODE	DESCRIPTION	INSTRUMENT
ME-1CP1 5	Lithium Brine Analysis – ICPAES	ICP-AES
ME-MS1 4	Hydrogeochemistry ICP-MS	ICP-AES
ME-ICP1 4	Hydrogeochemistry ICP-AES	ICP-AES

Solid samples were given a standard rock preparation, ALS method code PREP-31, and analyzed by multi-element ICP-MS, method code ME-MS41.

PREP-31 involves the samples being dried and then the entire sample being crushed to 70% less than 2mm. A split is taken and this sub-sample is pulverized to 85% passing 75 microns. Method ME-MS41 uses aqua regia digestion followed by multi mass spectrometry.

LITH submitted no blanks, standards, or duplicates with the samples, both solid and liquid. The quality control procedures of ALS Global are relied on. The Author is unaware of the details of the QA and QC

procedures used by ALS Global, nor is the Author aware of the specific reference material that the lab may have used at the time.

ALS Global Labs in La Serena, Lima, and Vancouver are all fully accredited laboratories with ISO 9001 and ISO 1705 accreditation. ALS Global is not related to the Author nor to LITH.

Quality Control/Quality Assurance

No blanks, duplicates, or standards were inserted into the sample stream for the recent surface sampling program. The Author relied on the internal procedures of ALS Global. The total number of samples collected was small, only six solid samples and four liquid samples. In any future campaign of sampling, particularly one that involves a large number of samples, a more robust and comprehensive QA/QC program would be justified.

Author's Opinion

It is the opinion of the Author that the procedures followed for sample preparation, security, and analysis, were adequate.

Data Verification

Data Verification

The Author was present for the collection of surface solid samples. The Author was not present for the collection of samples from the well. The preliminary first pass nature of the exploration efforts to date along with the small number of samples collected means that no formal data verification procedures were used.

Limitations and Failures of Data Verification

No formal data verification procedures were in place, given the small number of samples collected. No limitations or failures of data verification are known to exist.

Opinion of the QP

It is the opinion of the QP that procedures to ensure the adequacy of the data were sufficient.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing are known to have taken place.

Mineral Resource Estimates

No mineral resource estimates have been undertaken.

Adjacent Properties

Companies holding ground bordering the Los Morros Project include Coldelco and Enami. Both of these companies are owned by the Chilean state. Also bordering the Los Morros Project area is ground held by Freeport McMoRan and Antofagasta Minerals. This can be seen on the registry of mining claims maintained by the Chilean government agency, SERNAGEOMIN, the national geology and mining service. The website of mineral claims is called the CATASTRO DE CONCESIONES MINERAS.

Other Relevant Data and Information

It is the opinion of the Author that the Los Morros Technical Report is clear and not misleading.

Interpretations and Conclusions

The Los Morros Project is an early stage lithium brine exploration project. Results, particularly the TEM survey, have been encouraging. The Author concludes that the results have been encouraging enough to recommend a follow up exploration program. The Los Morros Technical Report provides no information pertaining to the economics of production should LITH decide to undertake such activities.

Recommendations

Proposed Two Phase Exploration Program

Phase 1 of the exploration program consists of additional TEM lines and the drilling of two exploration holes.

The results of the 2021 TEM survey are encouraging. Line spacing is rather large however, at 1 km between lines. VP of Exploration, Terrance Walker, recommends a program of in-fill TEM lines. The Author concurs. The proposed program consists of one line of 5 km and 3 lines of 6 km each for a total of 23 km. All lines are east – west as with the original survey. See figure 26-1 for the locations of the new lines with respect to the three existing lines. Note that the line L24-1 forms the northern boundary of the Los Morros Property while the line L24-4 forms the southern boundary. With the proposed new lines, overall line spacing will be reduced to 500m.

Table 26-1 gives the cost estimate for the additional TEM lines.

Figure 26-1: Existing & Proposed TEM Lines. Existing in blue. Proposed in red.

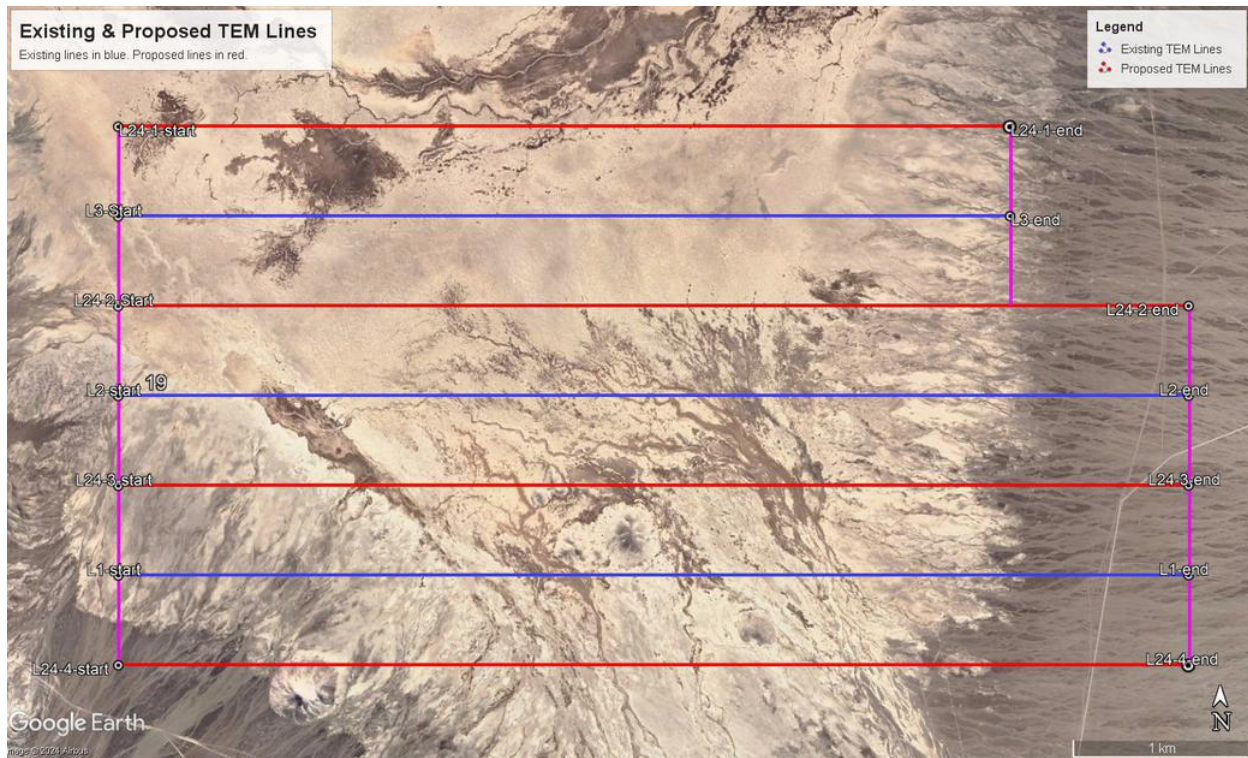


Table 26-1: Proposed follow-up TEM budget

Los Morros - Proposed TEM		
Item	USD	CAD Equivalent
Access payment to military	4,250	5,823
Mobilization – demobilization	3,535	4,843
Measurement - 23 line kilometers	37,425	51,272
Technical Report	3,175	4,350
Sub – total	48,385	66,287
Contingency at 10%	4,839	6,629
Total Expenditures	53,224	72,916

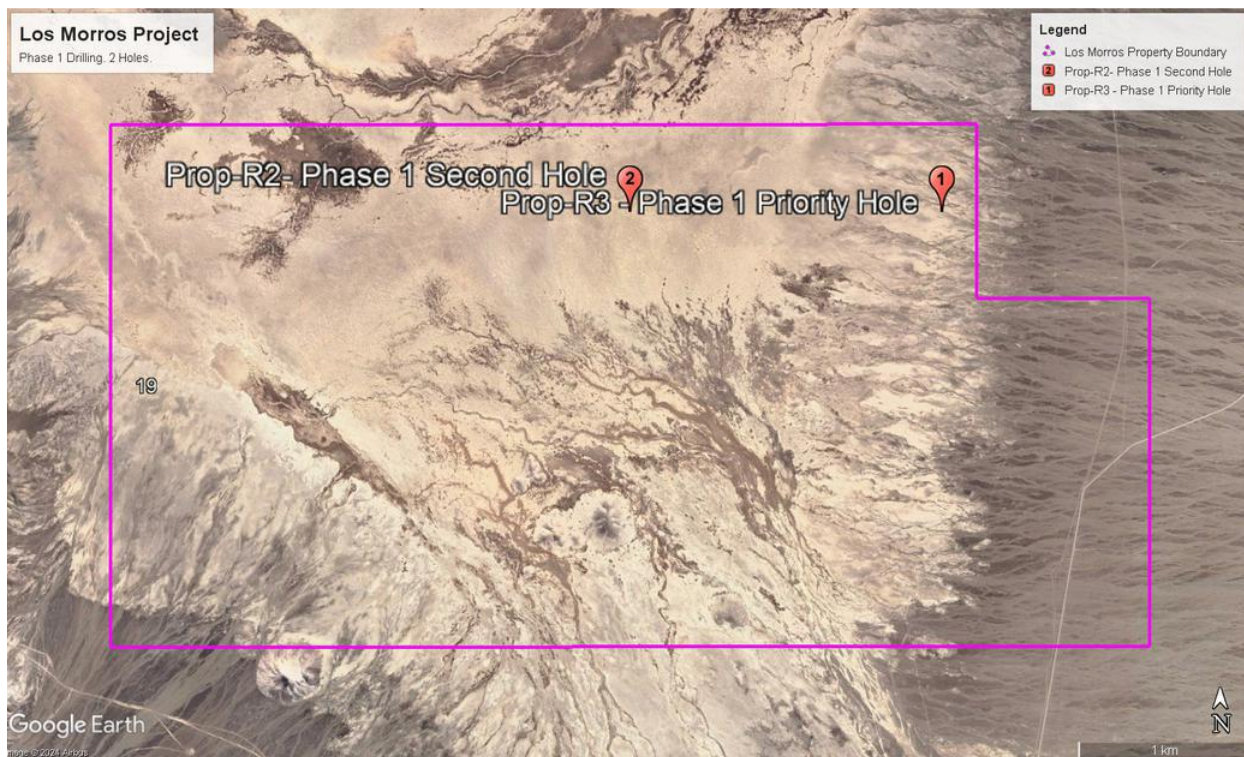
Based on the existing TEM data, VP of Exploration Terrance Walker and Senior Geologist for LITH, R. Vásquez have come up with 6 proposed vertical holes, totaling 1300m. However, the Author recommends two holes for the first exploration phase. The author of the Los Morros Technical Report recommends that hole Prop-R3 be drilled first, followed by hole Prop-R2, for a total of 525m. See table 26-2 and figure 26-2.

The phase 1 exploration budget is shown on table 26-3.

Table 26-2: Phase 1 Proposed Drilling

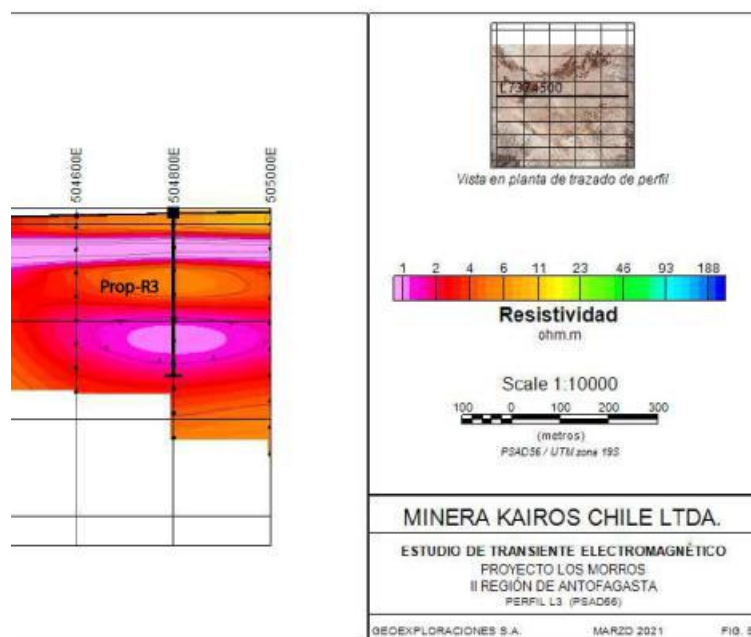
Proposed Hole ID	East PSAD 56	North PSAD 56	Proposed Depth (m)
Prop-R3	504800	7374500	350
Prop-R2	503000	7374500	175
Total meters =			525

Figure 26-2: Phase 1 Proposed Drill Collars



Prop-R3 is recommended as the priority hole due to there being two distinct conductors that can be tested with one hole. See figure 26-3 below.

Figure 26-3: Hole Prop-R3. Priority hole for the phase one exploration program. (Geoexploraciones, 2011, modified)



Prop-R2, the second recommended hole of the phase 1 exploration program, will test a single, strong, near surface conductor. See figure 26-4 below.

Figure 26-4: Hole Prop-R2. 2nd hole of phase one exploration program. (Geoexploraciones, 2011, modified)

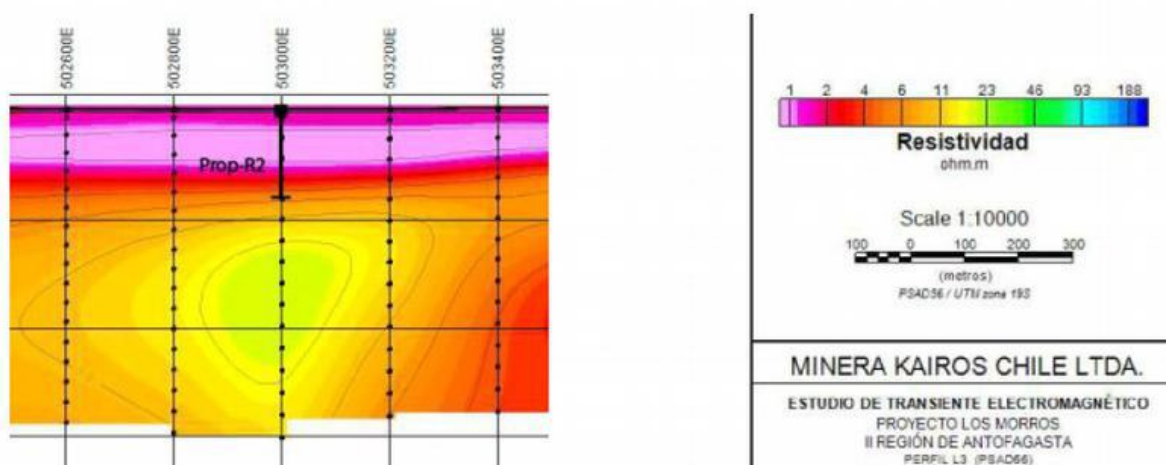


Table 26-3: Proposed Phase 1 Exploration Budget. In-fill TEM & 2 Drill Holes

Los Morros Project - Proposed Phase 1 Exploration Budget						
Item	Supplier or specifics	Amount	Unit	US\$/Unit	Total(US\$)	CAD Eq.
In-fill TEM	Geoexploraciones	1	each	53,224	53,224	72,916
Access payments	Chilean Military	1	1	45,000	45,000	61,650
Roads & pads	Local Equipment rental and fill	2	each	7,500	15,000	20,550
Drilling	Drilling Contractor	525	meters	575	301,875	413,569

Field Personnel Geo 1	Senior Geo; Planning/Supervision/ Drill Hole Logging	25	days	450	11,250	15,413
Field Personnel Geo 2	Drill site Geo; Drill Hole Logging/Supervision	25	days	250	6,250	8,563
Field Assistants	3 Field Geotechs + 1 Supervisor	25	days	400	10,000	13,700
Camp	Establish and run a camp for duration of program.	1	each	200,000	200,000	274,000
Travel	Flights, truck rental, Fuel	25	months	525	13,125	17,981
Field Supplies	Sampling tools; bottles, tags, shipping sacks etc.	1	unit	3,500	3,500	4,795
Assays	ALS quote	30	each	65	1,950	2,672
Sub-total					607,950	832,892
Contingency – 10%					60,795	83,289
TOTAL PROGRAM					668,745	916,181

The second phase of exploration would be contingent on suitably encouraging results from phase one.

Phase two drilling would involve the drilling of the remaining 4 holes proposed by VP of Exploration, Terrance Walker, and Senior Geologist for LITH, R. Vásquez, as well as any additional targets that become evident as a result of the in-fill TEM program of phase 1. At minimum, this would be an additional 775m of drilling, but likely more. See table 26-4.

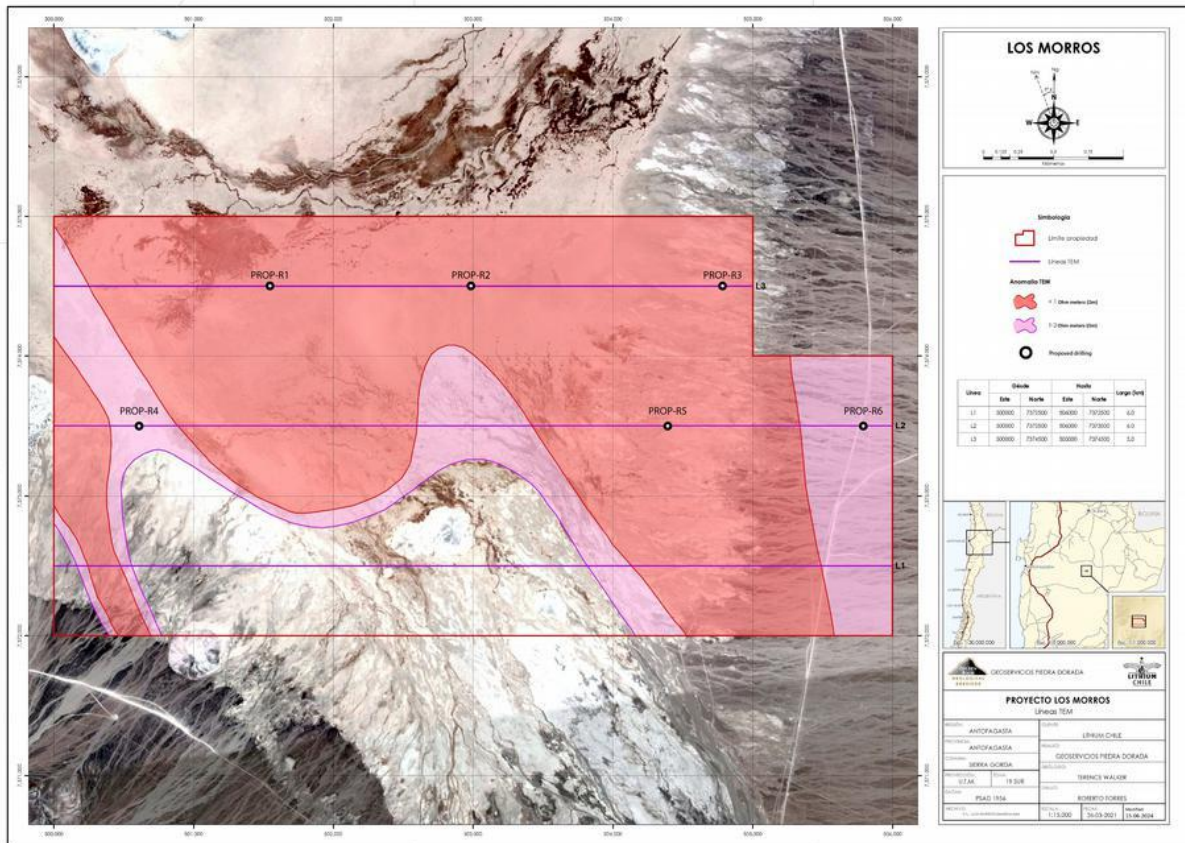
Table 26-4: Some Proposed Drill Holes for the Phase 2 Exploration Campaign

Proposed Hole ID	East PSAD 56	North PSAD 56	Proposed Depth (m)
Prop-R1	501600	7374500	175
Prop-R4	501450	7373500	200
Prop-R5	504400	7373500	150
Prop-R6	505800	7373500	250
Total meters =			775

This proposal is preliminary. When phase 1 is completed and all of the data interpreted, the proposed drill collars may be adjusted in accordance with the new data and interpretations. Due to the preliminary nature of the phase 2 exploration campaign, no budget is given.

Figure 26-6 shows the proposed drill holes of both phase 1 and phase 2 plotted on a satellite image showing the resistivity of the Los Morros Project area.

Figure 26-5: Proposed drill locations. Phase 1 & 2. All proposed holes are vertical



Figures 26-4 and 26-5 show the proposed phase 1 & 2 drill holes in vertical cross section along TEM Line 3 (the farthest north line) and TEM Line 2.

Figure 26-6: Proposed drill holes on TEM Line 3. (Geoexploraciones, 2011, modified)

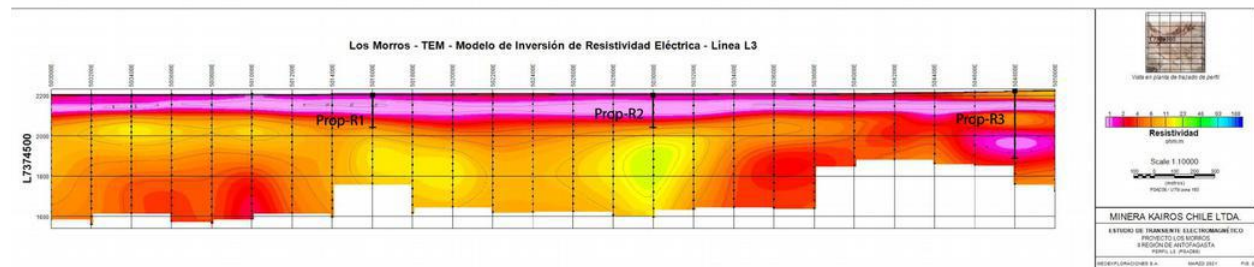
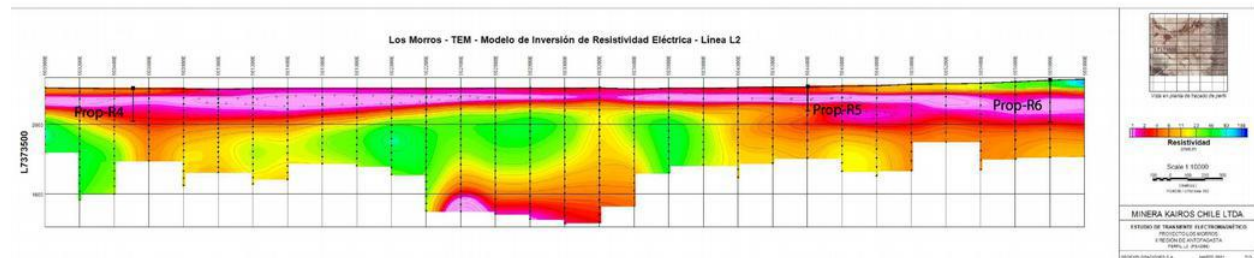


Figure 26-7: Proposed drill holes on TEM Line 2 (Geoexploraciones, 2011, modified)



OTHER PROPERTIES

1. Aguilar Project Summary

Claims and Ownership

The property comprises 1,078 hectares, divided into two exploration and two exploitation concessions. It is 100% owned by Lithium Chile Inc. through Minera Kairos Chile Limitada.

Location

The project is located in Region II of Chile, within the lithium-rich Salar de Aguilar basin. It is accessible from the town of El Salvador, approximately 90 km southwest.

Accessibility

The journey to the site involves a paved road to Salar de Pedernales followed by a gravel road to the property, totaling around two hours of travel.

Exploration Targets

The Aguilar Project aims to explore brine and sediment-hosted lithium and potassium deposits in the southern sector of the Salar de Aguilar basin in Chile.

Property Geology

The property is underlain by Quaternary volcanic ash, sand, gravel, silt, clay, and salt deposits formed by the erosion of Mid to Upper Miocene ignimbrites. These materials are primarily found on the west and southeast borders of the property.

Exploration History

Prior to Minera Kairos's involvement, the area saw limited exploration. Historical data includes brine samples and a hydrological study yielding lithium and potassium assays.

In March 2017, Minera Kairos conducted preliminary geochemical surveys, discovering significant lithium and potassium concentrations in surface and shallow subsurface samples.

Exploration Potential

The Aguilar Project is in its early stages, with insufficient data to estimate the potential size of the mineralized bodies.

2. Atacama Project Summary

Claims and Ownership

The property covers 5,960 hectares, divided into 14 exploration and 10 exploitation concessions. It is 100% owned by Lithium Chile Inc. through its subsidiary Minera Kairos Chile Limitada.

Location

The project is situated within the lithium-rich Salar de Atacama basin in Chile's Central Andian Altiplano, Region II. It is accessible from San Pedro de Atacama, approximately 9 km to the north.

Accessibility

Travel time from San Pedro to the property is around 15 minutes via paved road 23CH.

Exploration Targets

The Atacama project aims to explore brine and sediment-hosted lithium and potassium deposits in the northern sector of the eastern sub-basin of Salar de Atacama.

Property Geology

The property is underlain by Quaternary volcanic ash, sand, gravel, silt, clay, and salt deposits within the salar basin. These sediments formed by the erosion of Mid to Upper Miocene ignimbrites, primarily found in the hills along the eastern border of the salar basin.

Exploration History

Limited exploration occurred before Minera Kairos's involvement. Historical data includes three shallow boreholes from the early 1990s by the Chilean Government, but no data is publicly available.

In 2017, Minera Kairos conducted preliminary geochemical surveys, discovering significant lithium and potassium concentrations in surface and shallow subsurface samples.

Exploration Potential

The Atacama project is in its early stages, with insufficient data to estimate the potential size of mineralized bodies.

3. Coipasa Project Summary

Claims and Ownership

The property covers 11,300 hectares, divided into 35 exploration and 4 exploitation concessions. It is 100% owned by Lithium Chile Inc. through its subsidiary Minera Kairos Chile Limitada.

Location

The project is situated within the eastern Andian Geomorphic Belt of Chile's Central Andian Altiplano, Region II. It is accessible from Colchane, approximately 5 km to the northwest.

Accessibility

Travel time from Colchane to the property is around 20 minutes via paved and gravel roads.

Exploration Targets

The Coipasa Project aims to explore brine and sediment-hosted lithium and potassium deposits in the southwest sector of the Salar de Coipasa basin in Chile.

Property Geology

The property is underlain by Pleistocene to Holocene sand, silt, clay, and salt deposits within the salar basin. These sediments formed by the erosion of Oligocene to Miocene ignimbrites, primarily found along the borders of the salar basin.

Exploration History

Limited exploration occurred before Minera Kairos's involvement. Historical data includes shallow excavator pits near the hot spring zone, reportedly completed by a Chilean borax company in 2010-2011.

Between 2017-2018, Minera Kairos conducted geological, geochemical, and geophysical surveys, discovering significant lithium and potassium concentrations.

Exploration Potential

The Coipasa project is in its early stages, with insufficient data to estimate the potential size of mineralized bodies.

4. Helados Project Summary

Claims and Ownership

The property covers 20,200 hectares, divided into 73 exploration concessions. It is 100% owned by Lithium Chile Inc. through its subsidiary Minera Kairos Chile Limitada.

Location

The project is located within the southeastern sector of the Salar Tara – Laguna Helados basin complex in the eastern Andian Geomorphic Belt of Chile's Central Andian Altiplano, Region II.

Accessibility

The property is accessible from San Pedro de Atacama, approximately 90 km to the west. Travel time to the property is about 1 hour and 30 minutes via paved road and a 4x4 trail.

Exploration Targets

The Helados project aims to explore brine-hosted lithium and potassium deposits, as well as sediment-hosted lithium, potassium, and cesium deposits.

Property Geology

The property is underlain by Holocene to recent sand, silt, clay, and salt deposits formed by the erosion of andesitic to rhyolitic pyroclastic flows. The main structural element is a group of NW-SE trending faults, forming the Salar Tara – Laguna Helados basin.

Exploration History

Limited systematic exploration occurred before Minera Kairos's involvement.

Between 2017-2018, Minera Kairos conducted geological, geochemical, and geophysical surveys, discovering significant lithium and cesium concentrations.

Exploration Potential

The Helados project is in its early stages, with insufficient data to estimate the potential size of mineralized bodies.

5. Laguna Blanca Project Summary

Claims and Ownership

The property covers 14,700 hectares, divided into 61 exploration concessions. It is 100% owned by Lithium Chile Inc. through its subsidiary Minera Kairos Chile Limitada.

Location

The project is located within the Chilean sector of the Laguna Blanca salar-laguna complex in the eastern Andian Geomorphologic Belt of Chile's Central Andian Altiplano, Region II.

Accessibility

The property is accessible from San Pedro de Atacama, approximately 80 km to the west. Travel time to the property is about 1 hour and 30 minutes via paved road and a 4x4 trail.

Exploration Targets

The Laguna Blanca project aims to explore brine-hosted lithium and potassium deposits, as well as sediment-hosted lithium, potassium, and cesium deposits.

Property Geology

The property is underlain by Holocene to recent sand, silt, clay, and salt deposits formed by the erosion of andesitic to rhyolitic pyroclastic flows. The main structural element is a group of NW-SE trending faults, forming the Salar Tara-Laguna Helados basin.

Exploration History

Limited systematic exploration occurred before Minera Kairos's involvement. Historical data includes shallow excavator pits near the hot spring zone, reportedly completed by a Chilean borax company in 2010-2011.

Between 2018-2021, Minera Kairos conducted geological, geochemical, and geophysical surveys, discovering significant lithium and cesium concentrations.

Exploration Potential

The Laguna Blanca project is in its early stages, with insufficient data to estimate the potential size of mineralized bodies.

6. Turi Project

The Turi project, located within the Turi lithium-enriched salar and geothermal hot springs basin in Chile's Pre-Andian Geomorphologic Belt, Region II, spans 8500 hectares. It aims to explore brine and sediment-hosted

lithium and potassium deposits in the basin's core. Accessible from Calama within an hour, the property is underlain by Quaternary volcanic ash, sand, gravel, silt, clay, and salt deposits. The project is in its early stages, with insufficient data to estimate potential mineralized bodies.

7. Mariposas Project

The Mariposas project covers 1200 hectares in the SW flank of the Salar de Atacama basin, Region II. It targets brine and sediment-hosted lithium and potassium deposits. Accessible from San Pedro de Atacama within 90 minutes, the property features Quaternary sand, gravel, silt, clay, and salt deposits. The project is in its early stages, with insufficient data to estimate potential mineralized bodies.

8. Rio Salado Project

Located in the Salar de Quisquino-Aguas Calientes Basin, Region II, the Rio Salado project spans 2900 hectares. It targets brine and sediment-hosted lithium, potassium, boron, and cesium deposits. The property, accessible from San Pedro within 90 minutes, is underlain by Pleistocene to Holocene sediments. The project remains in early exploration stages with significant potential.

9. Aguas Calientes Project

The Aguas Calientes project, located in the Salar de Aguas Calientes Norte basin, Region II, spans 2500 hectares. It targets brine-hosted lithium and potassium deposits and sediment-hosted lithium, potassium, boron, and cesium deposits. Accessible from San Pedro in 60 minutes, the property includes Holocene to recent sediments. The project is in early stages, with promising exploration potential.

10. Molle Verde (Llamara) Project

The Molle Verde Project spans 36,100 hectares in the Tamarugal Province, Tarapacá Region, 125 km southeast of Iquique, Chile. Accessible via paved and fair-condition gravel roads, the project targets brine-hosted lithium, potassium, and barium deposits, as well as uranium, thorium, and rare earth deposits in unconsolidated sediments. The region's geology features Calovian calcareous sandstones, Cretaceous dioritic porphyries, and granodiorites, alongside Pliocene-Pleistocene saline deposits and Holocene alluvial sediments. The project's high potential suggests substantial opportunities for further exploration and development, although the project is still in its early stages.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information is derived from the audited financial statement of LITH 2.0 SpinCo as at June 30, 2024:

Cash ⁽¹⁾	\$1.00
Share capital ⁽¹⁾	\$1.00

Note:

- 1) LITH 2.0 SpinCo has issued one (1) LITH 2.0 SpinCo Share for \$1.00 cash. LITH 2.0 SpinCo has had no operations since incorporation.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Available Funds

If the LITH 2.0 Arrangement is approved by LITH Shareholders and the LITH Board determines to proceed with the LITH 2.0 Arrangement, LITH 2.0 SpinCo is expected to receive funds from LITH pursuant to the LITH 2.0 SpinCo Financing. At this time it is unknown what amount the LITH 2.0 SpinCo Financing will be.

Principal Purposes

The following table summarizes the expenditures anticipated by LITH 2.0 SpinCo required to achieve its business objectives during the 12 months following completion of the LITH 2.0 Arrangement:

Principal Purpose – Canadian Dollars	Amount to be Expended
Los Morros Initial Exploration Program	\$916,000
General and administrative expenses	\$175,000

Principal Purpose – Canadian Dollars	Amount to be Expended
Unallocated general working capital	\$100,000
Total	\$1,191,000⁽¹⁾

Note:

- 1) This total amount is based on an estimate of the funds that LITH 2.0 SpinCo expects to receive pursuant to the LITH 2.0 SpinCo Financing. The amount of funds to be expended towards general and administrative expenses and unallocated general working capital will vary based on the actual amount of funds received pursuant to the LITH 2.0 SpinCo Financing. At this time, it is unknown what the amount of the LITH 2.0 SpinCo Financing will be.

LITH 2.0 SpinCo intends to spend the funds available to it as stated in the table above which provides funding in the amount of \$916,000 to complete the Los Morros Initial Exploration Program. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for LITH 2.0 SpinCo to achieve its objectives or to pursue other opportunities that management believes are in the interests of LITH 2.0 SpinCo. See "Risk Factors – Risks Relating to LITH 2.0 SpinCo's Business" in this Schedule "I".

Business Objectives, Strategy and Milestones

The primary business objectives for LITH 2.0 SpinCo over the first 12 months after the LITH 2.0 Effective Date are to:

- 1) Complete the Los Morros Initial Exploration Program;
- 2) Update the Los Morros Technical Report to incorporate the results of the Los Morros Initial Exploration Program; and
- 3) Evaluate further funding requirements and secure such required additional funding.

PRO-FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of LITH 2.0 SpinCo as at June 30, 2024, adjusted to give effect to the LITH 2.0 Arrangement. You should read this table in conjunction with the LITH 2.0 SpinCo Pro-forma Financial Statements included in Appendix "III" to this Circular.

Expressed in Canadian dollars	As at June 30, 2024
Share capital	\$9,735,000
Retained earnings	-
Shareholders' Equity	\$9,735,000
	\$9,735,000

SUMMARY HISTORICAL AND PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION

The audited financial statements for LITH 2.0 SpinCo are for the period from the date of incorporation on April 11, 2024 to June 30, 2024. LITH 2.0 SpinCo had no operations during this period.

The unaudited pro-forma statement of financial position for the period ended June 30, 2024 gives effect to the LITH 2.0 Arrangement as if it had occurred on June 30, 2024.

The summary audited and pro-forma financial information should be read in conjunction with the LITH 2.0 SpinCo Audited Financial Statements and the LITH 2.0 SpinCo Pro-forma Financial Statements, which are attached as Appendices "I" and "III", respectively, to this Circular.

The summary audited and pro-forma financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the LITH 2.0 Arrangement had been completed on the date or for the periods noted above, nor do they purport to project the results of operations or financial position for any future period or as of any future date. In addition to the pro-forma adjustments that comprise this pro-forma financial information, various other factors will have an effect on the financial condition and results of operations of LITH 2.0 SpinCo following

the completion of the LITH 2.0 Arrangement. See "Risk Factors – Risks Relating to LITH 2.0 SpinCo's Business" in this Schedule "I".

SELECTED PRO-FORMA FINANCIAL INFORMATION

Selected pro-forma financial information is as follows:

Expressed in Canadian dollars	As at June 30, 2024
Cash	-
Exploration and evaluation properties – mineral properties	\$9,735,000
	\$9,735,000
Share capital	\$9,735,000
	\$9,735,000

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of LITH 2.0 SpinCo consists of an unlimited number of LITH 2.0 SpinCo Shares and an unlimited number of preferred shares, issuable in series. As at the date of this Circular, there is one (1) LITH 2.0 SpinCo Share and no preferred shares issued and outstanding.

Following the purchase by LITH 2.0 SpinCo of all of the issued and outstanding shares in the capital of Inversiones Kairos for the LITH 2.0 Share Purchase Price, there will be 100 LITH 2.0 SpinCo Shares issued and outstanding, each held by LITH. Following the stock split and after giving effect to the LITH 2.0 Arrangement, there will be 51,581,914 Kairos SpinCo Shares issued and outstanding, which will be distributed such that the LITH Shareholders will become LITH 2.0 SpinCo Shareholders and LITH will cease to hold any LITH 2.0 SpinCo Shares.

Each LITH 2.0 SpinCo Share entitles the holder to receive notice of and attend all meetings of shareholders and to one vote at such meetings. LITH 2.0 SpinCo shareholders will be, at the discretion of the LITH 2.0 SpinCo Board and subject to applicable legal restrictions, entitled to receive any dividends declared by the LITH 2.0 SpinCo Board on LITH 2.0 SpinCo Shares. LITH 2.0 SpinCo shareholders will be entitled to share equally in any distribution of the assets of LITH 2.0 SpinCo upon the liquidation, dissolution, bankruptcy or winding-up of LITH 2.0 SpinCo or other distribution of its assets among the LITH 2.0 SpinCo Shareholders for the purpose of winding-up its affairs.

The preferred shares of LITH 2.0 SpinCo are issuable in one or more series. The LITH 2.0 SpinCo Board is empowered to fix the number of preferred shares and the rights, privileges, restrictions and conditions to be attached to the preferred shares of each series. No preferred shares have been issued.

DIVIDENDS AND DISTRIBUTIONS

To date, LITH 2.0 SpinCo has not declared or paid any dividends or distributions on the LITH 2.0 SpinCo Shares. LITH 2.0 SpinCo does not anticipate that cash dividends or distributions will be paid on its LITH 2.0 SpinCo Shares in the foreseeable future. Any declaration and payment in the future of any cash dividends or distributions will be at the discretion of the LITH 2.0 SpinCo Board.

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

LITH 2.0 SpinCo's audited financial statements for the period ended June 30, 2024 are attached to this Schedule "I" as Appendix "I".

LITH 2.0 SpinCo's MD&A for the period ended June 30, 2024 is attached to this Schedule "I" as Appendix "II".

OPTIONS TO PURCHASE SECURITIES

As of the date hereof, there are, and upon completion of the LITH 2.0 Arrangement there will be, no options to purchase LITH 2.0 SpinCo Shares issued and outstanding.

PRIOR SALES

LITH 2.0 SpinCo has issued one (1) LITH 2.0 SpinCo Share to LITH at a price of \$1.00.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of LITH 2.0 SpinCo, as of the date of the Circular, no securities of any class of securities of LITH 2.0 SpinCo are held in escrow or subject to contractual restrictions on transfer following the completion of the LITH 2.0 Arrangement.

PRINCIPAL SHAREHOLDERS

To the knowledge of management of LITH and LITH 2.0 SpinCo, no person, firm or company will beneficially own, control or direct, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of LITH 2.0 SpinCo immediately following the LITH 2.0 Effective Time other than as set below:

Name	Number of LITH 2.0 SpinCo Shares	Percentage of LITH 2.0 SpinCo Shares
Gator Capital Ltd.	9,492,820	18.40% ⁽¹⁾

Note:

- 2) On a non-diluted basis.

DIRECTORS AND EXECUTIVE OFFICERS

The names, municipality of residence and positions with LITH 2.0 SpinCo of the individuals who are currently serving as the directors and executive officers of LITH 2.0 SpinCo are set out below. If the LITH 2.0 Arrangement is completed, LITH 2.0 SpinCo plans to appoint additional or alternative directors and officers.

Name, Place of Residence and Position(s) with LITH 2.0 SpinCo	Principal Occupation During Five Preceding Years	Date Appointed	Number and Percentage of LITH 2.0 SpinCo Shares Owned Directly or Indirectly ⁽¹⁾
Jose de Castro Alem <i>Buenos Aires, Argentina</i> President and Chief Executive Officer	Manager, Lithium Operations of the Corporation. Former Operations Manager of several mining companies in South America.	April 11, 2024	Nil
Jana Lillies <i>Calgary, Alberta</i> Chief Financial Officer	Chief Financial Officer of LITH since 2017. Prior thereto, Controller of LITH from 2010 to 2017.	April 11, 2024	112,500 0.22%
Steven Cochrane <i>Calgary, Alberta</i> Director	President and Chief Executive Officer of LITH since August 2017.	April 11, 2024	811,500 1.57%
Al J. Kroontje <i>Calgary, Alberta</i> 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.	April 11, 2024	2,419,250 4.69%

Notes:

- 1) After giving effect to the LITH 2.0 Arrangement.
2) An audit committee is planned to be appointed on or before the LITH 2.0 Effective Date.

The directors of LITH 2.0 SpinCo will after the LITH 2.0 Effective Date be elected by the shareholders of LITH 2.0 SpinCo at each annual meeting of LITH 2.0 SpinCo shareholders, and will hold office until the next annual meeting of LITH 2.0 SpinCo, or until his or her success is duly elected or appointed, unless: (i) his or her office is earlier vacated in accordance with the constating documents of LITH 2.0 SpinCo; or (ii) he or she becomes disqualified to act as a director.

Jose de Castro Alem – Age 54

Mr. Alem is the Manager, Lithium Operations of the Corporation, and is the former Operations Manager of several mining companies in South America.

Jana Lillies – Age 57

Ms. Lillies has been Chief Financial Officer of LITH since 2017, and is currently and has been the Chief Financial Officer of numerous public companies.

Steven Cochrane – Age 71

Mr. Cochrane is President and Chief Executive Officer of LITH and is a former Vice President and Investment Advisor at Richardson GMP (and its predecessors) and an investment advisor with National Bank Financial (and its predecessors).

Al J. Kroontje – Age 68

Mr. Kroontje is a professional engineer with over 30 years of experience in the resource industry who has also acted as a director, officer and audit committee member of numerous public companies. He is president of his private investment company Tailwind Capital Partners Inc.

Ownership of LITH 2.0 SpinCo Shares

Following the LITH 2.0 Effective Time, the directors and executive officers of LITH 2.0 SpinCo, as a group, will beneficially own, or control or direct, directly or indirectly, approximately 3,343,250 LITH 2.0 SpinCo Shares being approximately 6.48% of the issued and outstanding LITH 2.0 SpinCo Shares (on a non-fully diluted basis) immediately following the LITH 2.0 Effective Time.

Cease Trade Orders

To the knowledge of management, no proposed director or executive officer of LITH 2.0 SpinCo is, as of the date of the Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including LITH) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued (i) while such person was acting in that capacity, or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Bankruptcies

To the knowledge of management, no proposed director or executive officer of LITH 2.0 SpinCo, or shareholder holding a sufficient number of securities to affect materially the control of LITH 2.0 SpinCo is, as of the date of this Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such 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, LITH 2.0 Arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management, no director or executive officer of LITH 2.0 SpinCo, or shareholder holding a sufficient number of securities to affect materially the control of LITH 2.0 SpinCo has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, LITH 2.0 Arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of management, no proposed director or executive officer of LITH 2.0 SpinCo, or shareholder holding a sufficient number of securities to affect materially the control of LITH 2.0 SpinCo 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 investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of LITH 2.0 SpinCo will be subject in connection with the operations of LITH 2.0 SpinCo. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

EXECUTIVE COMPENSATION

To date, LITH 2.0 SpinCo has not carried on any active business. No compensation has been paid to date by LITH 2.0 SpinCo to its proposed executive officers.

Following completion of the LITH 2.0 Arrangement and completion of the Los Morros Initial Exploration Program, it is anticipated that LITH 2.0 SpinCo will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth. LITH 2.0 SpinCo has arranged that the initial compensation structure reflects its intention to keep general and administrative costs low.

LITH 2.0 SpinCo has not established an annual retainer fee or meeting attendance fee for directors. However, LITH 2.0 SpinCo expects to reimburse directors for reasonable expenses incurred in the course of the performance of their duties as directors.

EQUITY COMPENSATION PLANS

LITH 2.0 SpinCo Option Plan

LITH 2.0 SpinCo has adopted a stock option plan that is identical to the LITH Option Plan. A summary of the LITH 2.0 SpinCo Option Plan is provided below but is qualified in its entirety by the full text of the plan contained in Appendix "IV" attached hereto.

The LITH 2.0 SpinCo 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 ("**LITH 2.0 SpinCo Options**") to purchase LITH 2.0 SpinCo Shares. The purpose of the LITH 2.0 SpinCo Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of LITH 2.0 SpinCo or any of its subsidiaries to achieve the longer-term objectives of LITH 2.0 SpinCo; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of LITH 2.0 SpinCo; and to attract to and retain in the employ of LITH 2.0 SpinCo or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in LITH 2.0 SpinCo.

The aggregate number of LITH 2.0 SpinCo Shares issuable pursuant to LITH 2.0 SpinCo Options granted under the LITH 2.0 SpinCo Option Plan may not exceed 10% of the issued and outstanding LITH 2.0 SpinCo Shares (on a non-diluted basis) as at the date of the grant of any LITH 2.0 SpinCo Options under the LITH 2.0 SpinCo Option Plan. The period during which LITH 2.0 SpinCo Options granted under the LITH 2.0 SpinCo Option Plan are exercisable may not exceed ten years from the date such LITH 2.0 SpinCo Options are granted. The number of LITH 2.0 SpinCo Shares issuable pursuant to LITH 2.0 SpinCo Options granted (and any other Security Based Compensation (as defined in the policies of the TSXV) granted or issued) in any 12-month period to any one person may not exceed five percent (5%) of the issued and outstanding LITH 2.0 SpinCo Shares, unless disinterested shareholder approval is obtained. In addition, the number of LITH 2.0 SpinCo Shares issuable pursuant to LITH 2.0 SpinCo 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 LITH 2.0 SpinCo Shares, calculated as at the date any LITH 2.0 SpinCo Option is granted to the consultant, and the number of LITH 2.0 SpinCo Shares issuable pursuant to LITH 2.0 SpinCo 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 TSXV) in the aggregate must not exceed 2% of the issued and outstanding LITH 2.0 SpinCo Shares, calculated as at the date the LITH 2.0 SpinCo Option is granted to any such Investor Relations Service Provider.

The maximum aggregate number of LITH 2.0 SpinCo Shares issuable pursuant to LITH 2.0 SpinCo Options granted (and any other Security Based Compensation granted or issued) to insiders of LITH 2.0 SpinCo (as a group) must not exceed 10% of the issued and outstanding LITH 2.0 SpinCo Shares at any point in time, unless disinterested shareholder approval is obtained. Furthermore, the maximum aggregate number of LITH 2.0 SpinCo Shares issuable pursuant to LITH 2.0 SpinCo Options granted (and any other Security Based Compensation granted or issued) in any 12-month period to insiders of LITH 2.0 SpinCo (as a group) must not exceed 10% of the issued and outstanding LITH 2.0 SpinCo Shares, calculated as at the date the LITH 2.0 SpinCo Option is granted to any insider, unless disinterested shareholder approval is obtained.

Pursuant to the LITH 2.0 SpinCo Option Plan, the LITH 2.0 SpinCo Board determines the price per LITH 2.0 SpinCo Share and the number of LITH 2.0 SpinCo Shares which may be allotted to each Eligible Participant and all other terms and conditions of the LITH 2.0 SpinCo Options, subject to the rules of the TSXV. The price per LITH 2.0 SpinCo Share set by the LITH 2.0 SpinCo Board may not be less than the last closing price of the LITH 2.0 SpinCo Shares on the TSXV prior to the date on which such LITH 2.0 SpinCo Options are granted, less the applicable discount permitted (if any) by the TSXV. Pursuant to the LITH 2.0 SpinCo Option Plan, subject to the policies of the TSXV, an Eligible Participant may be eligible to exercise LITH 2.0 SpinCo Options through a Cashless Exercise or Net Exercise (as such terms are defined in the policies of the TSXV).

If a holder of LITH 2.0 SpinCo 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 LITH 2.0 SpinCo Options, whichever is earlier, exercise any LITH 2.0 SpinCo Options held by the holder, but only to the extent that the holder was entitled to exercise the LITH 2.0 SpinCo Options at the date of such cessation. In the event of the death of a holder of LITH 2.0 SpinCo 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 LITH 2.0 SpinCo Options, whichever is earlier, but only to the extent that the holder was entitled to exercise the LITH 2.0 SpinCo Options at the date of such holder's death.

LITH 2.0 SpinCo intends to issue options pursuant to the LITH 2.0 SpinCo Option Plan after completion of the Los Morros Initial Exploration Program.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS AND EMPLOYEES

No director, senior officer, employee, or any of their respective associates or affiliates is or has been at any time since the inception of LITH 2.0 SpinCo, indebted to LITH 2.0 SpinCo or any of its subsidiaries.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

At the LITH 2.0 Effective Time, the LITH 2.0 SpinCo Board is expected to appoint LITH 2.0 SpinCo's audit committee (the "**LITH 2.0 SpinCo Audit Committee**").

LITH 2.0 SpinCo Audit Committee Charter

It is anticipated that the LITH 2.0 SpinCo Board will adopt an audit committee charter, substantially in the form attached as Appendix "V" mandating the role of the LITH 2.0 SpinCo Audit Committee in supporting the LITH 2.0 SpinCo Board in meeting its responsibilities to LITH 2.0 SpinCo Shareholders.

Corporate Governance

The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers, which LITH 2.0 SpinCo shall be following the LITH 2.0 Effective Time. In addition, the CSA have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which will prescribe certain disclosure by LITH 2.0 SpinCo of its corporate governance practices. This disclosure is presented below.

Board of Directors

Following the LITH 2.0 Effective Time, the LITH 2.0 SpinCo Board is expected to be comprised of at least three directors, of whom at least two shall be independent for the purposes of NI 58-101.

There are no special structures or processes in place to facilitate the functioning of the LITH 2.0 SpinCo Board independently of LITH 2.0 SpinCo's management. However, the independent directors intend to meet regularly without the non-independent directors being in attendance and shall be given full access to management so that they may express their own views and communicate their expectations of the management.

Directorships

Certain of the current directors are also directors of other reporting issuers, as follows:

Director	Other Reporting Issuers
Steven Cochrane	LITH Angkor Resources Corp. Stuve Gold Corp.
Al Kroontje	LITH San Lorenzo Gold Corp. Stuve Gold Corp. Hoshi Resource Corp.
Jose de Castro Alem	LITH

Board Mandate

The mandate of the LITH 2.0 SpinCo Board is to manage or supervise the management of the business and affairs of LITH 2.0 SpinCo.

Position Descriptions

The LITH 2.0 SpinCo Board has not developed written position descriptions for the Chairman, the Chair of each committee or the Chief Executive Officer. While the LITH 2.0 SpinCo Board has not developed a written position description for each such position, the LITH 2.0 SpinCo Board delineates the roles and responsibilities for each such position through ongoing communications among LITH 2.0 SpinCo Board members that occur with respect to such roles.

Orientation and Continuing Education of Board Members

Subsequent to the completion of the Los Morros Initial Exploration Program, new LITH 2.0 SpinCo Board members are expected to receive an information package which includes reports on operations and results, LITH 2.0 SpinCo's policies and committee mandates. LITH 2.0 SpinCo Board committee meetings are expected to be held at LITH 2.0 SpinCo's offices and are planned to be combined with presentations by LITH 2.0 SpinCo's management and employees to give the directors additional insight into LITH 2.0 SpinCo's business. In addition, management of LITH 2.0 SpinCo shall make itself available for discussion with all LITH 2.0 SpinCo Board members.

Measures to Encourage Ethical Business Conduct

The LITH 2.0 SpinCo Board has found that the fiduciary duties placed on individual directors by LITH 2.0 SpinCo's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the LITH 2.0 SpinCo Board in which the director has an interest, have been sufficient to ensure that the LITH 2.0 SpinCo Board operates independently of management and in the best interests of LITH 2.0 SpinCo.

Nomination of Directors

The LITH 2.0 SpinCo Board does not currently have a nominating committee ("**Nominating Committee**"). If appointed, the Nominating Committee shall consider the size of the LITH 2.0 SpinCo Board and 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 LITH 2.0 SpinCo Board's duties effectively and to maintain a diversity of view and experience. The LITH 2.0 SpinCo Board will consider the future composition of the Nominating Committee, and until such time as one is appointed, shall be responsible for the aforementioned considerations.

Determination of Compensation of Directors and Officers

The LITH 2.0 SpinCo Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors and officers of LITH 2.0 SpinCo.

Assessments

The LITH 2.0 SpinCo Board shall assess, on a periodic basis, the effectiveness of the LITH 2.0 SpinCo Board as a whole and of the Committees of the Board and the contribution of individual members.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained in the Circular. The risks described below are not an exhaustive description of all the risks associated with LITH 2.0 SpinCo's business. Please also refer to the section on "Risk Factors" in the Circular.

Risks Relating to LITH 2.0 SpinCo in Connection with the LITH 2.0 Arrangement

Following the LITH 2.0 Arrangement, LITH 2.0 SpinCo may be unable to make the changes necessary to operate as an independent entity and may incur greater costs

Following the LITH 2.0 Arrangement, the separation LITH 2.0 SpinCo from the other business of LITH may materially affect LITH 2.0 SpinCo. LITH 2.0 SpinCo may not be able to implement successfully the changes necessary to operate independently. LITH 2.0 SpinCo may incur additional costs relating to operating independently that could materially affect its cash flows and results of operations. LITH 2.0 SpinCo will require LITH to provide LITH 2.0 SpinCo with certain services and facilities on a transitional basis. LITH 2.0 SpinCo may, as a result, be dependent on such services and facilities until it is able to provide or obtain its own.

There does not exist a separate operating history of LITH 2.0 SpinCo as a stand-alone entity

Upon the LITH 2.0 Arrangement becoming effective, LITH 2.0 SpinCo will become an independent company. The operating history of LITH cannot be regarded as the operating history of LITH 2.0 SpinCo. The ability of LITH 2.0 SpinCo to raise capital, satisfy its obligations and provide a return to its shareholders will be dependent on future performance. It will not be able to rely on the capital resources of LITH.

LITH 2.0 SpinCo has no history of operations, earnings or dividends

LITH 2.0 SpinCo has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that the LITH 2.0 Properties will generate earnings, operate profitably or provide a return on investment in the future. The likelihood of success of LITH 2.0 SpinCo must also be considered in light of the risks, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. LITH 2.0 SpinCo's proposed business strategies described in this Circular incorporate its management's best analysis of potential markets, opportunities and difficulties that it may face. No assurance can be given that the underlying assumptions will be achieved.

LITH 2.0 SpinCo has never paid a dividend and has no current plans to pay dividends in the future.

No market for LITH 2.0 SpinCo Shares

There is currently no market through which the LITH 2.0 SpinCo Shares may be sold and LITH 2.0 SpinCo has not applied to any stock exchange to list the LITH 2.0 SpinCo Shares. Accordingly, the purchasers may not be able to resell the LITH 2.0 SpinCo Shares. This may affect the pricing of the LITH 2.0 SpinCo Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the LITH 2.0 SpinCo Shares, and the extent of issuer regulation.

An investment in LITH 2.0 SpinCo's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of LITH 2.0 SpinCo may lose their entire investment.

Risks Relating to LITH 2.0 SpinCo's Business

Risks factors of the business

LITH 2.0 SpinCo's operations are subject to all of the hazards and risks normally incidental to exploring, developing and exploiting natural resources. These risks include, but are not limited to: environmental hazards; industrial accidents; labour disputes; unusual or unexpected geologic formations or other geological or grade problems; unanticipated changes in metallurgical characteristics and metal recovery; unanticipated ground or water conditions, rock falls, seismic activity, cave-ins, pit wall failures, flooding, rock bursts; periodic interruptions due to bad or hazardous weather conditions and other acts of God; unfavourable operating conditions; social unrest; and market conditions and commodity prices to which management can react but which management cannot control.

Any of these risks and hazards could adversely affect LITH 2.0 SpinCo's exploration activities or mining activities resulting in any of the following: an increase in the cost of exploration, development or production to a point where it is no longer economically feasible to continue; LITH 2.0 SpinCo writing down the carrying value of one or more properties or mines; delays or a stoppage in the exploration, development or production of the projects; suspensions of contracts with customers; damage to or destruction of mineral properties or processing facilities; environmental damage; and personal injury, death and legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may have a material adverse impact on the business, operations and financial performance of LITH 2.0 SpinCo.

Mining industry risks

The exploration for and development of mineral deposits involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Substantial expenses may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. There is no certainty that the exploration programs planned by LITH 2.0 SpinCo will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors such as the following: the particular attributes of the deposit, including size, grade and proximity to infrastructure; commodity prices, which fluctuate widely and cannot be predicted with certainty; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. As a result, it is possible that the financial performance of mineral properties will differ from plans and forecasts made in advance by LITH 2.0 SpinCo.

In addition, it is also common for mining operations to experience unexpected problems both during the start-up and during ongoing operations. To the extent that unexpected problems occur that affect production in the future, LITH 2.0 SpinCo's revenues may be reduced, costs may increase and LITH 2.0 SpinCo's profitability and ability to continue its mining operation may be adversely affected.

LITH 2.0 SpinCo substantially depends on one mineral project.

The Los Morros Claims account for most of LITH 2.0 SpinCo's potential for the future generation of revenue. Any adverse development affecting the Los Morros Claims will have a material adverse effect on LITH 2.0 SpinCo's business, prospects, profitability, financial performance and results of operations. These developments include, but are not limited to, the inability to obtain financing to develop the Los Morros Claims, changes in technical parameters of project development, changes in costs or anticipated costs which may make it uneconomic to develop and/or operate the Los Morros Claims, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, property, and which could hinder the development and operation of the Los Morros Claims.

LITH 2.0 SpinCo's exploration and development properties (including the Los Morros Claims) may not be successful, are highly speculative in nature, and may not result in the development of a producing mine.

Exploration for lithium is highly speculative in nature. LITH 2.0 SpinCo's exploration activities in Chile involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and the availability of exploration capital. LITH 2.0 SpinCo cannot give any assurance that its current or future exploration efforts will result in the discovery of new mineral resources or a mineral reserve, or the conversion of mineral

resources to mineral reserves or the discovery of new producing mines or ore bodies for the commercial extraction of minerals.

In addition, mineral deposits, even though discovered, may be insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by LITH 2.0 SpinCo may be affected by additional factors which are beyond the control of LITH 2.0 SpinCo and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors, which may make a mineral deposit unprofitable to exploit.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. LITH 2.0 SpinCo's mineral properties are in the exploration or early development stage only and are without known bodies of mineral reserves. Development of the Los Morros Claims or any other of LITH 2.0 SpinCo's mineral properties will only follow upon obtaining satisfactory exploration results and the completion of feasibility or other economic studies. Whether such a producing mine is eventually economically feasible will depend on numerous factors, most of which are beyond the control of LITH 2.0 SpinCo, including: the availability and cost of required development capital, movement in the price of commodities, securing and maintaining title to mining tenements as well as obtaining all necessary consents, permits and approvals for the development of the mine. Should a producing mine be developed at the Los Morros Claims, for which LITH 2.0 SpinCo can provide no assurance, other factors will ultimately impact whether mineral extraction and processing can be conducted economically at the Los Morros Claims, including actual mineralization, consistency and reliability of ore grades and future commodity prices, as well as the effective design, construction and operation of processing facilities.

Fluctuations in the market price of mineral commodities

The profitability of LITH 2.0 SpinCo's operations will be dependent in part upon the market price of mineral commodities and base and precious metals, particularly lithium. Mineral and metal prices fluctuate widely and are affected by numerous factors beyond the control of LITH 2.0 SpinCo. The level of interest rates, the rate of inflation, the world supply of and demand for mineral commodities, and exchange rate fluctuations can all cause significant commodity price fluctuations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be uneconomic, thereby having a material adverse effect on LITH 2.0 SpinCo's business, financial condition and results of operations. Fluctuations in market prices of mineral commodities subsequent to the date of any estimate of mineral reserve or mineral resource may require revision of such estimate. An adverse fluctuation in the market price of mineral commodities may cause a re-evaluation of the economic feasibility of any project. If the economic feasibility of a project is subsequently questioned, LITH 2.0 SpinCo may be adversely affected and may have to write off costs previously incurred.

Licenses and permits necessary for operations

The operations of LITH 2.0 SpinCo require licenses and permits from various governmental authorities. Obtaining necessary permits and licenses can be a complex and time-consuming process. Although all current operations are conducted under valid licenses and permits, LITH 2.0 SpinCo cannot be certain that it will be able to obtain necessary new licenses or permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop, delay or restrict LITH 2.0 SpinCo from proceeding with the development of an exploration project or the development and operation of a mine. Any failure to comply with applicable laws and regulations or permits could result in interruption or closure of exploration, development or mining operations, or fines, penalties or other liabilities being assessed against LITH 2.0 SpinCo. LITH 2.0 SpinCo could also lose its mining concessions under the terms of its existing agreements.

In particular, the Chilean government has recently announced its intention to form the "National Lithium Company of Chile" whose mandate will be to enter into government/private sector partnerships on non-strategic salars within Chile. Many of LITH 2.0 SpinCo's properties are located on those non-strategic salars.

LITH 2.0 SpinCo will require additional capital in the future and no assurance can be given that such capital will be available at all or available on terms acceptable to LITH 2.0 SpinCo.

Subsequently, LITH 2.0 SpinCo will make substantial capital and other expenditures related to exploration, and upon successful exploration results, future development and production. LITH 2.0 SpinCo will fund the exploration expenditures initially from the working capital provided by LITH, as LITH 2.0 SpinCo has no source of operating income. LITH 2.0 SpinCo will have further capital requirements and exploration expenditures as it proceeds to expand exploration activities at any of its properties, develop any such properties, or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. LITH 2.0 SpinCo may incur major unanticipated liabilities or expenses. In particular, any development of the Los Morros Claims into an operating mine will require substantial capital commitments which LITH 2.0 SpinCo cannot currently quantify and does not currently have in place. LITH 2.0 SpinCo can provide no assurance that it will be able to obtain financing on favourable terms or at all. Where LITH 2.0 SpinCo issues common shares or securities convertible into common shares in the future, such issuance will result in dilution, possibly substantial, to the then existing shareholders of LITH 2.0 SpinCo.

LITH 2.0 SpinCo is subject to risks relating to elevating capital costs and project delays.

LITH 2.0 SpinCo's Los Morros Claims are located in Chile, a country with a busy and growing mining industry. Several other large scale projects are planned or in construction therefore both skilled and unskilled labour demand may frustrate developers. As a result, the ability to advance projects as scheduled and budgeted is uncertain.

LITH 2.0 SpinCo's operations are subject to operational risks and hazards inherent in the mining industry.

LITH 2.0 SpinCo's operations are subject to operational risks and hazards inherent in the mineral exploitation and extraction industry, including, but not limited to, variations in grade, deposit size, earthquakes and other Acts of God, density and other geological problems, hydrological conditions (including a shortage of water), availability of power, metallurgical and other processing problems, mechanical equipment performance problems, drill rig shortages, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, labour, and adverse weather conditions and unexpected inflationary changes in Chile as a result of the development and operation of other mineral projects in the country. Should any of these risks and hazards affect any of LITH 2.0 SpinCo's exploration and development activities, it may cause delays or a complete stoppage in LITH 2.0 SpinCo's exploration or development activities, which would have a material and adverse effect on the business of LITH 2.0 SpinCo.

LITH 2.0 SpinCo has no history of mineral production.

LITH 2.0 SpinCo currently has no advanced exploration or development projects. The Los Morros Claims are an early stage exploration project that have no operating history upon which to base estimates of future operating costs, future capital spending requirements or future site remediation costs or asset retirement obligations. LITH 2.0 SpinCo has no experience with projects in a stage and operation status similar to the Los Morros Claims and uncertainties remain with exploration stage mining operations and LITH 2.0 SpinCo can provide no assurance that the necessary expertise will be available if and when it seeks to place any of its mineral properties into production, including the Los Morros Claims. LITH 2.0 SpinCo has no experience in placing mineral properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with major mining companies that can provide such expertise. There can be no assurance that LITH 2.0 SpinCo will have available to it the necessary expertise when and if it places any of its mineral properties into production, including the Los Morros Claims.

There is no assurance that title to mineral properties will not be challenged.

The acquisition of title to mineral properties is a very detailed and time consuming process. Title to, and the area of, mineral concessions and claims may be disputed. While LITH 2.0 SpinCo has investigated title to the mineral concessions and claims underlying the Los Morros Claims, and other properties over which it has acquired options to purchase the underlying mineral concessions and claims, LITH 2.0 SpinCo cannot guarantee that title to any such properties will not be challenged, or that title to such properties will not be

affected by an unknown title defect. LITH 2.0 SpinCo's mineral properties may be subject to prior unregistered liens, agreements or transfers, native land claims or other undetected title defects. LITH 2.0 SpinCo has not surveyed the boundaries of all of its mineral properties and consequently the boundaries of the properties may be disputed.

LITH 2.0 SpinCo is subject to a number of inherent exploration, development and operating risks.

LITH 2.0 SpinCo is engaged in mineral exploration and development, which is highly speculative in nature and involves many risks and is frequently not economically successful. Establishing and increasing mineral resources or mineral reserves depends on a number of factors including, among others, the quality of LITH 2.0 SpinCo's management and their geological and technical expertise, and the quality of land available for exploration. Once mineralization is discovered, it may take several years of additional exploration and development until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling or drifting, to determine the optimal metallurgical process and to finance and construct mining and processing facilities. At each stage of exploration, development, construction and mine operation, various permits and authorizations are required, including the support and cooperation of surrounding communities and stakeholders. Applications for many permits require significant amounts of management time and the expenditure of substantial amounts for engineering, legal, environmental, social and other activities. At each stage of a project's life delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project and may reduce its economic viability. As a result of these uncertainties, there can be no assurance that mineral exploration and development programs will ultimately result minerals.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions.

LITH 2.0 SpinCo conducts exploration activities entirely in Chile. LITH 2.0 SpinCo's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on LITH 2.0 SpinCo's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on LITH 2.0 SpinCo's cash flows, earnings, results of operations and financial condition. Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits (including export and/or customs approvals), opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on lithium or other metals exports, and inadequate infrastructure. These risks may limit or disrupt LITH 2.0 SpinCo's operations and exploration activities, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

Changes in mining or investment policies or shifts in political attitudes in Chile may adversely affect LITH 2.0 SpinCo's business. Operations may be affected by governmental regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, including indigenous groups, water use and mine safety. The effect of these factors cannot be accurately predicted.

Government regulations may have an adverse effect on LITH 2.0 SpinCo's exploration and development activities and future operations.

LITH 2.0 SpinCo's exploration and development activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, mine development and protection of endangered and protected species, treatment of indigenous peoples and other matters. Each jurisdiction in which LITH 2.0 SpinCo has properties regulates mining and mineral exploration activities. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and conditions of existing permits and agreements applicable to LITH 2.0 SpinCo or its properties, which could have a material and adverse effect on LITH 2.0 SpinCo's current exploration and

development activities. Where required, obtaining necessary permits can be a complex, time-consuming process and LITH 2.0 SpinCo cannot provide assurance whether any necessary permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict LITH 2.0 SpinCo from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

LITH 2.0 SpinCo will not be able to obtain insurance coverage to cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable.

The mineral exploration and mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, and monetary losses and possible legal liability. LITH 2.0 SpinCo does not currently carry any insurance policies. The insurance policies that LITH 2.0 SpinCo and its subsidiaries may obtain do not provide coverage for all losses related to their business and the occurrence of losses, liabilities or damage not covered by such insurance policies could have a material and adverse effect on LITH 2.0 SpinCo's profitability, results of operations and financial condition.

LITH 2.0 SpinCo will rely on its management team and outside contractors and the loss of one or more of these persons may adversely affect LITH 2.0 SpinCo.

The success of LITH 2.0 SpinCo is dependent to a significant extent on the efforts and abilities of its management and outside contractors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors. LITH 2.0 SpinCo does not have in place formal programs for succession and training of management. There is significant competition to attract and retain qualified personnel in the mining industry. There can be no assurance that LITH 2.0 SpinCo will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect LITH 2.0 SpinCo's business, results of operations and financial condition.

Environmental and other regulatory requirements may adversely affect LITH 2.0 SpinCo.

LITH 2.0 SpinCo's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. The exploration operations of LITH 2.0 SpinCo and development and commencement of production on its properties, do and will require permits from various local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, treatment of indigenous groups and other matters.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration or mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

The activities of LITH 2.0 SpinCo depend, to a substantial degree, on adequate infrastructure.

Mining, processing, development and exploration activities depend, to a substantial degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of LITH 2.0 SpinCo.

LITH 2.0 SpinCo faces significant competition for attractive mineral properties.

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. LITH 2.0 SpinCo's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources LITH 2.0 SpinCo, LITH 2.0 SpinCo may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Currency risk

LITH 2.0 SpinCo's operations will incur most of its expenditures in Chilean pesos while its products are priced in United States dollars and its financial performance is reported in Canadian dollars. As a result of the use of different currencies, LITH 2.0 SpinCo may be subject to foreign currency fluctuations, which may materially affect the financial position and results of LITH 2.0 SpinCo. LITH 2.0 SpinCo does not currently engage in currency hedging to offset the risk of currency fluctuations.

Certain directors and officers may have conflicts of interest.

Certain of the directors and officers of LITH 2.0 SpinCo are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of LITH 2.0 SpinCo may become subject to conflicts of interest. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Repatriation of earnings

There is no assurance that Chile or any other foreign country in which LITH 2.0 SpinCo or its subsidiaries may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Difficulty in enforcement of judgements

Substantially all of LITH 2.0 SpinCo's assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgements obtained against LITH 2.0 SpinCo, including judgements predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against LITH 2.0 SpinCo under Canadian securities laws.

Certain directors and officers, including Terrance Walker, reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against LITH 2.0 SpinCo's directors and officers who are not resident in Canada. In the event a judgement is obtained in a Canadian court against one or more of our directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgement against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Chile. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

PROMOTERS

Under applicable Canadian securities laws, LITH may be considered a promoter of LITH 2.0 SpinCo in that it took the initiative in founding LITH 2.0 SpinCo for the purpose of implementing the LITH 2.0 Arrangement.

Following the LITH 2.0 Effective Time, LITH will not beneficially own, control or direct, directly or indirectly, any voting or other equity securities of LITH 2.0 SpinCo.

MATERIAL CONTRACTS

Other than the LITH 2.0 Arrangement Agreement, LITH 2.0 SpinCo has not entered into any contract, other than contracts entered into in the ordinary course of business, that is material to LITH 2.0 SpinCo and that was entered into within the most recently completed financial year or before the most recently completed financial year but is still in effect.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings to which LITH 2.0 SpinCo is a party to, or in respect of which any of its assets are the subject of, which is or will be material to LITH 2.0 SpinCo, and LITH 2.0 SpinCo is not aware of any such legal proceedings that are contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against LITH 2.0 SpinCo by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against LITH 2.0 SpinCo, and LITH 2.0 SpinCo has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL

Except as set out elsewhere in this Circular, no: (i) proposed director or executive officer of LITH 2.0 SpinCo; (ii) person that is expected to be a beneficial owner of, or who exercise direct or indirect control or direction over, more than 10% of the outstanding LITH 2.0 SpinCo Shares; or (iii) any associate or affiliate of any person referred to in (i) or (ii) above has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect LITH 2.0 SpinCo or its subsidiary.

The directors and officers of LITH 2.0 SpinCo are also the directors and officers of LITH.

AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of LITH 2.0 SpinCo is MNP LLP. Its offices are located at Suite 2000, 112-4th Avenue S.W., Calgary, Alberta T2P 0H3.

It is expected that Odyssey Trust Company will be the transfer agent and registrar for the LITH 2.0 SpinCo Shares at its offices in Calgary, Alberta.

INTERESTS OF EXPERTS

LITH 2.0 SpinCo's auditors are MNP LLP, who have confirmed they are independent in respect of LITH 2.0 SpinCo within the meaning of relevant rules and related interpretations prescribed by the professional bodies in Canada and any applicable legislation.

Eric L. Hanson, B.Sc., P.Geo., is the author of the Los Morros Technical Report. As of the date of this Circular, Mr. Hanson does not own any of the issued and outstanding LITH Shares or LITH 2.0 SpinCo Shares.

Evans, an independent financial advisory firm, has prepared the valuation report entitled "Comprehensive Valuation Report for Lithium Chile Inc. on Lithium Chile 2.0 Inc." attached hereto as Schedule "K". Evans is considered to be independent of LITH and LITH 2.0 SpinCo.

APPENDIX "I"

**AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM DATE OF INCORPORATION ON
APRIL 11, 2024 TO JUNE 30, 2024**

(see attached)

LITHIUM CHILE 2.0 INC.

Financial Statements

For the period from the date of Incorporation on April 11, 2024 to June 30, 2024

To the Shareholder of Lithium Chile 2.0 Inc.:

Opinion

We have audited the financial statements of Lithium Chile 2.0 Inc. (the "Company"), which comprise the statement of financial position as at June 30, 2024 and changes in shareholder's equity and cash flows for the period from April 11, 2024 (date of incorporation) to June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024, and the results of its operations and its cash flows for the period from April 11, 2024 (date of incorporation) to June 30, 2024 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Calgary, Alberta

September 9, 2024

MNP LLP

Chartered Professional Accountants

MNP

LITHIUM CHILE 2.0 INC.
Statement of Financial Position
As at June 30, 2024
(Expressed in Canadian Dollars)

Assets	Notes		
Current			
Cash		\$	1
Total assets		\$	1

Shareholder's Equity

Share capital	4	\$	1
Total shareholder's equity		\$	1

Nature of operations	1
Proposed transaction	7

Approved by the Board:

signed "Al J. Kroontje"

Al Kroontje, Director

signed "Steve Cochrane"

Steve Cochrane, Director

The accompanying notes are an integral part of these financial statements

LITHIUM CHILE 2.0 INC.

Statement of Cash Flows

For the period from the date of incorporation on April 11, 2024 to June 30, 2024

(Expressed in Canadian Dollars)

	Notes		
Financing activities:			
Issuance of common shares	4	\$	1
Cash flows provided by financing activities		\$	1
Increase in cash		\$	1
Cash, end of period		\$	1

The accompanying notes are an integral part of these financial statements.

LITHIUM CHILE 2.0 INC.

Statement of Changes in Shareholder's Equity

For the period from the date of incorporation on April 11, 2024 to June 30, 2024

Common shares:	Number of common shares	\$
Shares issued for cash upon incorporation on April 11, 2024 (note 4)	1	1
Balance, June 30, 2024	1	1

The accompanying notes are an integral part of these financial statements

1. **Business activities**

Lithium Chile 2.0 Inc. (the "Corporation" or "LITH 2.0"), a private corporation, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on April 11, 2024. The registered office is located at 700, 903 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 0P7.

LITH 2.0 is a wholly-owned subsidiary of Lithium Chile Inc. ("LITH") and has had no operations to the date of these financial statements.

The Company was established in order to facilitate spin-out of certain mining assets. LITH intends to transfer all of the shares of its wholly owned Chilean subsidiary, Inversiones Kairos Chile SpA ("Inversiones Kairos"), to the Corporation. Inversiones Kairos is the owner of all of the lithium claims held by LITH in Chile.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Corporation has not had any transactions except for the issuance of common shares since inception. The Company's continuation as a going concern is dependent upon successful completion of the transaction described in Note 7. Management intends to finance operating costs over the next twelve months with cash transfers from LITH. These conditions indicate the existence of material uncertainties that may cause doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. **Basis of presentation**

a) **Statement of compliance**

These financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect at the closing date of June 30, 2024.

These financial statements, and the policies applied herein, were authorized for issue by the Board of Directors on September 9, 2024.

b) **Basis of measurement**

These financial statements have been prepared under the historical cost method.

These financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

c) **Use of judgments and estimates**

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

There were no key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

LITHIUM CHILE 2.0 INC.

Notes to the Financial Statements

For the period from the date of incorporation on April 11, 2024 to June 30, 2024

3. Material of material accounting policies

a) Cash

Cash includes cash on hand and deposits held with banks.

b) Fair value of financial instruments

The Corporation has classified its financial instrument fair values based on the required three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

c) Share capital

Proceeds from the issuance of common shares are classified as equity in the statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction, net of any tax effects.

4. Share capital

a) Authorized:

Unlimited number of common voting shares and preferred shares without nominal or par value.

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued since the Corporation's inception.

b) Issued Common Shares

Issued share capital is as follows.

	#	\$
Shares issued for cash upon incorporation	1	1

5. Capital management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to have sufficient capital to be able to explore and develop mineral properties in Chile. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

6. Financial instruments and risk management

The Corporation, as part of its operations, carries financial instruments consisting of cash. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from this financial instrument.

The Corporation doesn't have financial assets and liabilities measured at fair value. The carrying amount of cash approximates its fair value due to its short-term maturity.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation believes it has no significant credit risk.

LITHIUM CHILE 2.0 INC.

Notes to the Financial Statements

For the period from the date of incorporation on April 11, 2024 to June 30, 2024

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2024, the Corporation had a cash balance of \$1 and no liabilities.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

The Corporation has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Corporation does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Corporation is not exposed to commodity price risk.

7. Proposed transaction

LITH intends to transfer all of the shares of its wholly owned Chilean subsidiary, Inversiones Kairos Chile SpA ("Inversiones Kairos"), to the Corporation. Inversiones Kairos is the owner of lithium claims in Chile. Thereafter, at a meeting of the shareholders of LITH planned for October 17, 2024, the LITH Shareholders will be asked to consider, and, if thought advisable, approve a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) involving the distribution of the common shares of LITH 2.0 (the "LITH 2.0 Shares"), to the shareholders of LITH on the basis of one (1) LITH 2.0 Share for every four (4) common shares of LITH held by a shareholder of LITH on the effective date of such distribution. (the "Effective Time").

To facilitate such distribution of LITH 2.0 Shares to the LITH shareholders in the correct ratio, it is intended that a share split will be completed immediately prior to the Effective Time, such that the number of issued and outstanding LITH 2.0 Shares at the Effective Time will be equal to one-quarter (1/4) of the number of the then issued and outstanding LITH common shares.

APPENDIX "II"

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED JUNE 30, 2024

(see attached)

LITHIUM CHILE 2.0 INC.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis ("MD&A") for Lithium Chile 2.0 Inc. ("Lithium 2.0" or the "Corporation") is a review of how the Corporation performed during the period covered by the audited financial statements of the Corporation from the date of incorporation on April 11, 2024 to June 30, 2024 (the "Audited Statements") and of the Corporation's financial condition and future prospects. This MD&A complements and supplements the Audited Statements and should be read in conjunction with the Audited Statements and the related notes thereto... The Audited Statements have been prepared in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

The Corporation's Board of Directors has reviewed and approved this MD&A which is effective September 9, 2024.

Certain information presented in this MD&A constitutes forward looking information that is subject to substantial risks and uncertainties. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to describe these forward-looking statements. By their nature, forward-looking statements necessarily involve risks such as loss of market, lack of qualified personnel, impact of the regulatory environment, and competition from other companies. Readers are cautioned that the assumptions used in the preparation of forward-looking information and statements, although considered reasonable at the time may prove to be imprecise. As such, undue reliance should not be placed on forward-looking statements. A number of factors, many of which are beyond the control of Lithium 2.0, may affect the actual performance of Lithium 2.0 and actual results may differ from those expressed or implied by such forward looking information. Accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will occur, or if they do occur, what benefit Lithium 2.0 will derive from them. Readers are cautioned not to place undue reliance on these forward-looking statements.

DESCRIPTION OF BUSINESS

Lithium Chile 2.0 Inc. was incorporated by a Certificate of Incorporation pursuant to the provisions of the Business Corporations Act (*Alberta*) on April 11, 2024. The Corporation has had no operations since incorporation. It is a private company and is wholly-owned by Lithium Chile Inc. ("LITH"). LITH'S common shares trade on the TSX Venture Exchange under the symbol "LITH".

At June 30, 2024, the Corporation had cash of \$1 being received on the issuance of the incorporator's 1 common share. Due to the nature of the mining industry, additional financing will be required in due course.

Management will seek additional forms of financing through the issuance of new equity or debt instruments to commence exploration activities. Without such funding being available, the Corporation may not be able to commence exploration activities.

SELECTED FINANCIAL INFORMATION

The following summarizes information derived from the Corporation's financial statement as at June 30, 2024:

Cash	\$	1
Share capital	\$	1
Number of common shares outstanding		1

OUTLOOK AND SUBSEQUENT EVENTS

At a Meeting of the holders of common shares in the capital of LITH (the "**LITH Shareholders**") planned for October 17, 2024, the LITH Shareholders will be asked, among other things, to consider, and, if thought advisable, approve a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) involving the distribution of the common shares of Lithium Chile 2.0 Inc. (the "Lithium 2.0 Shares") to the LITH Shareholders on the basis of one (1) Lithium 2.0 Share for every four (4) LITH common shares held by a LITH shareholder.

In addition, the following transactions are planned, or have occurred, subsequent to June 30, 2024 and are part of a series of transactions related to the Arrangement:

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

- The Corporation will acquire 100% of the shares of Inversiones Kairos Chile SpA ("Inversiones Kairos") for the sum of \$9,735,000.

Inversiones Kairos owns LITH's interests in lithium properties in Chile.

- The Corporation will affect a stock split such that the issued and outstanding shares of the Corporation will be equal to one quarter (1/4) of the number of issued and outstanding common shares of LITH immediately prior to the distribution of Lithium 2.0 Shares. As at June 30, 2024, the stock split ratio would result in the number of issued and outstanding Lithium 2.0 Shares to be 51,581,914.

Financial Resources and Liquidity

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As described in the Outlook and Subsequent Event section, the Corporation will have CAD\$1 in cash and no liabilities. However, in due course additional funds will be required to fund exploration efforts.

Mineral Property Expenditure Commitments

The mineral properties being acquired through the acquisition by the Corporation from LITH of 100% of the shares of Inversiones Kairos do not have any minimum work or expenditure commitments. The Corporation is obligated to make annual tax payments of approximately US\$4.15 to US\$27.66/hectare to the Chilean government in relation to exploration and exploitation concessions.

SHARE CAPITALIssued

	#	\$
Shares issued for cash upon incorporation	1	1

CASH FLOW

To date, the Corporation has a nominal cash balance of \$1 from the initial common share issuance.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Lithium 2.0 is not a party to any industry contracts or obligations and there are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

There are no critical or material accounting estimates.

BUSINESS RISKS

Mining Industry Risks

The exploration for and development of mineral deposits involves a high degree of risk that even a combination of careful evaluation, experience, knowledge and sufficient financial resources may not eliminate. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit such as size, grade and proximity to infrastructure; commodity prices which are inherently cyclical and cannot be predicted with certainty; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted and the combination of these factors may result in not receiving an adequate return on invested capital.

Properties without Known Mineable Reserves

The Corporation's activities will continue to be directed towards the search for, evaluation of, and development of mineral deposits. There is no assurance that expenditures associated with those activities will result in securing commercial mineral deposits and actual expenditures may be higher than currently anticipated.

Uncertainty as to Calculations of Mineral Deposit Estimates

There is a significant degree of uncertainty attributable to the calculation of mineral deposit estimates. Until the mineral is actually mined and processed, mineral deposit estimates, grades and recovery rates must be considered as estimates only. Consequently, there can be no assurance that any mineral deposit estimates or grade information will prove accurate. In addition, the value of mineral deposits may vary depending on mineral prices and other factors. Any material change in grades, stripping ratios or other mining and processing factors may affect the economic viability of projects. Furthermore, mineral deposit estimate information should not be interpreted as any assurance of mine life or of the potential profitability of existing or future projects.

Uninsurable Risks

The Corporation may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce the funds available for development and mining activities. Payment of liabilities for which the Corporation does not carry insurance may have a material adverse effect on the Corporation's financial position.

Currency

Currency fluctuations may materially affect the financial position and results of Lithium 2.0. Lithium 2.0 does not intend to engage in currency hedging to offset currency fluctuations risks.

Governmental Regulation of the Mining Industry

The mineral development or exploration activities of Lithium 2.0 are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to protection of the environment. Although the Corporation believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of Lithium 2.0 or more stringent implementation thereof could have a material adverse effect on the business, financial condition and results of operations of the Corporation.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover deposits but also from finding deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of resources or reserves acquired or discovered by the Corporation may be affected by numerous factors which are beyond the control of Lithium 2.0 and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of facilities, commodity markets, processing equipment availability and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in Lithium 2.0 not receiving an adequate return of investment capital.

There is no assurance that Lithium 2.0's mineral exploration and development activities will result in any discoveries or acquisitions of commercial bodies of minerals. The long-term profitability of Lithium 2.0 operations will in part be directly related to the costs and success of its development efforts which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

mining. Although substantial benefits may be derived from the discovery or acquisition of a deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

If Lithium 2.0 loses or abandons its interest in its properties, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by Lithium 2.0, whether by way of option or otherwise, should Lithium 2.0 wish to acquire any additional properties.

The business of exploration and development of minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines and there is no guarantee Lithium 2.0' new projects will become producing mines.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and Lithium 2.0 may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Lithium 2.0.

Permits and Licenses

The future operations of Lithium 2.0 may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that Lithium 2.0 will be able to obtain all necessary permits and approvals that may be required to undertake development activity or commence construction or operation of mine facilities on Lithium 2.0' properties.

Environmental Legislation

Environmental laws and regulations may affect the operations of Lithium 2.0. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, Lithium 2.0 generally relies on recognized designers and development contractors, from which Lithium 2.0 will, in the first instance, seek indemnities. Lithium 2.0 intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions hereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including Lithium 2.0 may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Lithium 2.0 and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although Lithium 2.0 believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of Lithium 2.0' interests.

Market Prices

If Lithium 2.0 seeks to bring a property to production, the profitability of its operations will be dependent in part upon the market price of the minerals. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of Lithium 2.0. The level of interest rates, the rate of inflation, the world supply of and demand for mineral commodities, and exchange rate stability can all cause significant price fluctuations. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of commodities has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Lithium 2.0's business, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases and Lithium 2.0 will compete with many companies possessing greater financial and technical resources than itself. Competition in the mining industry is primarily for: mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine minerals but conduct refining and marketing operations on a world-wide basis. Such competition may result in Lithium 2.0 being unable to acquire desired properties (due to the auction process involved in property acquisition), to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Lithium 2.0' prospects for mineral exploration and success in the future.

Additional Financing

The exploration and development of Lithium 2.0' properties, including continuing exploration and development projects, and the construction of mining facilities and the commencement of mining operations, will require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration development or production on any or all of Lithium 2.0' properties or even a loss of a property interest. Sources of funds now available to Lithium 2.0 are limited and may include the sale of equity capital, properties, royalty interests, the entering into of future joint ventures and the exercise of outstanding options and warrants. Additional financing may not be available when needed or, even, if available, the terms of such financing might not be favourable to Lithium 2.0 and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on Lithium 2.0's business, financial condition and results of operations.

Competition for Key Personnel

Lithium 2.0 will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on Lithium 2.0. Lithium 2.0' ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. Lithium 2.0 faces intense competition for qualified personnel and there can be no assurance that Lithium 2.0 will be able to attract and retain such personnel.

Possible Volatility of Stock Price

The market price of Lithium 2.0 Shares will be subject to wide fluctuations in response to factors such as actual or anticipated variations in Lithium 2.0' consolidated results of operations, changes in financial estimates by securities analysts, general market consolidated and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of the Lithium 2.0 Shares. Factors such as the price of minerals, announcements by competitors, and changes in stock market analyst recommendations regarding Lithium 2.0, and general market conditions and attitudes affecting other exploration and mining companies may have a significant effect on the market price of the Lithium 2.0 Shares. Moreover, it is likely that during future quarterly periods, Lithium 2.0' results and exploration activities may fluctuate significantly or may fail to meet the expectations of stock market analysts and investors and, in such event, the market price of the Lithium 2.0 Shares could be materially adversely affected.

In the past, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. Such litigation, if brought against Lithium 2.0, could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on Lithium 2.0' business, financial condition and results of operations.

Ability to Manage Growth

The size of Lithium 2.0' business and assets is expected to grow in the coming years. In order to effectively deploy its capital and manage its growth, Lithium 2.0 will need to retain additional personnel and augment, improve or replace existing systems and controls. As a result, there can be no assurances that Lithium 2.0 will be able to effectively manage its growth and, if it is unable to do so, its business, financial conditions and results could be adversely affected.

Ability to Sell Securities

Securities of Lithium 2.0 may be subject to resale restrictions under applicable securities legislation. Accordingly, there may be a long time period between the date of purchase of securities and the date that a shareholder is able to sell these securities. In this time, the market price of Lithium 2.0' securities will vary. Additionally, there may be limited liquidity in the market for such securities. As such, there is no assurance that the market price at which a shareholder is able to sell any will equal or exceed the price at which the securities were originally issued by Lithium 2.0.

Acquisition Risk

As part of Lithium 2.0' business strategy, it may seek to grow by acquiring businesses that it believes will complement its current business. Lithium 2.0 may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel into its business. Lithium 2.0 cannot guarantee that it can complete any acquisition it pursues on favourable terms, or that any completed acquisitions will ultimately benefit its business and the results of operations of Lithium 2.0.

The risks inherent with acquisitions include the risks associated with the integration of acquired operations, diversion of management's attention and potential loss of key employees. Lithium 2.0 may not be able to successfully integrate products, technologies or personnel of a business acquired in the future. Failure could have a Material Adverse Effect on the business, financial condition and results of operations of Lithium 2.0.

Dividends

To date, Lithium 2.0 has not paid any dividends on their outstanding shares and does not expect to do so in the foreseeable future. Any decision to pay dividends on Lithium 2.0' Shares will be made by the Board of Directors of Lithium 2.0 on the basis of Lithium 2.0' earnings, financial requirements and other conditions.

Conflicts of Interest

Certain of the directors and officers of Lithium 2.0 will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Lithium 2.0 may become subject to conflicts of interest. The Business Corporations Act (Alberta) ("ABCA") provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

Other Risks

Lithium 2.0 also faces a number of risk factors that are outside of its control, generally, including, without limitation, terrorist activities, natural disasters, general economic and other conditions.

CORPORATE INFORMATION

CONTACT

Head Office

Lithium Chile 2.0 Inc.
700, 903 – 8th Avenue S.W.
Calgary, Alberta T2P 0P7

DIRECTORS

Al J. Kroontje
Steve Cochrane

AUDITORS

MNP LLP

Calgary, Alberta

BANKERS

ATB Financial

Calgary, Alberta

APPENDIX "III"

PRO FORMA FINANCIAL STATEMENTS OF LITH 2.0 SPINCO

(see attached)

LITHIUM CHILE 2.0 INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at JUNE 30, 2024
(Unaudited)
(Canadian Dollars)

	June 30, 2024	Notes	Pro Forma Adjustments	Pro Forma
ASSETS				
Current				
Cash	\$ 1		\$ -	\$ 1
Exploration and evaluation properties – mineral properties	-	2(a)	9,735,000	9,735,000
	\$ 1		\$ 9,735,000	\$ 9,735,001
SHAREHOLDERS' EQUITY				
Share capital	1	3	9,735,000	9,735,001
	\$ 1		\$ 9,735,000	\$ 9,735,001

See accompanying notes to the pro forma consolidated statement of financial position

LITHIUM CHILE 2.0 INC.

Notes to Pro-Forma Unaudited Consolidated Statement of Financial Position As at June 30, 2024

1. Basis of Presentation

Management has prepared the accompanying unaudited pro-forma consolidated statements of financial position of Lithium Chile 2.0 Inc. ("LITH 2.0" or the "Corporation"), in accordance with Canadian generally accepted accounting principles. The pro-forma consolidated statement of financial position has been prepared from information derived from the audited financial statements of LITH 2.0 for the period from the date of incorporation on April 11, 2024 to June 30, 2024 together with other information available to the Corporation. Management believes the pro-forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the proposed transaction between Lithium Chile Inc. ("LITH") and LITH 2.0.

The pro-forma consolidated financial statements should be read in conjunction with the audited financial statements for the period from the date of incorporation on April 11, 2024 to June 30, 2024 and the Plan of Arrangement Information Circular dated September 9, 2024 prepared in relation to a planned meeting of shareholders of LITH to approve a plan of arrangement (see below "Pro-Forma Transactions").

The pro-forma consolidated statement of financial position has been prepared on the basis that the completion of all of the transactions described below occurred on June 30, 2024. However, the pro-forma consolidated statement of financial position is not indicative of the financial position which would have resulted if the transaction had actually occurred on or before June 30, 2024.

2. Pro-Forma Transactions – Balance Sheet

At a meeting of the shareholders of LITH planned for October 17, 2024, the LITH Shareholders will be asked, among other things, to consider, and, if thought advisable, approve a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) involving the distribution of common shares of LITH 2.0. (the "LITH 2.0 Shares"), currently a wholly-owned subsidiary of LITH, to the shareholders of LITH on the basis of one (1) LITH 2.0 Share for every four (4) LITH Shares.

The following transactions are planned or have occurred subsequent to June 30, 2024 and are part of a series of transactions related to the Arrangement:

- a. The Corporation will acquire 100% of the shares of Inversiones Kairos Chile SpA ("Inversiones Kairos"), a wholly-owned subsidiary of LITH, for the sum of \$9,735,000.
Inversiones Kairos owns interests in lithium properties in Chile.
- b. Subsequently, the Corporation will affect a stock split such that the number of issued and outstanding LITH 2.0 Shares will be equal to one quarter of the number of issued and outstanding LITH shares. As at June 30, 2024, the stock split ratio would result in the number of issued and outstanding LITH 2.0 Shares to be distributed to be 51,581,914.

LITHIUM CHILE 2.0 INC.

Notes to Pro-Forma Unaudited Consolidated Statement of Financial Position As at June 30, 2024

3. Share Capital Continuity

A continuity of the Corporation's issued common share capital and related recorded values after giving effect to the pro forma transactions described in note 2 above is set out below.

	Notes	Number of shares (#)	Amount
Common Shares			
Issued on incorporation		1	\$ 1
Acquisition of Inversiones Kairos	2(a)	99	9,735,000
Balance, end of period		100	\$ 9,735,001

APPENDIX "IV"

LITH 2.0 SPINCO STOCK OPTION PLAN

(see attached)

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 2.0 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 August 13, 2024, 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.

APPENDIX "V"

AUDIT COMMITTEE CHARTER

(see attached)

LITHIUM CHILE 2.0 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.

SCHEDULE "J"

COMPREHENSIVE VALUATION REPORT FOR LITHIUM CHILE INC. ON KAIROS GOLD INC.

(see attached)

**COMPREHENSIVE VALUATION
REPORT**

FOR

Lithium Chile Inc.

ON

KAIROS GOLD INC.

Calgary, Alberta

June 17, 2024

EVANS & EVANS, INC.

LITHIUM CHILE INC.
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1.0 ASSIGNMENT & PROPOSED TRANSACTION

1.1 Assignment

Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Report”) was engaged by Lithium Chile Inc. (“LCI” or the “Issuer”) of Calgary, Alberta to prepare a Comprehensive Valuation Report (the “Report”) with respect to the fair market value of LCI’s wholly owned subsidiary Kairos Gold Inc. (“Kairos” or the “Company”) as at April 30, 2024 (the “Valuation Date”).

LCI is a reporting issuer whose shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol “LITH” and on the OTC-QB under the symbol “LTMCF”. Evans & Evans understands LCI is contemplating a spinout transaction which would involve transferring its Chilean gold projects to Kairos and its Chilean lithium projects to Lithium Chile 2.0 Inc. (“Lith 2.0”) (the “Proposed Transaction”). The Proposed Transaction is outlined in more detail in section 3.0 of the Report.

The Report, or a summary thereof, may be included in public disclosure documents regarding the Proposed Transaction, including in any information circular produced by the Company to be sent to its shareholders, and may be submitted to the Exchange. The final Report may be filed on SEDAR+.

As Evans & Evans will be relying on information, materials and representations provided to us by the Issuer’s management and associated representatives, the authors of the Report will require that management of LCI confirm to Evans & Evans in writing that it has reviewed the Report in detail and that the information and management’s representations contained in the Report are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report.

Evans & Evans, its staff and associates, do not assume any responsibility or liability for losses incurred by LCI, Kairos, their respective management and shareholders or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or any excerpts thereto contrary to the provisions of this section of the Report.

Evans & Evans also reserves the right to review all calculations included or referred to in the Report and, if Evans & Evans considers it necessary, to revise the Report in light of any information existing at the Valuation Date which becomes known to Evans & Evans after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in the Canadian Dollars.

2.0 BACKGROUND OF THE ISSUER

2.1 Lithium Chile Inc.

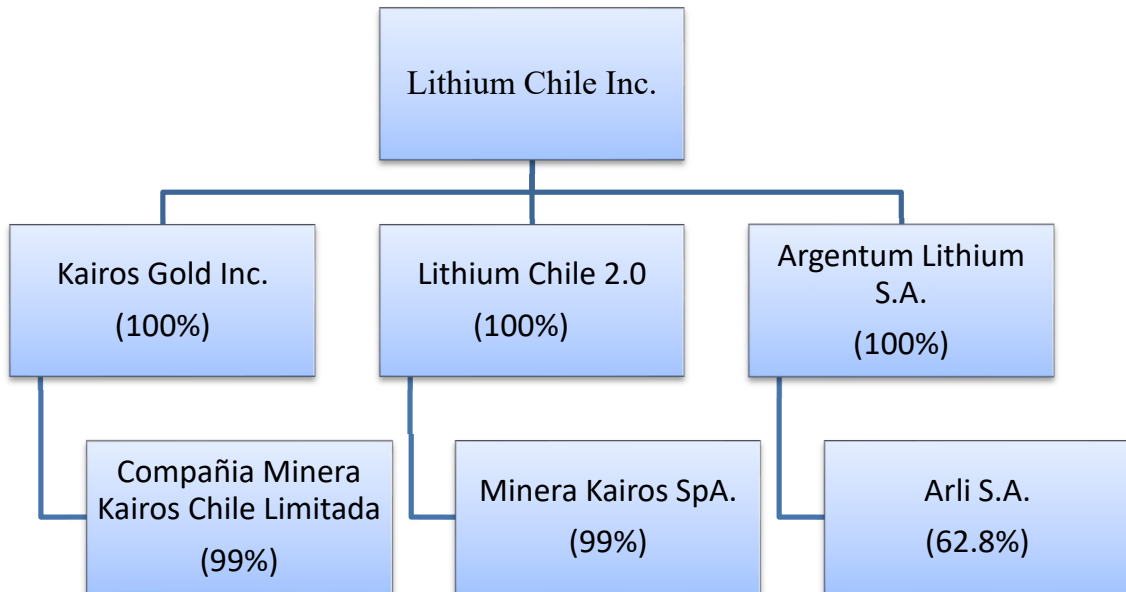
LCI was incorporated on October 18, 2010, as “Kairos Capital Corporation” by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). On December 12, 2017, the Issuer changed its name to “Lithium Chile Inc.” by Certificate of Amendment.

The Issuer is engaged in the acquisition, advancement and development of mineral properties in Chile and Argentina. LCI is an exploration company that has a published National Instrument 43-101 (“NI 43-101”) lithium resource. LCI’s property portfolio consists of 111,978 hectares in Chile and 29,245 hectares in Argentina.

The flagship project of the Issuer is the Arizaro lithium project in Argentina (the “Arizaro Project”), located in an area known as the “Lithium Triangle”. The Lithium Triangle is a region of the Andes that is rich in lithium reserves, encompassed by the borders of Argentina, Bolivia, and Chile. The lithium in the Lithium Triangle is concentrated in various salt flats referred to as “salars”.

On April 18, 2024, the Issuer announced that it had formed two wholly owned Canadian subsidiaries: Kairos and Lith 2.0. Compañía Minera Kairos Chile Limitada (“Minera Kairos”) is in the process of transferring its lithium properties in Chile to Minera Kairos SpA, and it will retain the copper / gold / silver properties. Thereafter, the membership interests in Minera Kairos will be transferred to Kairos and the shares of Minera Kairos SpA will be transferred to Lith 2.0.

As a result of the transactions above, the Issuer will have five subsidiaries as outlined in the chart below: Argentum Lithium S.A. (100% ownership), Kairos, Lith 2.0, and Compañía Minera Kairos and Minera Kairos SpA Argentum Lithium S.A. holds a 62.8% stake in Arli S.A.



Financial Overview & Capital Structure

LCI’s financial year (“FY”) end is December 31. The Issuer is currently an exploration company in the pre-revenue stage and has not yet generated any revenue as of the date of the Report. As at March 31, 2024, the Issuer had a working capital balance of \$11,226,805 (December 31, 2023 - \$17,350,327) and no long-term debt.

As of the Valuation Date, LCI had 206,224,157 common shares issued and outstanding. Additionally, the Issuer had 5,524,279 warrants, 6,350,000 stock options, and 4,700,000 restricted share units (“RSUs”) outstanding.

The Issuer’s market capitalization as of the Valuation Date was approximately \$167,000,000.

3.0 DESCRIPTION OF KAIROS GOLD INC.

3.1 Overview

Kairos was incorporated on April 10, 2024, under the provisions of *Business Corporations Act* (Alberta). Kairos is a 100% wholly owned Canadian subsidiary of LCI. LCI holds membership interests in Minera Kairos which will be transferred to Kairos and as such Minera Kairos will become a wholly owned subsidiary of Kairos.

As of the Valuation Date, the Issuer was in the process of transferring the membership interests in Minera Kairos to Kairos and the ownership of the Chilean lithium properties from Minera Kairos to Minera Kairos SpA., and the shares of Minera Kairos SpA. to Lith 2.0. For the purposes of the Report, Evans & Evans has assumed such transfers have occurred.

As of the date of the Report, management of the Issuer has confirmed that Kairos, as a newly formed entity, had no material assets or liabilities.

Kairos, through Minera Kairos, will hold interests in four early stage copper-gold assets (together the “Kairos Projects”) in Chile: (1) the Carmona Project; (2) the Apollo/Sancarron Project; (3) the Fortuna Project; and (4) the Las Garillas Project as summarized in Exhibit 3.0 of the Report.

The Issuer received the updated NI 43-101 technical report on Las Garillas, which will be the primary project of Kairos post-Proposed Transaction, on June 4, 2024 (the “LG Tech Report”). A summary of the Kairos Projects is provided in the following sections.

3.2 Las Garillas Project

Management of the Issuer confirmed to Evans & Evans that a drill program was completed during April and May of 2024, the results of which have not been obtained as of the date of the Report and were not included in the LG Tech Report.

A proposed exploration budget of \$224,898 is provided for in the LG Tech Report.

Property Location, Property Ownership, Status, Infrastructure and Agreements

The Las Garillas Project consists of nine exploration claims (the “Exploration Claims”), totaling 1,900 hectares and one exploitation claim totaling 104 hectares (the “Oro Brillante Claim”). All claims are held by Minera Kairos. The property is located approximately 308 kilometres (“km” north of Santiago, Chile and about 90 km to the south-east of Coquimbo, a harbour town on the Pacific Coast of Chile. Access is via the town of Monte Patria via dirt roads.

The Las Garillas Project is not subject to any over-riding royalties, net smelter royalties, back-in rights or other encumbrances other than the requirement to make annual claim tax payments to the Chilean government..

The Exploration Claims were acquired by staking and Oro Brillante Claim, through an option to purchase agreement (the “Purchase Option Agreement”). The Issuer has made the first payment of 277,666,667 Chilean Pesos under the Purchase Option Agreement. Two additional equal payments of 277,666,667 Chilean Pesos (the “LG Option Payments”)

each are required to be made on August 16, 2024 and February 5, 2025 to complete the terms of the Purchase Option Agreement.

As outlined in the LG Tech Report:

The titleholder of an exploration concession has the right to carry out all types of mining exploration activities within the area of the concession. Exploration concessions can overlap or be granted over the same area of land however, only the titleholder with the earliest dated exploration concession over a particular area can exercise the rights granted by the exploration concession. For each exploration concession, the titleholder must pay annual fees.

Management of the Issuer confirmed to Evans & Evans that the annual payments for 2024 have been paid as of the date of the Report.

The climate is that of a mountainous desert scrubland. Work is possible year round although snow is possible in the winter. The surface rights are owned by a private landowner. No formal access agreement exists. Access has not been a problem to date.

The property is located in a well-established mining and agricultural district. There are several small scale artisanal mines in the area. As for larger scale mines, the Carmen de Andacollo Mine, currently operated by Teck Resources Ltd., is approximately 48 km to the north-west. Much of the necessary infrastructure is in place, however no detailed study of infrastructure requirements has been conducted for purposes of this Technical Report.

History of Exploration and Production

A drilling program involving 1,502.5 meters of drilling in five holes was completed during April and May, 2024. Results from the drill program were pending as of the date of the Report.

As outlined in the LG Tech Report:

The Oro Brillante Mine has been in production, at least on and off, since the 1950s. It is difficult to determine what work was done on those parts of the property that are or were held by previous owners.

Exploration efforts to date have included rock, stream sediment, and soil sampling as well as mapping. In 2022, geologist Rodrigo Vasquez produced a geological map of the eastern portion of the property on behalf of LCI's subsidiary. That map shows granodiorites and a volcanosedimentary package along with hydrothermal breccias, veins, fault, and various alteration zones. Rock and stream sediment samples were also collected.

Geology and Mineralization

As outlined in the LG Tech Report:

The Las Garillas Project is underlain by two rock types, according to Chilean government maps. These rock types are granitic unit and a volcano-sedimentary package. Age is given as at the Cenozoic-Mesozoic boundary.

The property hosts the Oro Brillante deposit and mine of the same name. This is a vein and fault system hosting visible copper sulphides and copper oxides. Artisanal miners are currently exploiting the vein system and associated disseminated mineralization for gold. No copper is being recovered. Assays of samples collected by LCI show considerable silver mineralization as well. At the site visit, the author saw molybdenite, the principal ore of molybdenum, at the Oro Brillante Mine.

The property also has the potential to host porphyry and/or skarn deposits.

Exploration Results and Potential

The following summary of exploration is taken from the LG Tech Report.

Of the 147 rock samples, 111 assayed over the detection limit of 0.005 g/t Au¹. The highest gold assay was 10.60 g/t Au. Of the samples that assayed over the 0.005 g/t detection limit, the average gold grade is 0.82 g/t Au. While the bulk of the higher grade gold samples are from in and around the Oro Brillante and Mina Don Christoper area, several samples of over 1 g/t Au were collected well away from that area. Significant gold mineralization is therefore not confined to the eastern side of the property.

As the soil sampling campaign focused on the eastern side of the property, it is no surprise that the highest soil values for gold came from the Oro Brillante area. Nevertheless, several samples in the top ten percent for gold were collected to the south-west of Oro Brillante, suggesting that mineralization could extend in that direction.

Copper values ranged from 34 to 1160 ppm Cu² with the average being 142 ppm Cu. Apart from the Oro Brillante/Mina Don Christoper area, the top ten percent of copper in soil samples show anomalous areas to the west, the north-west, and to the south-west, and the south-east. Expanding the soil sampling grid in the future may be called for.

¹ Grams per tonne of gold (“g/t Au”)

² Parts per million copper (“ppm Cu”)

Mining and Processing Operations & Metallurgical Testing

As outlined in the LG Tech Report, no mineral processing or metallurgical testing is known to have taken place. Artisanal miners at the Oro Brillante Mine use a trapiche for crushing ore and mercury for collecting the gold.

Mineral Resources and Mineral Reserves

There are no mineral resources and reserves in compliance with NI 43-101 standard nor are there any historical resource calculations outlined in the LG Tech Report.

Mining & Recovery Methods

As outlined in the LG Tech Report:

The Author has not conducted investigations of appropriate mining techniques for purposes of this Technical Report. Artisanal mining at the Oro Brillante mine has been going on for decades until as recently as 2022.

Environmental Considerations

As outlined in the LG Tech Report:

No environmental studies have been undertaken and no known environmental issues exist. The property is in a well-established mining area.

3.3 Apollo / Sancarron Project

The Apollo / Sancarron Project is an early stage gold-silver exploration property that consists of 23 exploration claims totaling 5,229 hectares which will be held 100% by Kairos through Minera Kairos.

During December 2021, Minera Kairos personnel initiated a rock sampling program at the Apollo / Sancarrón Project with the objective of verifying the 1990-91 gold and silver assays recorded on a 1992 geology and alteration compilation map of the area which did not have the specific sample coordinates.

On March 25, 2020, Apollo Silver Inc. (“Apollo Silver”) entered into an option agreement with LCI and Minera Kairos, giving Apollo Silver the option to earn up to a 90% interest in two early-stage exploration properties in the El Indio Gold Belt of central Chile (the “El Indio Option Agreement”) referred to together as the Apollo / Sancarron Project.

On August 5, 2021, Apollo Silver announced that it was terminating the option agreement with LCI and Minera Kairos. Public disclosure from Apollo Silver noted the decision to

terminate was due to the closing of a new transaction by Apollo Silver and the resulting change in strategy and focus for Apollo Silver.

3.4 Carmona Project

The Carmona Project is an early stage gold-copper-silver property that consists of 27 exploration claims covering 7,500 hectares which will be held 100% by Kairos through Minera Kairos.

The Carmona Project is located in the Central Porphyry Copper-Gold belt which is the eastern sub-belt of a linear Late Jurassic to Upper Cretaceous-Lower Paleocene metallogenic unit defined by at least 22 deposits of copper-gold and/or silver mineralization in Northern Chile.

Between April 2019 and June 2022 Minera Kairos completed a preliminary reconnaissance geological mapping and stream sediment geochemical survey covering the bulk of the Carmona Project and detailed soil geochemical sampling, geological mapping and rock sampling concentrated within the Central and South alteration zones. The detailed soil geochemical surveys completed to date have focused on the sections of the Central and South Zone.

3.5 Fortuna Project

The Fortuna Project is an early stage gold-copper-silver property that consists of 29 exploration claims covering 7,700 hectares which will be held 100% by Kairos through Minera Kairos.

The Fortuna Project lies on the western edge of the San Felix thrust and fold belt in the Casablanca District, 35 kilometres west of the Pascua-Lama gold-silver-copper deposit and 90 kilometres southeast of the El Moro copper-gold porphyry deposit. The San Felix thrust and fold belt is the southerly continuation of Agua Marga-Sierra Castillo Fault system and the Potrerillos thrust and fold belt in the El Salvador copper-gold porphyry district located at the south end of the Domeyko Fault system.

Minera Kairos has conducted prospecting, geological and geochemical surveys to date which have outlined eight priority target areas. The largest of the eight alteration zones identified to date are the Casablanca South and Fortuna zones roughly in the centre of the property. These northeast-southwest elongate zones are 3 and 6 kilometers long and cover areas of about 4 and 8 km² respectively. Both zones appear to be controlled by the northeast-southwest trending Fortuna Fault system and several Cogoti intrusions. Old placer gold workings extend for about 1 kilometre to the northeast along Fortuna Creek from the area where it drains the Casablanca – Fortuna alteration system.

4.0 SCOPE OF THE REPORT

In arriving at opinion as to the fair market value of the Company as at the Valuation Date, Evans & Evans have relied on the following documents and information:

- Interviewed management of the Issuer to gain an understanding of the plans going forward and historic operations.
- Reviewed a management-prepared summary of the book values of the Kairos Projects as of March 31, 2024, and the yearly spend on each of the Kairos Projects for FYs 2020 through 2023.
- Reviewed a summary report prepared by management of LCI entitled “Property Report – Chilean Gold / Copper Properties”.
- Reviewed a management-prepared summary of LCI’s claims tax summary.
- Reviewed a certified copy of Mining Option Agreement granted on January 19, 2024 between Mario Adrian Echeverria Araya and Terence Walker related to the Las Garillas Project.
- Reviewed LCI’s Management Discussion and Analysis (“MD&A”) for the year ended December 31, 2023, and for the three months ended March 31, 2024.
- Reviewed LCI’s unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024.
- Reviewed LCI’s consolidated financial statements for the years ended December 31, 2022, and 2023 as audited by MNP LLP of Calgary, Alberta.
- Reviewed Compañía Minera Kairos Chile Limitada’s draft trial balance as at March 31, 2024 prepared by the management of the Issuer.
- Reviewed and relied extensively on Las Garillas Property Instrument 43-101 Technical Report prepared for LCI by Eric Lloyd Hanson with an effective date of June 4, 2024.
- Reviewed the certificate of incorporation and articles of incorporation of Kairos dated April 10, 2024.
- Reviewed the Issuer’s May 2024 Investor Presentation.
- Reviewed the website of LCI (<https://lithiumchile.ca/>).

- Reviewed information on the Apollo / Sancarron project from public disclosure documents of Apollo Silver Corp., including the Management Discussion and Analysis for the year ended November 30, 2021, the nine months ended August 31, 2021 and the year ended November 30, 2020.
- Reviewed information on the Company’s market from a variety of sources as outlined in section 9.0 of the Report.
- Reviewed information on recent transactions involving the acquisition of copper and gold properties and copper and gold companies, with a primary focus on Chile and South America.
- Reviewed information on companies that operate in similar jurisdictions and who are involved in mining of copper and gold: Cerro Grande Mining Corporation (CNSX:CEG); CopperEx Resources Corporation (TSXV:CUEX); Hot Chili Limited (TSXV:HCH); Norsemont Mining Inc. (CNSX:NOM); Rio2 Limited (TSXV:RIO); Batero Gold Corp. (TSXV:BAT); Tribeca Resources Corporation (TSXV:TRBC); Orosur Mining Inc. (TSXV:OMI); Royal Road Minerals Limited (TSXV:RYR); Cabral Gold Inc. (TSXV:CBR); TriStar Gold, Inc. (TSXV:TSG); Alta Copper Corp. (TSX:ATCU); Torq Resources Inc. (TSXV:TORQ); Altamira Gold Corp. (TSXV:ALTA); Altiplano Metals Inc. (TSXV:APN); and Astra Exploration Inc. (TSXV:ASTR).
- Reviewed information on the gold and copper market from a variety of sources.
- **Limitation and Qualification:** Evans & Evans did not visit any of the Kairos Projects. Evans & Evans did review and entirely relied upon the various reports as outlined above. Evans & Evans has, therefore, relied on such expert’s technical and due diligence work as well as the Issuer’s management disclosure with respect to the Kairos Projects. The reader is advised that Evans & Evans can provide no independent technical and due diligence comfort or assurances as to the specific operating characteristics and functional capabilities of the Kairos Projects.

5.0 CONDITIONS OF THE REPORT

- The Report may be included in public disclosure documents regarding the Proposed Transaction and may be submitted to the Exchange. The Report may be referenced in public disclosure documents and filed on SEDAR+. The Report may be submitted to the Canada Revenue Agency if requested as part of an assessment or review.
- The Report may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor other foreign stock exchanges, or other regulatory authorities, nor foreign tax authorities. Nor can it be used or relied upon by any of

these parties or relied upon in any legal proceeding and/or court matter (other than relating to the approval of the Proposed Transaction).

- Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- Evans & Evans did rely only on the information, materials and representations provided to it by the Issuer. Evans & Evans did apply generally accepted valuation principles to the financial information it received from the Issuer.
- Evans & Evans has assumed that the information, which is contained in the Report, is accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Issuer is aware of. Evans & Evans did not attempt to verify the accuracy or completeness of the data and information available.
- The Report, and more specifically the assessments and views contained therein, is meant as an independent review of the Kairos as of April 30, 2024. The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding the Issuer or events after the date of the management-prepared financial statements. The information/assessments contained in the Report pertain only to the conditions prevailing at the time the Report was primarily completed in May and June of 2024 through to the date of the Report.
- Should the assumptions used in the Report be found to be incorrect, then the valuation conclusion may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.
- Evans & Evans denies any responsibility, financial or legal or other, for any use and/or improper use of the Report however occasioned.
- Evans & Evans's assessments and conclusion are based on the information that has been made available to it. Evans & Evans reserves the right to review all information and calculations included or referred to in the Report and, if it considers it necessary, to revise part and/or its entire Report in light of any information which becomes known to Evans & Evans during or after the date of this Report.
- This analysis and Report do not constitute in any manner a tax opinion or fairness opinion that may not now, or in the future, be used for that purpose.
- Evans & Evans as well as all of its Principal, Partner's, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or tort or breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers,

shareholders or employees, shall be limited to the fees charged and paid for the Report. No claim shall be brought against any of the above parties, in contract or tort, more than two years after the date of the Report.

6.0 ASSUMPTIONS OF THE REPORT

The authors of the Report have made the following assumptions in completing the Report:

- (1) Evans & Evans made certain assumptions as outlined in the Exhibits of the Report.
- (2) Kairos has no material assets or liabilities and as such the balance sheet of Minera Kairos accurately reflects the balance sheet of the Company.
- (3) The lithium properties shown on the balance sheet of Minera Kairos will be transferred to Minera Kairos SpA.
- (4) All current assets of Minera Kairos will be shared equally with Minera Kairos SpA.
- (5) As of the Valuation Date all assets and liabilities of the Minera Kairos have been recorded in their accounts and financial statements and follow International Financial Reporting Standards.
- (6) An audit of Minera Kairos's balance sheet as of March 31, 2024 would not result in any material changes to the balance sheet provided to the authors of the Report other than those noted herein.
- (7) There was no material change in the financial position of Minera Kairos between March 31, 2024 and the Valuation Date.
- (8) There are no known previous formal valuation reports on the Kairos Projects or the Company.
- (9) Minera Kairos has satisfactory title to its interests in the Kairos Projects and there are no liens or encumbrances on such assets nor have any assets been pledged in any way unless otherwise disclosed in the Report or the Issuer's financial statements. Minera Kairos and the Issuer have complied with all government taxation, import and export and regulatory practices as well as all aspects of their contractual agreements that would have an effect on the Report, and there are no other material agreements entered into by the Issuer with respect to the Kairos Projects that are not disclosed in the Report.
- (10) Evans & Evans has assumed that the information, which is contained in the Report, is accurate, correct, and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Issuer

is aware of. Evans & Evans did not attempt to verify the accuracy or completeness of the data and information available.

- (11) The Issuer and all of its related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comment.
- (12) No special purchaser has been identified that would purchase the Kairos Projects, together or independently.

7.0 DEFINITION OF FAIR MARKET VALUE

For the purposes of our Report, the definition of fair market value is the “*highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.*”

With respect to the market for the shares of a company viewed “en bloc” there are, in essence, as many “prices” for any business interest as there are purchasers and each purchaser for a particular “pool of assets”, be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or “synergies” that may result from such an acquisition.

Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser. Based on the authors of the Report’s experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than the vendor.

In this engagement, Evans & Evans was not able to expose the Company or the Kairos Projects for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal or greater than the fair market value (assuming the existence of special interest purchasers) outlined in the Report. As noted above, special interest purchasers might be prepared to pay a price higher than the fair market value for the synergies noted above.

8.0 REVIEW OF FINANCIAL RESULTS

8.1 Historical Financial Results

As noted above, given Kairos was incorporated on April 10, 2024, no financial statements exist for the Company. In Exhibits 1.0 and 2.0 of the Report, Evans & Evans has summarized the March 31, 2024 balance sheet for Minera Kairos and the income statement for Minera Kairos for the three months ended March 31, 2024. Evans & Evans has common sized the income statement and balance sheet to indicate trends.

8.2 Financial Plan

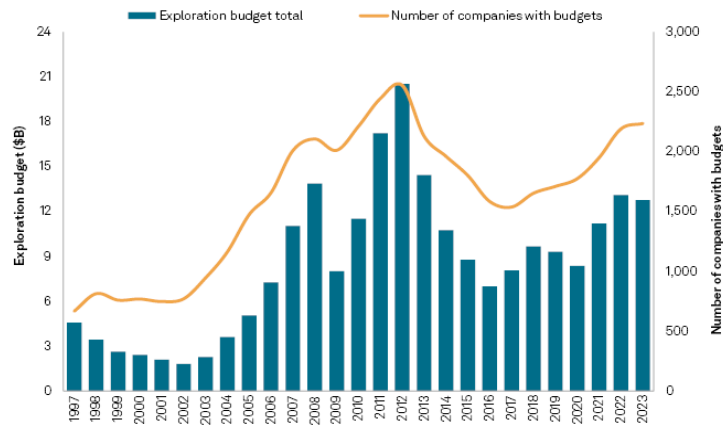
As the Kairos Projects are considered early stage exploration projects, no forecasts currently exist. The exploration budget for the Las Garillas Project, as outlined in the LG Tech Report is approximately \$225,000.

9.0 MARKET OVERVIEW

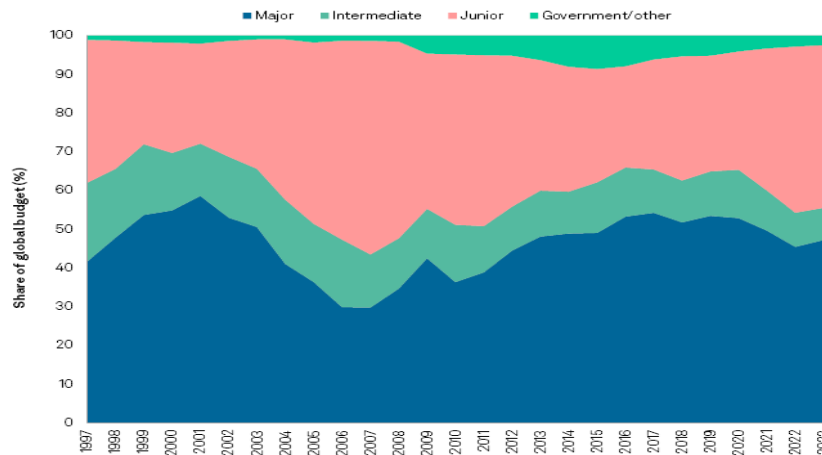
- 9.1 In determining the fair market value of the Kairos Projects as at the Valuation Date, Evans & Evans did consider the overall gold and copper market conditions and the market for exploration and development stage companies.
- 9.2 Most junior exploration companies are generally reliant on equity financings to advance their properties (as they lack producing assets) and accordingly, their ability to advance mineral resource properties is dependent on market conditions and investor interest. According to S&P Global Market Intelligence in 2023, monetary tightening by central banks has restrained the flow of new capital, directly impacting junior explorers, which rely heavily on capital raisings to finance their exploration programs. As shown in the below graph, the global nonferrous exploration budget fell by 3% year-over-year to US\$12.8 billion in 2023 from US\$13.0 billion in 2022.³

³ <https://www.spglobal.com/marketintelligence/en/news-insights/research/ces-2023-monetary-tightening-weighs-down-exploration-activity>

Annual nonferrous exploration budgets, 1997–2023



In 2023, major companies exhibited resilience by sustaining a collective budget increase of 1.2% to reach US\$6.02 billion. The erosion of major companies' global budget share since 2020, attributed to the robust post-pandemic growth of junior explorers, was arrested in 2023. Conversely, junior explorers faced a 4.5% year-over-year decline in budgets to US\$5.36 billion, reflecting a loss of momentum amid weakening financing conditions.⁴



9.3 Base metals are common metals that tarnish, oxidize, or corrode relatively quickly when exposed to air or moisture. Examples of base metals include lead, copper, nickel, aluminum, and zinc. The global base metal mining market was valued at US\$732.7 billion in 2023 and is expected to expand to reach the value of US\$943.5 billion at a compounded annual growth rate (“CAGR”) of 3.7% from 2024 to 2030.⁵ The global shift towards renewable energy and the adoption of electric vehicles (“EVs”) is impacting the base metal

⁴ <https://www.spglobal.com/marketintelligence/en/news-insights/research/ces-2023-monetary-tightening-weighs-down-exploration-activity>

⁵ <https://www.researchandmarkets.com/report/base-metal-mining>

mining industry. Metals like copper and nickel play a critical role in the production of renewable energy technologies, such as wind turbines and solar panels. The expanding market for EVs has resulted in a heightened demand for these metals in batteries and charging infrastructure⁶.

According to a Research and Markets report, copper mining is projected to grow at a 3.2% CAGR, reaching US\$531 billion by the end of 2030. In 2023, global refined copper production was 27.6261 million tonnes, while the consumption was 27.6919 million tonnes, resulting in a supply shortage of 0.658 million tonnes⁷.

- 9.4 The wholesale gold trading landscape is intricate and ever-changing. The primary gold trading centers are the London over the counter (“OTC”) market and the US futures market (“COMEX”), and the Chinese market (Shanghai Futures Market and Shanghai Gold Exchange), which together account for over 90% of global trading volumes. Additionally, there are smaller secondary market centers globally, both OTC and exchange-traded, that support these main markets.⁸

The gold market is experiencing significant changes due to shifting demand patterns, evolving regulations, the emergence of new players, and advancements in technology. Demand for gold is increasingly shifting towards the East, with China and India dominating global demand. Regulatory changes in financial markets are affecting the gold market, leading to a shift from over-the-counter trading to transparent trading on exchanges. As banks withdraw from the market, non-bank participants like hedge funds and algorithmic traders are becoming more influential in price discovery. Additionally, technology, particularly blockchain, is disrupting the gold market by offering more efficient settlement mechanisms and enhancing transparency and provenance in the gold value chain. These changes are expected to shape the gold trading landscape in the coming decade and beyond.⁹

- 9.5 Gold mining is a global business with operations on every continent, except Antarctica, and gold is extracted from mines of widely varying types and scale. In 2023, Australia held the world's largest gold mine reserves, estimated at 12,000 metric tonnes, followed by Russia with 11,000 metric tonnes. The US had approximately 3,000 tonnes of gold reserves in its mines, ranking it among the leading countries in terms of mine reserves. Canada also ranked eighth among countries with significant gold reserves, accounting for 2,300 tonnes.¹⁰

⁶ <https://www.imarcgroup.com/base-metal-mining-market>

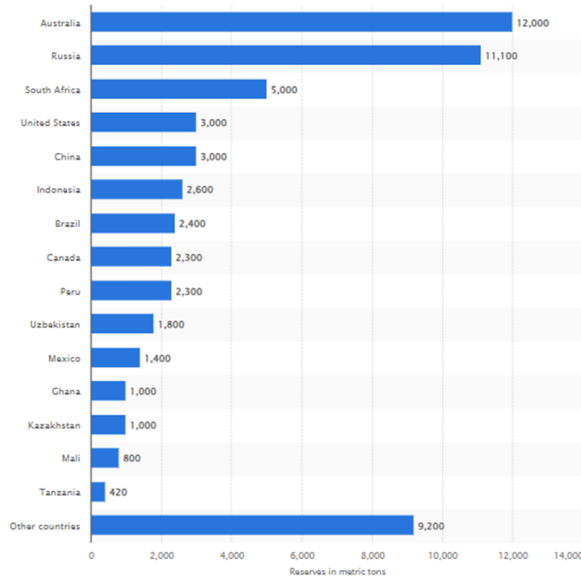
⁷ <https://news.metal.com/newscontent/102627471>

⁸ <https://www.gold.org/gold-market-structure/global-gold-market>

⁹ <https://www.gold.org/gold-market-structure/gold-market-trends>

¹⁰ <https://www.statista.com/statistics/248991/world-mine-reserves-of-gold-by-country/>

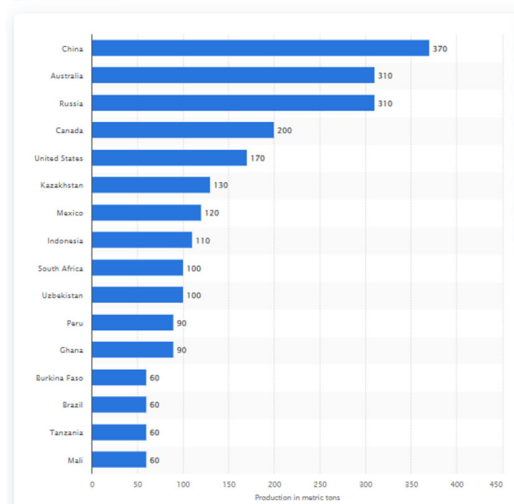
Gold Reserves as of 2023, by Country



Source: Statista

Global production of gold reached approximately 3,000 metric tonnes that year in 2023, In the same year China was the world's top gold producer, contributing approximately 12% of the total global gold production, which amounted to approximately 370 metric tonnes during that year. The following figures illustrates the gold production by country for the year 2022.¹¹

Leading gold mining countries worldwide in 2023
(in metric tons)

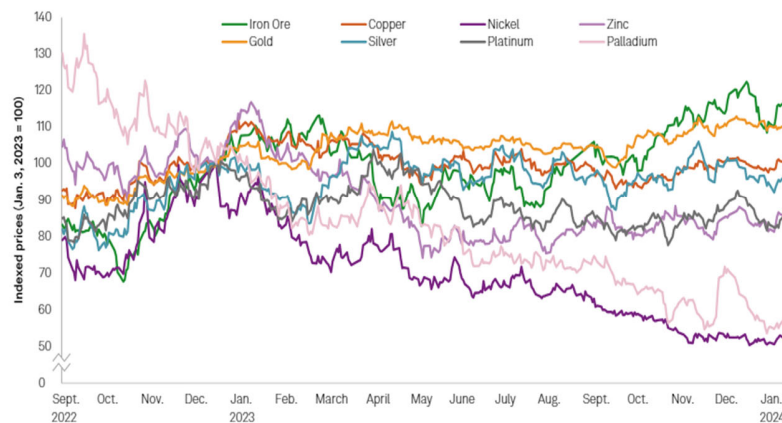


¹¹ <https://www.statista.com/statistics/264628/world-mine-production-of-gold/>

According to data from the World Gold Council, gold mine production reached 893 tonnes in first quarter (“Q1”) of 2024, a 4% year-over-year (“y-o-y”) increase over the same period in 2023. The total supply of gold was estimated to be 1,238.3 tonnes in first quarter of 2024 from 1,206.4 tonnes in Q1 2023, indicating an increase of approximately 3% y-o-y¹².

9.6 Gold prices reached a high of US\$2,077.16/ounce in December 2023, with the London Bullion Market Association price benchmark averaging US\$1,976.75/ounce in the December quarter gaining 2.6% quarter over quarter. The increase in price was due to the expectation of the US Federal Reserve ending its interest rate hike cycles and prospects that cuts were expected in 2024. The chart below shows different commodity prices from September of 2022 to January of 2024¹³.

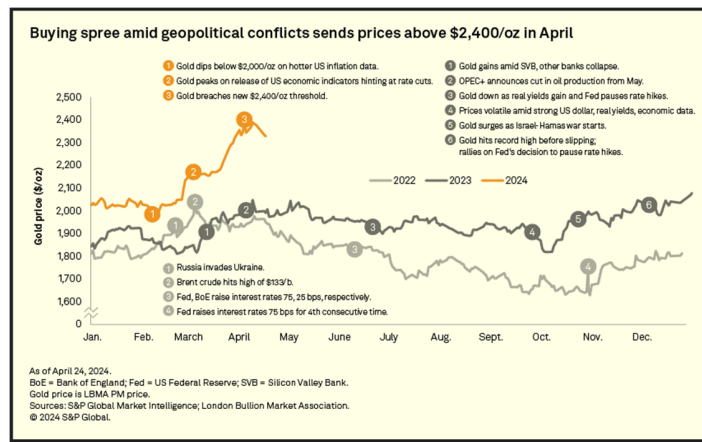
Gold ends 2023 at historic highs



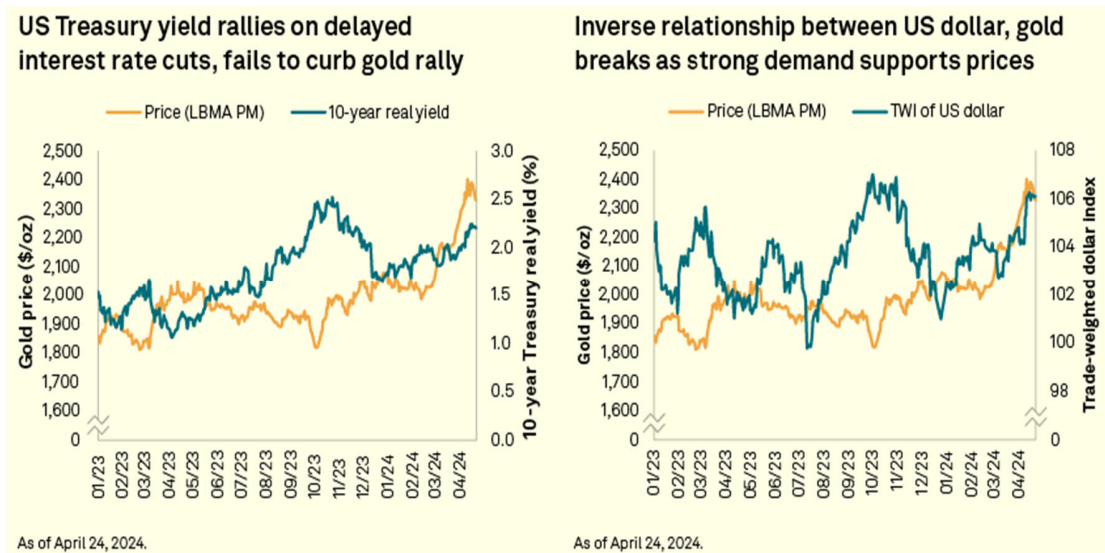
9.7 In mid-April 2024, London Bullion Market Association (“LBMA”) gold prices rose past US\$2,400/ounce, driven by geopolitical tensions and robust central bank purchases, notably from China. Despite profit-taking and a stronger US dollar pushing prices down briefly to US\$2,328.45/oz on April 23, 2024, signs of a US economic slowdown led to expectations of rate cuts later in 2024. This drop in treasury yields and the dollar stabilized gold at US\$2,318.70/oz on April 25, 2024.

¹² <https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q1-2024/supply>

¹³ State of the Market, December quarter of 2023, prepared by S&P Global Market Intelligence



Looking ahead, markets anticipate the next Federal Open Market Committee (“FOMC”) meeting to maintain US interest rates at a 23-year high, delaying expectations for a rate cut until September 2024. The US Federal Reserve hawkish¹⁴ stance is backed by a March inflation rise to 3.5%, above the 2% target, while a strong labor market, adding 303,000 nonfarm payroll jobs, indicates resilience to higher rates. However, news of weaker US business activity before the May FOMC meeting caused the trade weighted index to dip below 106 and the 10-year treasury yield to reach 4.66%, both near six-month highs, prompting a gold price rebound post a brief decline.



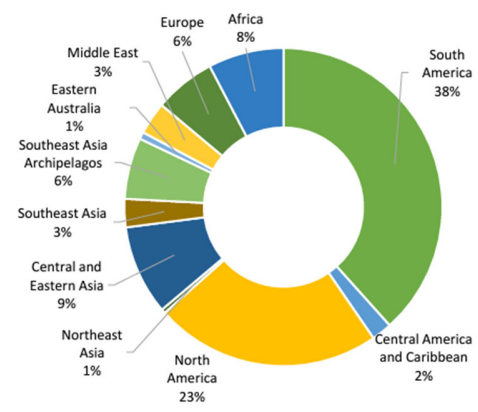
Source: Gold Commodity Briefing Service report, April 2024

¹⁴ Monetary policy decisions are made by the Federal Reserve, which can take a hawkish or dovish stance based on its goals. Hawkish monetary policy focuses on low inflation and may involve raising interest rates, while dovish policy prioritizes low unemployment and may involve lowering rates

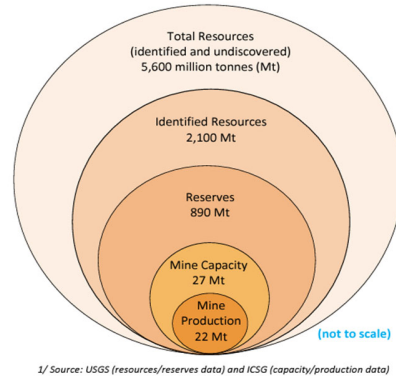
9.8 Copper is a relatively abundant metal, with vast global reserves. According to the World Copper Factbook (2023) by the International Copper Study Group, it was estimated that copper reserves were around 890 million tonnes in 2022, with total resources estimated to be approximately 5,600 million tonnes¹⁵. According to the International Wrought Copper Council’s Short-Term Forecasts for Copper, the refined copper demand worldwide was projected to reach 25.23 million tonnes in 2023, marking a 1.0% increase and is expected to 2024, there could be a further rise of 2.6%, potentially reaching 25.88 million tonnes. In China, the projected demand for refined copper in 2023 was expected to reach 13.773 million tonnes, reflecting a 3.0% increase compared to 2022. For 2024, the reported demand is anticipated to grow by 2.0%, reaching 14.045 million tonnes¹⁶.

World Resources of Copper, by Country, 2022

A. Identified Copper Resources, world total=2,100Mt



2022 World Copper Reserves & Mine Production¹⁷
 (undiscovered resources not including deep sea nodules and land-based and submarine massive sulphides - contained copper)



9.9 Chile, the world's leading copper producer by a significant margin, produced an estimated 5.3 million tonnes of copper in 2023. In second place was Peru with an estimated copper mine production of 2.6 million tonnes in the same year. China ranks as the world's third-largest copper producer from mines, with an estimated production of 1.7 million tonnes in 2023, representing about a third of Chile's production.¹⁷

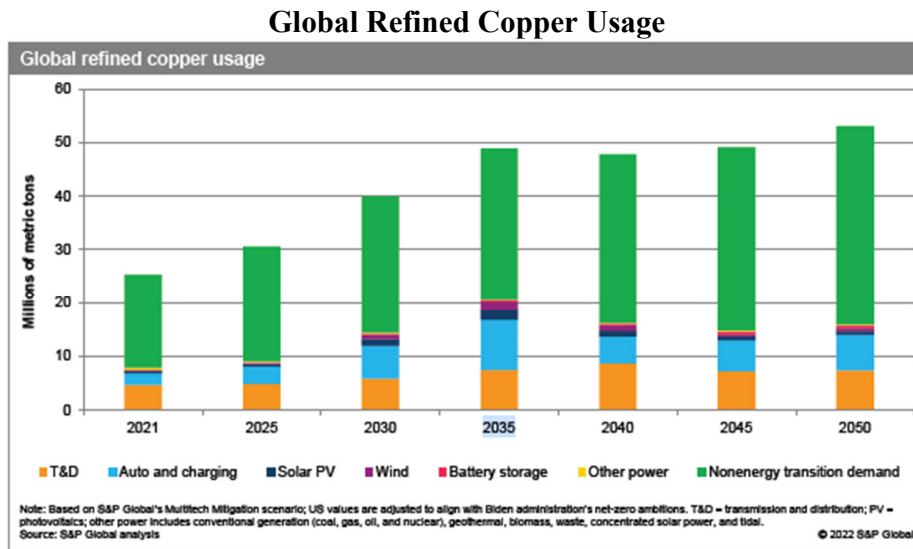
9.10 The increasing demand for renewable energy and EVs is reshaping the demand for various commodities, with copper being a major beneficiary of the decarbonization trend. Copper plays a crucial role in facilitating the energy transition as it is essential for generating, transmitting, storing, and consuming low carbon electricity. The growth of EVs, solar, wind, storage, and charging infrastructure is expected to drive strong growth in copper consumption, although there may be some reduction in copper usage from traditional

¹⁵ The World Copper Factbook 2023 as prepared by International Copper Study Group

¹⁶ <https://www.coppercouncil.org/iwcc-press-release-short-term-forecasts-for-copper-oct-2023>

¹⁷ <https://www.statista.com/statistics/264626/copper-production-by-country>

energy supply and conventional vehicles. According to RFC Ambrian Ltd., an independent advisor on global resources, an increase of 4.6 million tonnes in renewable energy demand is projected from 2020 to 2030 based on market consensus data, without accounting for reduced battery electric vehicle (“BEV”) copper intensity. The forecast from 2020 to 2023 also assumes a 2.0% growth in ongoing non-renewable copper consumption, lower than the historic average of 2.5%. This leads to a total refined copper demand of 33.6 million tonnes in 2030, with a CAGR of 3.1%.¹⁸ The figure below illustrates the projected global refined copper usage from 2021 to 2050.

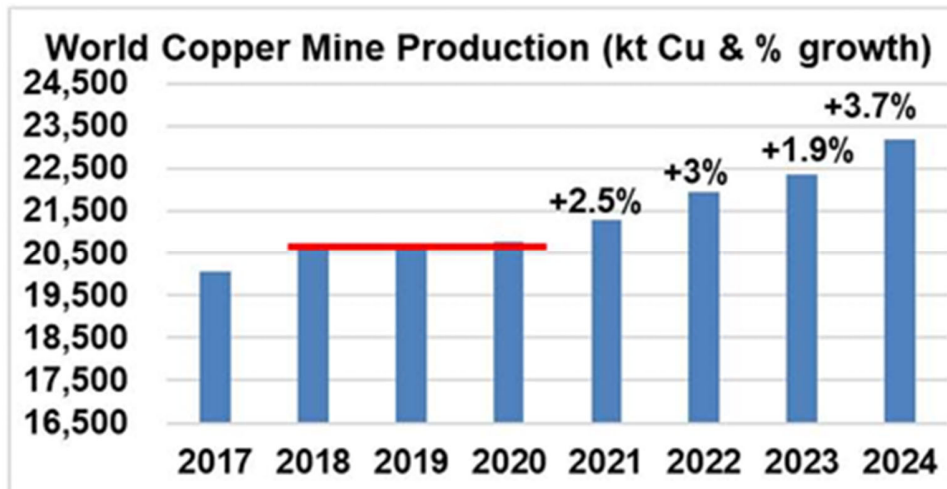


Source: S&P Global

9.11 Copper supply is expected to increase in 2023 by approximately 1.9% due to project ramp-ups. However, significant supply disruption risks loom, particularly in key Central and South American production regions. Chile and Peru, which together contribute almost 40% of the global copper supply, have recently experienced disruptions. These disruptions, including road blockades and tax disputes, have led to production cuts in copper mines like Las Bambas in Peru and First Quantum Mineral Ltd.'s Panama mine. Such disruptions pose a risk of copper shortfalls in the coming years, which could exert pressure on prices. Additional challenges to rapid capacity expansion include issues related to land acquisition, grid connection, and water scarcity, especially in arid regions where copper extraction demands significant water resources.

World mine production in 2024 is forecast to rise by 3.7%. Besides additional output from new or expanded mines, production rates are expected to improve in countries affected by operational constraints in 2023, namely Chile, China, Indonesia, Panama and the USA.

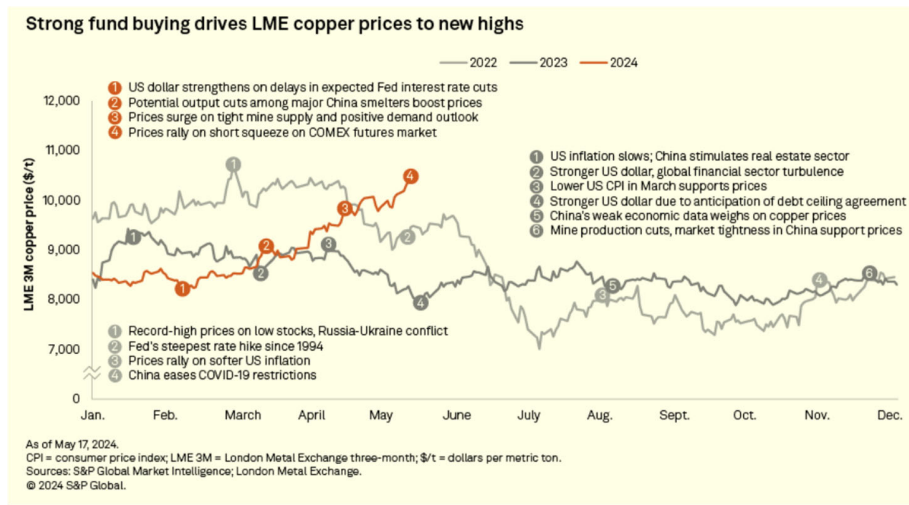
¹⁸ The Pathway for Copper to 2030 dated May 2022 as prepared by RFC Ambrian



Source: The International Copper Study Group

9.12 The London Metal Exchange three-month (“LME 3M”) copper price hit US\$10,481 per metric tonne on May 17, 2024, the highest since March 7, 2022, driven by a weaker US dollar, big-ticket property stimulus measures in China, and a short squeeze on the Chicago Mercantile Exchange (“COMEX”) futures market. On April 29, 2024, the LME 3M copper price surpassed US\$10,000 per metric tonne for the first time in two years due to limited concentrate supply, prompting significant cash inflows from investment funds into the copper market. However, by May 2, 2024, the price dipped to US\$9,783 per metric ton following a decline in China's National Bureau of Statistics manufacturing purchasing managers' index for April. The price then recovered to US\$9,990 per metric ton on May 5, 2024, as the dollar weakened in response to disappointing US jobs data. Subsequently, LME 3M copper prices experienced an increase after May 9, 2024 reaching US\$10,481 per metric ton on May 17, 2024 driven by a short squeeze on the COMEX futures market, where prices reached a record high of US\$5.06 per pound on the same day amid decreasing copper warehouse stocks. This rally was supported by a broader positive sentiment stemming from the deceleration of US inflation in April 2024, leading to speculation about earlier-than-anticipated interest rate cuts in the US¹⁹.

¹⁹ Copper Commodity Briefing Service report, May 2024 by S&P Global Commodity Insights

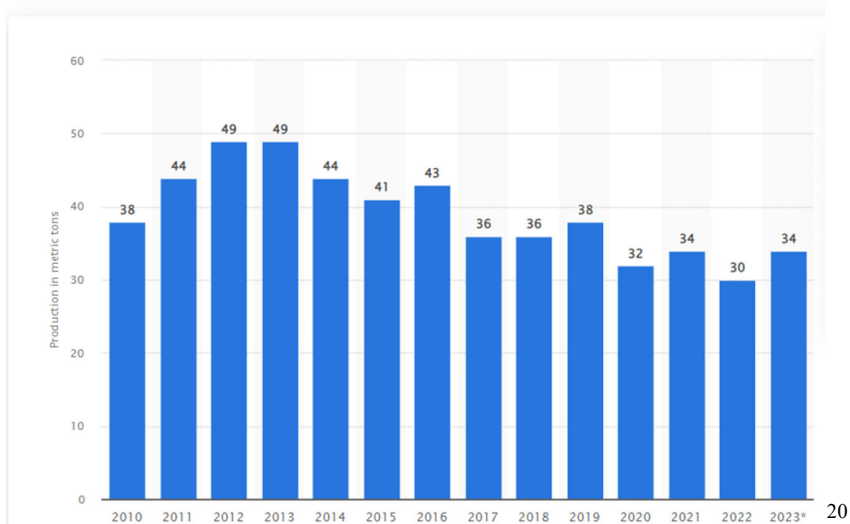


Source: S&P Capital IQ

9.13 Chile is the top copper producer in the world with 24% of global copper production and, according to United States Geological Survey (“USGS”), the world’s second largest producer of lithium with approximately 30% share of world production. Gold production in Chile reached approximately 34 metric tonnes by November 2023, marking an increase from the 30 tons recorded in the prior year. Over the last decade, the country saw its highest gold production levels in 2012 and 2013, with an annual output of 49 tonnes during those years. Chile's gold exports in 2023 amounted to nearly US\$1.1 billion²⁰.

Mine production of gold in Chile from 2010 to 2023

(in metric tons)

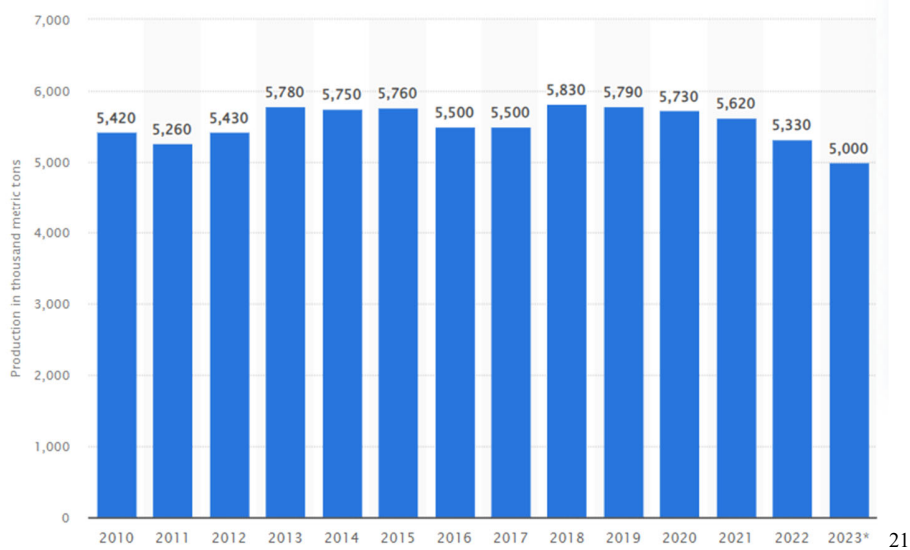


²⁰ <https://www.statista.com/statistics/760508/gold-production-chile/>

In 2023, Chile's copper production was estimated at 5.53 metric tonnes, representing approximately 24% of the global copper production in the year.²¹ Chile's copper production is expected to grow further due to the launch of new mining projects and the expansion of existing ones. Projections indicate that Chile's copper mining output is poised to maintain a CAGR higher than 2% from the year 2024 to 2030²².

Mine production of copper in Chile from 2010 to 2023

(in 1,000 metric tons)



The mining sector's contribution to the country's 2022 GDP was 13.6% and mining exports reached 58% of total country exports. The industry remains a key sector of Chile's economy.

According to a report by BMI Fitch, Chile's mining sector to experience growth, reaching US\$54.1 billion by 2033.

- 9.13 Chilean copper mines are 72% owned and operated by private mining companies, while the remaining 28% are state owned and operated by The National Copper Corporation of Chile ("Codelco"). Codelco is a Chilean state-owned copper mining company which was formed in 1976 from foreign-owned copper companies that were nationalised in 1971. Production at mines owned by Chile's cash-strapped copper miner Codelco fell to 1.325 million metric tons in 2023.

²¹ <https://www.statista.com/statistics/254845/copper-production-of-chile/>

²² <https://www.globaldata.com/store/report/chile-copper-mining-analysis/#:~:text=The%20copper%20production%20in%20Chile,2%25%20during%202024%2D2030>

Chile's mining sector is showing signs of improvement, with total production in February 2024, witnessed a 7.7% uptick compared to the same period last year. The National Statistics Institute of Chile (“INE”) reports that copper and lithium, the country's primary commodities, are driving this overall production increase. Copper production increased by 9.95% to 420,242 tons, resulting in a 5.5% rise in metal mining output. Chile's copper production constitutes almost a quarter of the global total. Additionally, the non-metallic mining sector experienced significant year-over-year output growth of 24.9%, mainly propelled by increased lithium carbonate production, according to INE data.

- 9.14 Chile's mining sector is embracing new technologies to enhance sustainability and align with the country's climate change objectives. Mining ventures are integrating desalination and renewable energy solutions to mitigate their carbon emissions. Water usage in mining remains minimal, accounting for less than four percent of the total, in stark contrast to the agricultural sector's 72%. Moreover, approximately three quarters of the water utilized in mining operations is recycled. To further boost operational efficiency and safety, mining firms are implementing automation and remote operations technologies²³.

According 2023-2032 Workforce Study in the Chilean Large-Scale Mining Industry report, the mining industry in Chile will need more than 34,000 new workers by 2032, which is indicates a CAGR of 36%. The main drivers of this demand for talent are the retirement of workers nearing the end of their careers and the development of new projects in key regions²⁴.

Chile has the biggest mining project pipeline in the Americas, mostly focused on copper. It currently sits at over US\$50 billion and involves a number of greenfield and brownfield projects that are at various stages of development²⁵.

For the 2022-2026 period, according to COCHILCO, a total of US\$24.6 billion in investment projects are under execution. Of these US\$23.6 billion are brownfield and US\$1.0 billion are greenfield. Over half of the investment will be spent by Codelco. The remaining investment is expected to be undertaken by private mining companies.²⁶

Government regulation in Chile is currently set up to manage massive projects with intensive permitting systems. The extent of requirements can be unnecessarily challenging for study stage and exploration projects.

- 9.15 The most significant factor inhibiting Chile’s development of its already established copper industry has been a lack of legal certainty. Investors have been wary of investing in Chile due to civil unrest and regulatory uncertainty²⁷.

²³ <https://www.trade.gov/country-commercial-guides/chile-mining>

²⁴ <https://www.mining.com/chiles-mining-sector-needs-34000-new-professionals-by-2032/>

²⁵ <https://ax.legal/2023/12/12/chile-mining-industry-the-year-in-review/>

²⁶ <https://www.trade.gov/country-commercial-guides/chile-mining>

²⁷ https://www.gbreports.com/files/pdf/_2023/CHILE-Mining-2023-PRE-RELEASE-final.pdf

9.16 In September 2022, the Chilean government proposed a new constitution which would have increased permitting requirements and the number of players involved in any given project and a change in mining concessions for administrative approvals. The constitutional referendum's failure averted a major crisis for the industry, but there have been concerns regarding changes to the royalty's system for most of 2022 and early 2023²⁷. On May 10, 2023, Chilean lawmakers approved the final version of the royalty bill. The royalty bill establishes a maximum tax of 47% for companies that produce more than 80,000 tons of copper annually and a flat-rate ad valorem tax of 1% on miners that produce more than 50,000 tonnes per year. Additionally, they will have an 8 to 26% tax depending on their operating margin. The new tax rate, which is a significant increase, will take effect on January 1, 2024.²⁸

9.17 Chile grants two types of mineral tenures, exploration concessions and mining exploitation concessions. The application and granting of mining concessions which overlap pre-existing mining concessions is allowed under Chilean mining law. This can result in overlapping of mining concessions. Whichever claim was filed first is considered to have preferential rights, allowing the owner exclusive rights to perform mining exploration or exploitation activities on the concessions.

Exploration concessions are made up of square blocks with 1,000 m sides. The concessions can have side dimensions with a maximum ratio of 1:5 and can cover a maximum area of 5,000 hectares. Concessions often measure 1,000 metres by 3,000 m (300 Ha) because the annual license fees increase significantly for larger concessions. Concessions are oriented either north-south or east-west and are defined by their center point. The center point is defined by the point at which diagonal lines from opposite corners of the concession cross. The center point must be listed in the concession application using UTM co-ordinates projected using the Provisional South American Datum 1956.

The concession holder with the preferential rights can explore the concession area for a period of two years. Following this two-year period the concession can be converted to an exploitation concession or the exploration concession can be extended for a further two-year period. If the exploration concession is extended for another two-year period, the area of the concession must be reduced by half.

9.18 The Kairos Projects are located in Chile. In determining the fair market of the Company and the Kairos Projects, Evans & Evans considered the jurisdiction relative to the jurisdiction of the transactions that were used in determining the fair market value of the Kairos Projects as outlined in section 12.0 of the Report.

²⁸ <https://www.reuters.com/world/americas/chiles-senate-approves-mining-royalty-bill-passes-final-vote-2023-05-11/>

The following rankings are from the 2023 Fraser Institute Survey of Mining Companies (“FI Survey”).

Country – Province / State	Policy Perception Ranking	Investment Attractiveness Ranking
Chile	2023 – 49/86 2022 – 38/62 2021 – 38/84	2023 – 38/86 2022 – 35/62 2021 – 31/84
Argentina – Catamarca	2023 – n/a 2022 – 35/62 2021 – 42/84	2023 – n/a 2022 – 49/62 2021 – 48/84
Argentina – Chubut	2023 – n/a 2022 – n/a 2021 – 82/84	2023 – n/a 2022 – n/a 2021 – 73/84
Argentina – La Rioja	2023 – 86/86 2022 – n/a 2021 – 48/84	2023 – 83/86 2022 – n/a 2021 – 47/84
Argentina – Mendoza	2023 – n/a 2022 – n/a 2021 – 80/84	2023 – n/a 2022 – n/a 2021 – 77/84
Argentina – Rio Negro	2023 – n/a 2022 – n/a 2021 – 41/84	2023 – n/a 2022 – n/a 2021 – 55/84
Argentina – San Juan	2023 – 34/86 2022 – 23 /62 2021 – 26/84	2023 – 21/86 2022 – 19/62 2021 – 22/84
Argentina – Jujuy	2023 – 40/86 2022 – 39/62 2021 – 44/84	2023 – 22/86 2022 – 39/62 2021 – 44/84
Argentina – Salta	2023 – 26/86 2022 – 36/62 2021 – 20/84	2023 – 14/86 2022 – 45/62 2021 – 27/84
Argentina – Santa Cruz	2023 – n/a 2022 – 40/62 2021 – 40/84	2023 – n/a 2022 – 32/62 2021 – 40/84
Bolivia	2023 – 76/86 2022 – 43/62 2021 – 77/84	2023 – 78/86 2022 – 52/62 2021 – 70/84
Brazil	2023 – 43/86 2022 – 29/62 2021 – 68/84	2023 – 29/86 2022 – 25/62 2021 – 51/84
Colombia	2023 – 83/86 2022 – 50/62	2023 – 71/86 2022 – 36/62

Country – Province / State	Policy Perception Ranking	Investment Attractiveness Ranking
	2021 – 51/84	2021 – 29/84
Ecuador	2023 – 75/86 2022 – 45/62 2021 – 45/84	2023 – 64/86 2022 – 27/62 2021 – 24/84
Guyana	2023 – n/a 2022 – 32/62 2021 – 67/84	2023 – n/a 2022 – 22/62 2021 – 69/84
Peru	2023 – 61/86 2022 – 49/62 2021 – 69/84	2023 – 59/86 2022 – 34/62 2021 – 42/84
Venezuela	2023 – n/a 2022 – n/a 2021 – 84/84	2023 – n/a 2022 – n/a 2021 – 76/84

An overview of the Investment Attractiveness Ranking and the Policy Perception Ranking from the FI Survey is provided below.²⁹

The Investment Attractiveness Index is constructed by combining the Best Practices Mineral Potential index, which rates regions based on their geologic attractiveness, and the Policy Perception Index, a composite index that measures the effects of government policy on attitudes toward exploration investment. While it is useful to measure the attractiveness of a jurisdiction based on policy factors such as onerous regulations, taxation levels, the quality of infrastructure, and the other policy related questions that respondents answered, the Policy Perception Index alone does not recognize the fact that investment decisions are often to a considerable extent based on the pure mineral potential of a jurisdiction. Indeed, as discussed below, respondents consistently indicate that approximately 40 percent of their investment decision is determined by policy factors.

While geologic and economic considerations are important factors in mineral exploration, a region’s policy climate is also an important investment consideration. The Policy Perception Index is a composite index that measures the overall policy attractiveness of the 86 jurisdictions in the survey. The index is composed of survey responses to policy factors that affect investment decisions. Policy factors examined include uncertainty concerning the administration of current regulations, environmental regulations, regulatory duplication, the legal system and taxation regime, uncertainty concerning protected areas and disputed land claims, infrastructure, socioeconomic and community development conditions, trade barriers, political stability, labor regulations, quality of the geological database, security, and labor and skills availability.

²⁹ <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2023>

10.0 VALUATION METHODOLOGIES

10.1 Going Concern versus Liquidation Value

The first stage in determining which approach to utilize in valuing a company or an asset is to determine whether the company is a going concern or whether it should be valued based on a liquidation assumption. A business is deemed to be a going concern if it is both conducting operations at a given date and has every reasonable expectation of doing so for the foreseeable future after that date. If a company is deemed to not be a going concern, it is valued based on a liquidation assumption.

10.2 Overview

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company. In the absence of open market transactions, the three basic, generally accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.

A summary of these generally accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach contemplates the continuation of the operations, as if the business is a “going concern”. With regards to a company involved in exploration and development of a mineral property, or the valuation of a mineral property itself, the Income Approach generally relates to the current value of expected future income or cash flow arising from the potential development of a mineral property.

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Guideline Public Company (“GPC”) Method”, (b) the “Merger and Acquisition Method (“M&A”)”; and (c) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value. The Cost Approach typically includes a comprehensive and all-inclusive definition of the cost to recreate an asset. Typically, the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset. With regard to mineral properties, the Cost Approach involves a review of the historical exploration expenditures and their contribution to the current value of the mineral property. In certain cases, a discount or premium to historical development costs may be utilized.

The Asset-Based Approach is adopted where either: (a) liquidation is contemplated because the business is not viable as an ongoing operation; (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or (c) there are no indicated earnings/cash flows to be capitalized. If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario (“Adjusted Net Asset Method”) or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

The Multiple Exploration Expenditures Method (“MEE Method”) is utilized to arrive at the fair market value of exploration and development stage properties. The MEE Method involves assigning a premium or discount to the relevant effective expenditure base (i.e., the sum of adjusted historical expenditures), represented by past expenditures, through the application of a prospective enhancement multiplier (“PEM”). This factor directly relates to the success or failure of exploration completed to date, and to an assessment of the future potential of the asset. The method is based on the premise that a “grassroots” Copper Flat commences with a nominal value that increases with positive exploration results from increasing exploration expenditure. Conversely, where exploration results are consistently negative, exploration expenditure will decrease along with the value.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property.

10.3 Mineral Property Stage of Development

Mineral assets and mineral securities can be defined by their level of asset maturity:

- i. “Exploration Areas” refer to properties where mineralization may or may not have been identified, but where a mineral resource has not been identified.

- ii. “Mineral Resource Properties” are those where Mineral Resources have been identified and their extent estimated, but where a positive development decision has not been made.
- iii. “Development Projects” refers to properties which have been committed to production, but which have not been commissioned or are not operating at design levels.
- iv. “Operating Mines” are those mineral properties which have been fully commissioned and are in production.

10.4 CIMVAL Recommended Valuation Approaches for Mineral Properties

The table below outlines which valuation approaches are generally considered appropriate to apply to each type of mineral property (as defined in the preceding section) as outlined by the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties (“CIMVAL”).

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

11.0 SELECTED VALUATION APPROACHES

11.1 Selected Valuation Approach

In arriving at the fair market value of Kairos, Evans & Evans believed it was appropriate to determine the fair value on a going concern basis. The reason for this is: (1) the Company is contemplating a financing in the short term; (2) the Company has no property obligations it is not able to meet; and (3) the going concern approach results in a higher value than the liquidation method.

In determining the fair value of Karus, Evans & Evans selected an Asset Approach – the Net Book Value (“NBV”) Method and a Market Approach – the Guideline Public Company (“GPC”) Method. The NBV Method was selected as Kairos is not generating revenues or positive cash flows and as such its primary value is driven by its investment in the Minera Kairos which holds the Kairos Projects. The NBV Method focuses on the value of individual assets and liabilities from a company’s balance sheet, which are adjusted to fair market value with the difference representing the fair market value of a company.

Valuation theory holds that the NBV Method is appropriate to use when the net asset value, as opposed to earning/cash flows, constitutes the prime determinant of fair market value for a business. The NBV Method involved three steps. Firstly, Evans & Evans determined the fair value of the Kairos Projects. Secondly, the book value on the Kairos Projects on the Minera Kairos balance sheet was adjusted to their fair market value. Lastly, the balance sheet of Kairos was adjusted to reflect the fair market value of the investment in Minera Kairos. In the case of the Company, it had no material assets or liabilities aside from the investment in Minera Kairos and as such, the NBV of Minera Kairos was determined to equal the NBV of Kairos.

To determine the fair market value of the Kairos Projects, Evans & Evans selected Market Approach – the Merger and Acquisition (“M&A”) Method.

The GPC Method was selected as it reflects the prices in the market for assets similar to the Kairos Projects.

In selecting its valuation approach, Evans & Evans considered the Kairos Projects to be exploration stage. None of the Kairos Projects have an identified mineral resource in compliance with NI 43-101.

In the above valuation approaches Evans & Evans has relied on information provided by the management of the Issuer, the LG Tech Report and data from industry participants and competitors as indicative in determining the range of the fair market value of the Kairos Projects as at the Valuation Date.

11.2 Approaches Considered but not Utilized

The reader should note that Evans & Evans also attempted to use a variety of other valuation approaches. In this regard, Evans & Evans considered the following approaches, but were unable to use any of them:

- (a) Cost Approach. In reviewing mergers and acquisitions in the resource market, Evans & Evans found the historical costs were not reflective of the current fair value of exploration stage properties and thereafter the Kairos.
- (b) Income Approach. Given the Kairos Projects are early stage exploration properties an Income Approach was considered inappropriate.
- (c) Previous Valuations. Evans & Evans was advised there are no former valuations on the Company, Minera Kairos or the Kairos Projects.
- (d) Appraised Value Method. The Appraised Value Approach assumes that a relationship exists between the amount of prior exploration work performed on a property and the value of that property. An exploration program will either enhance or diminish the

value of the property. The Appraised Value Approach also assumes that all of, or a portion of, past and projected future expenditures on a property of merit will produce a dollar value for the property that is at least equal to the total amount expended assuming that all expenditures are relevant and within accepted industry standards. A premium or discount may be applied to the historical and projected future costs based on an evaluation of how the previous and planned exploration has enhanced or diminished the value of the property. Evans & Evans deemed it inappropriate to utilize this approach as it is not recognized by many regulatory authorities.

- (e) Market Approach - Historical Financings of LCI. The Issuer had not completed any equity financings in the 12 months prior to the Valuation Date. Further, LCI has publicly announced that its focus is on the Arizaro Project and as such, had such a financing been completed, it would be difficult to separate the implied value of the Issuer amongst the Kairos Projects, the lithium projects in Chile and the Arizaro Project.
- (f) Market Approach - Trading Price Method. As LCI is a reporting issuer with its common shares listed for trading on the TSXV, the authors of the Report carefully considered the use of a Trading Price Method in determining the fair market value of the Company, as at the Valuation Date. The authors of the Report reviewed the trading data for LCI’s common shares for the period January 1, 2023 to April 30, 2024.

As at the Valuation Date, the Issuer’s market capitalization was in the range of \$164,000,000 based on the average closing price for the 30 trading days preceding the Valuation Date. In the view of Evans & Evans given the focus of LCI on the Arizaro Project and the April 2024 release of an updated NI 43-101 indicated and inferred resource, it is likely investors are placing the majority of the value on the Arizaro Project. Evans & Evans does not believe it is appropriate to allocate the market capitalization of the Issuer amongst the Kairos Projects, the lithium projects in Chile and the Arizaro Project.

<u>Market Capitalization Based on Average Share Price - C\$</u>				
Days Preceding the Date of Opinion				
	10	30	90	180
	\$164,360,000	\$164,640,000	\$136,390,000	\$135,760,000

12.0 VALUATION OF THE COMPANY

12.1 Net Book Value Method

12.1.1 Overview

As noted above, the determination of the fair market value of Kairos involved several steps as outlined below.

1. Determine the fair market value of each of the Kairos Projects using the M&A Method as outlined in Exhibits 6.0 and 7.0.
2. Adjust the book value of the Kairos Projects on the Minera Kairos balance sheet and adjust other assets and liabilities to their fair market value as outlined in Exhibit 5.0.
3. Adjust the book value of Kairos to reflect the fair market value of the investment in Minera Kairos.

12.1.2 Fair Market Value of the Kairos Projects

Evans & Evans utilized the M&A Method to determine the fair market value of the Kairos Projects. The M&A Method involves using data from actual market transactions regarding the sale of similar assets/properties to determine the fair market value of the property under review. Evans & Evans reviewed recent transactions in the gold industry and initially identified 11 transactions as outlined in Table 1.0 Exhibit 7.0 - Mergers & Acquisitions Transaction Multiples Table 1.

Evans & Evans reviewed each of the identified transactions to assess the comparability to the Kairos Projects as summarized in the table below.

#	Rationale
1	This transaction was announced but had not closed as of the date of the Report. The underlying property is located in Peru which is considered a worse jurisdiction. The transaction was excluded as the underlying had a sizeable indicated and inferred mineral resource.
2	This transaction was announced but had not closed as of the date of the Report. The transaction was included in the final selection given Argentina has a similar rating to Chile. The size of the project was similar to the Kairos Projects as was the stage of development.
3	This transaction was considered comparable given its location and stage of development. A premium to this multiple was deemed appropriate Chile is

#	Rationale
	considered a more favourable jurisdiction than Peru. A similar level of work had been conducted on the underlying property.
4	While Brazil is considered comparable to Chile, no details on the size of the underlying property could be identified as such this transaction was not considered comparable. The underlying project did have an indicated and inferred mineral resource making it not comparable.
5	This transaction was considered comparable given its location in Argentina. The size of the property was much larger than that of any of the Kairos Projects. The transaction appeared to be an outlier and as such was not considered in the analysis.
6	The transaction was considered comparable given its location in a region hosting gold deposits. Evans & Evans did consider that Chile was considered a better jurisdiction than Colombia. The stage of development and historical work conducted was similar to the Kairos Projects.
7	This transaction was considered comparable given its location in Chile. The size of the underlying claims was considered also comparable. The stage of exploration was similar to that of several of the Kairos Projects. In considering this transaction, Evans & Evans did consider the consideration included a 1% net smelter return royalty to the seller.
8	This transaction was considered comparable given its location in Chile. The size of the underlying claims was considered also comparable. The stage of exploration was similar to that of several of the Kairos Projects. The consideration was all stock which can imply a premium. The underlying property also had a NI 43-101 technical report which would also result in a premium
9	This transaction was considered appropriate given its location in Peru, which is less favourable than Chile but this discount was offset by the size of the concessions. The transaction was strategic in that involved the acquisition of interior claims, which would support the premium. A drill program had also been conducted on the underlying property, making it more advanced than the Kairos Projects.
10	This transaction was considered comparable given its location in Chile. The large land size made it less comparable and supported a premium for the Kairos Projects. The claims were strategic to the acquiror.
11	This transaction was considered comparable given its location in Brazil which has a similar profile to Chile. The small claims area made it less comparable.

#	Rationale
	The claims did include a Trial Mining License and the underlying property had been drilled.

Following a review of the 11 identified transactions, the eight transactions outlined in Table 2.0 of Exhibit 7.0 were considered in arriving at a fair value of the Kairos Projects. Evans & Evans utilized a price to hectare multiple for calculating the fair value each of the Kairos Projects. Each of the Kairos Projects was considered independently given different levels of work were conducted on each of the Kairos Projects.

The selected transactions have price / hectare multiples ranging from \$9 to \$408 with an average of \$226 and a median of \$245. Evans & Evans selected a price / hectare multiple ranging from \$125 to \$425 for the Kairos Projects.

The highest multiple was applied to the Las Garillas Project given it had a 43-101 technical report and a drill campaign was scheduled as of the Valuation Date. Fortuna was also given a higher multiple given its prospectivity and the work conducted. The Carmona and Apollo / Sancarron Properties had multiples below the average and median given the limited amount of work conducted.

The selected multiple range was then applied to the area of each of the Kairos Projects. Evans & Evans then adjusted for the present value of the remaining LG Option Payments. The net present value was arrived at using the cost of capital for the mining industry plus an exploration premium.

The fair market value of the Kairos Projects was determined to be in the range of \$3,210,000 to \$3,770,000 as outlined in Exhibit 6.0 of the Report.

12.1.3 Net Book Value Method – Minera Kairos

Upon arriving at the fair market value of the Kairos Projects it was then necessary to adjust the Minera Kairos balance sheet to arrive at the fair market value of 100% of Minera Kairos. Evans & Evans made the following adjustments to the Minera Kairos balance sheet.

1. All current assets were reduced by 50% to reflect a portion of the assets of Minera Kairos will be transferred to Minera Kairos SpA.
2. The book value of the Chilean lithium properties was reduced to \$nil to reflect these properties will be transferred from Minera Kairos to Minera Kairos SpA.
3. Property, plant and equipment relates to the lithium assets and as such will be transferred to Minera Kairos SpA.

4. The book value of the Kairos Projects was adjusted to fair market value.
5. A stub period loss was added to reflect the cash position between the date of the financial statements and the Valuation Date would have eroded.

The fair market value of Minera Kairos was determined to be in the range of \$3,570,000 to \$4,130,000 as outlined in Exhibit 5.0 of the Report.

12.1.4 Valuation Conclusion

The final step in the analysis would be to adjust the balance sheet of Kairos to reflect the fair market value of the investment in Minera Kairos as outlined in Exhibit 5.0. However, given Kairos was incorporated less than one month prior to the Valuation Date, no opening balance sheet was available and management noted the Kairos had no assets or liabilities other than its interest in Minera Kairos.

Under the Net Book Value Method, the fair market value of 100% of the equity of Kairos as at the Valuation Date was in the range of \$3,570,000 to \$4,130,000.

12.2 Guideline Public Company Method

The GPC Method involves identifying public companies similar to the subject company with stocks that trade freely in the public markets on a daily basis. The objective of the GPC Method is to derive multiples to apply to the fundamental financial variables of the subject company. Since the indication of value is based on minority interest transactions, if one is valuing a controlling interest, it may sometimes be necessary to consider applying a premium for control. A discount for lack of marketability may also be appropriate.

Evans & Evans used an Enterprise Value/ per Hectare (“EV / Ha”) multiple as a means of deriving the fair market value of the Company. Market values for the guideline public companies were selected as at the Valuation Date. The reader of the Report should note that although the comparable companies may not be direct competitors to Kairos, they do or may have similar assets in similar locations and therefore embody similar business, technical and financial risk/reward characteristics that a notional investor would consider as being comparable.

Evans & Evans identified sixteen companies as outlined in Table 1 of Exhibit 9.0 as a starting point. Companies identified were operating in a similar space as the Issuer with copper – gold exploration properties in South America. Thereafter, Evans & Evans removed those companies with NI 43-101 reserves and resources or producers. The seven companies as outlined in Table 2 were selected and utilized in the analysis.

The selected GPCs had a range of EV/ Ha multiples of \$55 to \$3,587 with an average of \$1,070 and a median of \$334. Evans & Evans selected the multiple in the range of \$215

to \$240 for Kairos. Evans & Evans believed a multiple below the median of the selected companies was appropriate given the relative stage of exploration work / acquisition costs of the Kairos Projects versus those of the GPCs.

Upon arriving at the enterprise value of Kairos, Evans & Evans then deducted the net present value of the remaining LG Option Payments as calculated in Exhibit 6.0 to arrive at the fair market value of the equity of Kairos.

Under the Guideline Public Company Method, the fair market value of 100% of the equity of Kairos as at the Valuation Date was in the range of \$3,380,000 to \$4,130,000.

13.0 VALUATION OPINION

Upon arriving at the fair market value of the Company under the NBV Method and GPC Method as outlined above, Evans & Evans calculated the fair market value of the Company in the range of \$3,480,000 to \$4,130,000 as midpoints of the lows and highs of the fair market value ranges under the two methods as shown in the below table and outlined in Exhibit 4.0 – Valuation Summary.

Methods	Fair Market Value				
	Low	High	Weighting	Value - Low	Value - High
Net Book Value Method	3,570,000	4,130,000	50%	1,785,000	2,065,000 ¹
Guideline Public Company Method	3,380,000	4,130,000	50%	1,690,000	2,065,000 ¹
Fair Market Value of Equity (rounded) - on a controlling, marketable basis				3,480,000	4,130,000

A Comprehensive Valuation Report provides the highest level of assurance regarding the valuation conclusion. This valuation opinion as well as the entire Report is subject to the scope of the work conducted (refer to section 4.0) as well as the assumptions made (refer to section 6.0) and to all of the other sections of the Report.

14.0 CERTIFICATION AND QUALIFICATIONS

14.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Ms. Jennifer Lucas, MBA, CBV, ASA
 Managing Partner, Evans & Evans, Inc.
 Suite 130, Third Floor, 55 Burrard Street Vancouver, British Columbia V7X 1M8

EVANS & EVANS, INC.

1. I am a graduate of the University of Saskatchewan (1993) with a Bachelor of Commerce degree and the University of British Columbia (1995) with a Masters in Business Administration degree.
2. I hold the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. I am a member of the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers.
3. I have been employed as an analyst and valuator with Evans & Evans, Inc. since 1997. I possess several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. My background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. I have also gained experience in the Personal Security and Telecommunications industries.
4. I have for the past 27 years at Evans & Evans been involved in writing and reviewing over 2,500 valuation and due diligence reports for public and private transactions.
5. Over the past 15 years I have examined and provided valuations on numerous mineral properties around the world. Given my experience I believe I am a Qualified Valuator as outlined in CIMVAL.
6. The information in the Report was obtained in part from reports provided by specialists as outlined in section 4.0. This information is to the best of my knowledge and experience correct. I have had no previous involvement with the subject properties.
7. I am not aware of any material fact or material change with respect to the subject properties which is not reflected in the Report.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1989. For over 35 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of over several thousand technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA

Institute, the Canadian Institute of Chartered Business Valuators (“CICBV”) and the American Society of Appraisers (“ASA”).

14.2 Certification

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators with reference to CIMVAL.

Evans & Evans was paid a fixed fee for the preparation of the Report. The fee established for the Report has not been contingent upon the value or other opinions presented.

The authors of the Report have no present or prospective interest in Kairos, the Kairos Projects or Issuer that are the subject of this Report, and we have no personal interest with respect to the parties involved. Evans & Evans had no relationship with the Issuer prior to the preparation of the Report. No promises of additional assignments have been made to Evans & Evans by the Issuer.

For the purposes of the Report, Evans & Evans is independent to LCI.

Yours very truly,



EVANS & EVANS, INC.

15.0 EXHIBITS

EVANS & EVANS, INC.

	Exhibit Number
I FINANCIAL SUMMARY	
Historical Balance Sheet - Balance Sheet -Compañía Minera Kairos Chile Limitada.....	1.0
Historical Income Statement - Compañía Minera Kairos Chile Limitada.....	2.0
Property Summary.....	3.0
I VALUATION ANALYSIS	
Valuation Summary.....	4.0
Asset Approach - Net Book Value Method.....	5.0
Market Approach - Mergers & Acquisitions Method.....	6.0
Market Approach - Merger & Acquisition Transaction Multiples.....	7.0
Market Approach - Guideline Public Company Method.....	8.0
Market Approach - Guideline Public Company Multiples.....	9.0

Lithium Chile Inc.
Comprehensive Valuation Report - Kairos Gold Inc.
Balance Sheet - Compañía Minera Kairos Chile Limitada
Valuation as of April 30, 2024

Exhibit 0.0

(Canadian Dollars)	As of March 31, 2024	Common Size March 31, 2024	Notes (1)
ASSETS			
Current Assets			
Cash and cash equivalents	101,707	0.9%	
From San Lorenzo	101,008	0.9%	
Deposit- Big Bear	153,024	1.4%	
Tax AR	411,105	3.7%	
Total Current Assets	766,844	6.9%	
Non-Current Assets			
Plant, property and equipment	106,652	1.0%	
Lithium Properties	7,106,320	63.7%	
CGS:			
Carmona	458,016	4.1%	
Apolo/Sancarron	487,321	4.4%	
FORTUNA	609,089	5.5%	
Las Garillas	643,472	5.8%	
Properties to be Abandoned	975,854	8.7%	
Total Fixed Assets	10,386,724	93.1%	
TOTAL ASSETS	11,153,568	100.0%	
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	1,265	0.0%	
Accrued Accounts Payable	3,089	0.0%	
Total Current Liabilities	4,354	0.0%	
Due to Lithium Chile Inc.	11,938,485		
TOTAL LIABILITIES	11,942,839	107.1%	
Equity			
Share capital	12,000	0.1%	
Deficit	(974,047)	-8.7%	
Accumulated Other Comprehensive Income	114,764	1.0%	
Contributed surplus	58,013	0.5%	
TOTAL EQUITY	(789,270)	-7.1%	
TOTAL LIABILITIES & EQUITY	11,153,568	100.0%	

Notes:

(1) Unaudited trial balance for the period ended March 31, 2024 provided by management.

Lithium Chile Inc.
Comprehensive Valuation Report - Kairos Gold Inc.
Historical Income Statement - Compañía Minera Kairos Chile Limitada
Valuation as of April 30, 2024

Exhibit 1.0

(Canadian Dollars)

	Thee Months Ended March 31, 2024	Common Sized March 31, 2024	Notes (1)
Expenses:			
Office expense	4,757	6.9%	
Office salaries	20,650	30.1%	
Legal	32,095	46.8%	
Bank	569	0.8%	
Rent	3,185	4.6%	
Misc.	2,290	3.3%	
fx amort	4,985	7.3%	
Total Expenses	68,531	100.0%	
Net Income (loss) before other items	(68,531)	-100.0%	
Adjustments:			
Other Comprehensive Income	148,632	216.9%	
Net income (loss) and comprehensive income (loss) for the period	80,101	116.9%	

Notes:

(1) Unaudited trial balance for the period ended March 31, 2024 provided by management.

EVANS & EVANS, INC.

Lithium Chile Inc.
Comprehensive Valuation Report - Kairos Gold Inc.
Valuation Summary
Valuation as of April 30, 2024

Exhibit 2.0

(Canadian Dollars)

Property Name	Commodity	Book Value	Interest	Number of Claims	Hectares	Notes
Carmona	Gold	458,016	0.0%	27	7,500	(1)
Apollo/Sancarron	Gold	487,321	100.0%	23	5,229	
Fortuna	Gold	609,089	100.0%	29	7,700	
Las Garillas	Gold	643,472	100.0%	9	2,004	
		2,197,899			22,433	

Note:

(1) Provided by management.

(Canadian Dollars)

Methods	Fair Market Value				
	Low	High	Weighting	Value - Low	Value - High
Net Book Value Method	3,570,000	4,130,000	50%	1,785,000	2,065,000 (1)
Guideline Public Company Method	3,380,000	4,130,000	50%	1,690,000	2,065,000 (2)
Fair Market Value of Equity (rounded) - on a controlling, marketable basis				3,480,000	4,130,000 (3)

Note:

- (1) See Exhibit 4.0.
- (2) See Exhibit 6.0
- (3) Based on discussions with management, Kairos Gold Inc. has no material assets or liabilities other than its interest in Compañía Minera Kairos Chile Limitada.

(Canadian Dollars)	As at 31-Mar-24	Adjustments		Fair Market Value - Low	Fair Market Value - High	Notes
		Low	High			(1)
Assets						
Current Assets						
Cash and cash equivalents	101,707	(50,853)	(50,853)	50,853	50,853	(2)
From San Lorenzo	101,008	(50,504)	(50,504)	50,504	50,504	(3)
Deposit- Big Bear	153,024	(76,512)	(76,512)	76,512	76,512	(3)
Tax AR	411,105	(205,553)	(205,553)	205,553	205,553	(3)
Total Current Assets	766,844			383,422	383,422	
Non-current Assets						
Plant, property and equipment	106,652	(106,652)	(106,652)	-	-	(4)
Lithium Properties	7,106,320	(7,106,320)	(7,106,320)	-	-	(4)
CGS:	-					
Carmona	458,016	481,984	671,984	940,000	1,130,000	(5)
Apolo/Sancarron	487,321	162,679	292,679	650,000	780,000	(5)
FORTUNA	609,089	930,911	1,120,911	1,540,000	1,730,000	(5)
Las Garillas	643,472	(559,801)	(509,801)	83,671	133,671	(5)
Properties to be Abandoned	975,854	(975,854)	(975,854)	-	-	(6)
Total Assets	11,153,568			3,597,093	4,157,093	
Liabilities						
Current Liabilities						
Accounts payable	1,265			1,265	1,265	
Accrued Accounts Payable	3,089			3,089	3,089	
Total Current Liabilities	4,354			4,354	4,354	
Stub Period Net Loss				(22,844)	(22,844)	(7)
Fair Market Value of Equity (rounded)				3,570,000	4,130,000	

Notes:

- (1) Unaudited trial balance for the period ended March 31, 2024 provided by management.
- (2) Assume 50% of the cash would be transferred to Minera Kairos SpA. Remaining
- (3) Book value was assumed to be equal to fair market value. Evans & Evans assumed the assets would be split with Minera Kairos SpA equally.
- (4) The lithium exploration properties held by Kairos are to be transferred to a new subsidiary - Minera Kairos SpA and hence have been removed from the analysis. The property plant and equipment relate to the lithium assets and have been removed.
- (5) Book value of the Kairos gold properties was adjusted to the fair market value as calculated in Exhibit 5.0.
- (6) These properties have been abandoned by LCI and Kairos and as such will not be part of Kairos going forward.
- (7) Adjustment to account for the timing difference between the date of the most recent financial statements and the Valuation Date.

Net Loss for 3 Months Ended March 31, 2024	(68,531)	(Other comprehensive income deemed a one-time event)
Net Loss per Month	(22,844)	
Months to Adjust	1	

(Canadian Dollars)

	<u>Metric - Hectares (1)</u>	<u>Selected Multiple (2)</u>		<u>Indicated Value</u>		<u>Weighting</u>
		Low	High	Low	High	
Project						
Carmona	7,500	125	150	940,000	1,130,000	100%
Apollo/Sancarron	5,229	125	150	650,000	780,000	100%
Fortuna	7,700	200	225	1,540,000	1,730,000	100%
Las Garillas	2,004	400	425	800,000	850,000	100%
	22,433			3,930,000	4,490,000	
Less: Option Payment on Las Garillas (3)				(716,329)	(716,329)	
				3,210,000	3,770,000	

Note:

- (1) As provided by management.
(2) Evans & Evans selected the multiples with reference to the multiples of the precedent transactions as outlined in Exhibit 5.0
(3) Remaining option payment on Oro Brillante Claims of Las Garrilas

	Time	Mining Industry Cost of Capital (a)	Exploration Premium	Adjusted Cost of Capital	C\$ Payment (b)	Present Value
Payment Required August 16, 2024	0.30	7.72%	15.00%	22.72%	398,981	375,529
Payment Required February 5, 2025	0.77	7.72%	15.00%	22.72%	398,981	340,800
						716,329

(a) Professor Aswath Damodaran - Professor, Stern School of Business at New York University - Industry Cost of Capital Data.

(b) Option Payment 277,666,667 Chilean Peso to Canadian Dollar Exchange Rate 0.001436907

(Canadian Dollars)

Identified Merger & Acquisition Transactions (1)

#	Date	Target	Target Description	Location	Enterprise Value	Hectares	EV / Hectares
1	Pending	Tres Cruces Oxide Project of Steppe Gold Ltd.	Tres Cruces Oxide Project of Steppe Gold Ltd. comprises a gold mining project.	Peru	12,000,000	3,000	4,000
2	Pending	A Portfolio of Gold & Silver Projects in the World-Class Santa Cruz Province	A Portfolio of Gold & Silver Projects in the World-Class Santa Cruz Province comprises gold and silver projects.	Argentina	1,729,900	7,997	216
3	15-Jan-24	Palta Dorada, Gold-Silver-Copper project in Northern Peru	As of January 15, 2024, Palta Dorada, Gold-Silver-Copper project in Northern Peru was acquired by Peruvian Metals Corp. Palta Dorada, Gold-Silver-Copper project in Northern Peru comprises gold and silver ores.	Peru	470,540	2,250	209
4	13-Sep-23	100% Interest in Pitangui Project and Remaining Interest in Acurui Project in Brazil	As of September 13, 2023, 100% Interest in Pitangui Project and Remaining Interest in Acurui Project in Brazil was acquired by Jaguar Mining Inc.	Brazil	11,859,298		n/a
5	17-Jul-23	Ventana Copper Project	As of July 17, 2023, Ventana Copper Project was acquired by Latin Metals Inc. Ventana Copper Project comprises a sediment-hosted copper mineralization mine.	Argentina	4,930	176,000	0.03
6	17-May-23	11,160 hectares package of new exploration properties in Antioquia, Colombia	As of May 17, 2023, 11,160 hectares package of new exploration properties in Antioquia, Colombia was acquired by Soma Gold Corp. 11,160 hectares package of new exploration properties in Antioquia, Colombia comprises gold properties.	Colombia	3,058,440	11,160	274
7	12-Jan-23	Area 51 Claims	4,000 hectares of exploration claims pertinent to the Area 51 Project located in the Inca Del Oro mining district, Atacama Region, northern Chile.	Chile	36,586	4,000	9

(Canadian Dollars)

Identified Merger & Acquisition Transactions (1)

#	Date	Target	Target Description	Location	Enterprise Value	Hectares	EV / Hectares
8	15-Nov-22	Pampa Paciencia Epithermal Gold Property of Arena Minerals Inc.	As of November 15, 2022, Pampa Paciencia Epithermal Gold Property of Arena Minerals Inc. was acquired by Astra Exploration Inc. Pampa Paciencia epithermal gold property comprises gold property and is located in Chile.	Chile	873,130	2,140	408
9	9-Jun-22	Usicayos Gold Project	As of June 9, 2022, Usicayos Gold Project was acquired by Palamina SAC.	Peru	69,878	200	349
10	3-Mar-22	El Zorro Gold Project	As of March 3, 2022, El Zorro Gold Project was acquired by El Zorro S.C.M. El Zorro Gold Project comprises a gold project.	Chile	89,000	2,200	40.45
11	26-Aug-21	Cuiú Cuiú Gold Project	Cuiú Cuiú Gold Project comprises a gold exploration project.	Brazil	113,000	372	304

Average	581
Median	245
Max	4,000
Min	0.03
First Quartile	83
Third Quartile	338

(Canadian Dollars)

Table 2 - Selected Merger & Acquisition Transactions (1)

#	Date	Target	Target Description	Location	Enterprise Value	Hectares	EV / Hectares	
2	Pending	A Portfolio of Gold & Silver Projects in the World-Class Santa Cruz Province	A Portfolio of Gold & Silver Projects in the World-Class Santa Cruz Province comprises gold and silver projects.	Argentina	1,729,900	7,997	216	
3	15-Jan-24	Palta Dorada, Gold-Silver-Copper project in Northern Peru	As of January 15, 2024, Palta Dorada, Gold-Silver-Copper project in Northern Peru was acquired by Peruvian Metals Corp. Palta Dorada, Gold-Silver-Copper project in Northern Peru comprises gold and silver ores.	Peru	470,540	2,250	209	
6	17-May-23	11,160 hectares package of new exploration properties in Antioquia, Colombia	As of May 17, 2023, 11,160 hectares package of new exploration properties in Antioquia, Colombia was acquired by Soma Gold Corp. 11,160 hectares package of new exploration properties in Antioquia, Colombia comprises gold properties.	Colombia	3,058,440	11,160	274	
7	12-Jan-23	Area 51 Claims	4,000 hectares of exploration claims pertinent to the Area 51 Project located in the Inca Del Oro mining district, Atacama Region, northern	Chile	36,586	4,000	9	
8	15-Nov-22	Pampa Paciencia Epithermal Gold Property of Arena Minerals	As of November 15, 2022, Pampa Paciencia Epithermal Gold Property of Arena Minerals Inc. was acquired by Astra Exploration Inc. Pampa	Chile	873,130	2,140	408	
9	9-Jun-22	Usicayos Gold Project	As of June 9, 2022, Usicayos Gold Project was acquired by Palamina SAC.	Peru	69,878	200	349	
10	3-Mar-22	El Zorro Gold Project	As of March 3, 2022, El Zorro Gold Project was acquired by El Zorro S.C.M. El Zorro Gold Project comprises a gold project.	Chile	89,000	2,200	40	
11	26-Aug-21	Cuiú Cuiú Gold Project	Cuiú Cuiú Gold Project comprises a gold exploration project.	Brazil	113,000	372	304	
							Average	226
							Median	245
							Max	408
							Min	9
							First Quartile	167
							Third Quartile	315

Notes:

(1) Source: Capital IQ. Hectare data sourced from company disclosures.

Comprehensive Valuation Report - Kairos Gold Inc.
Market Approach - Guideline Public Company ("GPC") Method
Valuation as of April 30, 2024

(Canadian Dollars)	Metric (1)	Selected Multiple (2)		Discounted Selected Multiple (3)		Indicated Enterprise Value		Weighting
		Low	High			Low	High	
Multiple of Hectares	22,433	215	240	183	216	4,099,631	4,845,528	100%
Estimated weighted value range						4,099,631	4,845,528	100%
Enterprise Value						4,099,630	4,845,530	
Plus Cash (1):						-	-	
Less: Outstanding Option Payments						716,329	716,329	
Fair Market Value of Equity (rounded) (4)						3,380,000	4,130,000	

Note:

(1) Refer to Exhibit 0.0. Evans & Evans has assumed cash is nominal as at the Valuation Date based on discussions with management.

(2) Evans & Evans selected the multiples with reference to the multiples of the guideline public companies as outlined in Exhibit 7.0.

While selecting the multiples, Evans & Evans considered the location and stage of development of the Company as compared to those of the guideline public companies, as well as the stage of development of the properties.

(3) Support for the discount applied to the selected multiples:

	Low	High
Size	10.0%	15.0%
	10.0%	15.0%

(5) Evans & Evans did not consider a control premium as the literature is mixed as to whether there actually is a control premium paid in M&A transactions. The 'control premiums' paid in M&A transactions are generally buyer specific and, therefore, may not be reliably estimated as they can vary significantly.

(Canadian Dollars) Millions

Table 1.0 - Identified Guideline Public Companies (1)

Company Name	Exchange: Ticker	Market Capitalization	Enterprise Value	Locations	Book Value of Mineral Property Interest	Hectares	EV / BV of MPI	EV / Hectares	
Cerro Grande Mining Corporation	CNSX:CEG	2.2	11.0	Chile	1.6	3,521	6.93 x	3,120 x	
CopperEx Resources Corporation	TSXV:CUEX	14.8	12.2	Chile and Peru	8.7	36,545	1.40 x	334 x	
Hot Chili Limited	TSXV:HCH	133.3	138.5	Chile	186.1		0.74 x	n/a	
Norsemont Mining Inc.	CNSX:NOM	11.6	12.9	Chile	27.5	5,757	0.47 x	2,234 x	
Rio2 Limited	TSXV:RIO	143.4	137.3	Chile	86.9	37,291	1.58 x	3,682 x	
Batero Gold Corp.	TSXV:BAT	5.8	6.5	Colombia	86.9	1,407	0.07 x	4,591 x	
Tribeca Resources Corporation	TSXV:TRBC	21.8	18.8	Chile	1.0	4,047	19.13 x	4,653 x	
Orosur Mining Inc.	TSXV:OMI	16.4	13.7	Colombia, Argentina, Nigeria	6.6	103,143	2.10 x	133 x	
Royal Road Minerals Limited	TSXV:RZR	26.6	13.3	Saudi Arabia, Morocco, Argentina, Colombia	1.4	243,800	9.79 x	55 x	
Cabral Gold Inc.	TSXV:CBR	37.4	33.6	Brazil	3.4	125,670	9.94 x	267 x	
TriStar Gold, Inc.	TSXV:TSG	36.4	31.4	Brazil	37.0	17,177	0.85 x	1,829 x	
Alta Copper Corp.	TSX:ATCU	46.3	43.2	Peru	93.3	9,700	0.46 x	4,449 x	
Torq Resources Inc.	TSXV:TORQ	15.4	16.8	Chile	2.9	4,695	5.86 x	3,587 x	
Altamira Gold Corp.	TSXV:ALTA	24.4	18.8	Brazil	18.2	290,000	1.04 x	65 x	
Altiplano Metals Inc.	TSXV:APN	15.0	15.3	Chile and Nicaragua	7.1	182	2.15 x	84,227 x	
Astra Exploration Inc.	TSXV:ASTR	7.6	7.6	Chile	-	8,600	n/a	879 x	
							Average	4.17 x	7,607 x
							Median	1.58 x	2,234 x
							Max	19.13 x	84,227 x
							Min	0.07 x	55 x
							Coefficient of Variance	1.28 x	3 x

Table 2.0 - Selected Guideline Public Companies (1)

Company Name	Exchange: Ticker	Market Capitalization	Enterprise Value	Locations	Book Value of Mineral Property Interest	Hectares	EV / BV of MPI	EV / Hectares	
CopperEx Resources Corporation	TSXV:CUEX	14.8	12.2	Chile and Peru	8.7	36,545	1.40 x	334 x	
Norsemont Mining Inc.	CNSX:NOM	11.6	12.9	Chile	27.5	5,757	0.47 x	2,234 x	
Orosur Mining Inc.	TSXV:OMI	16.4	13.7	Colombia, Argentina, Nigeria	6.6	103,143	2.10 x	133 x	
Royal Road Minerals Limited	TSXV:RZR	26.6	13.3	Saudi Arabia, Morocco, Argentina, Colombia	1.4	243,800	9.79 x	55 x	
Cabral Gold Inc.	TSXV:CBR	37.4	33.6	Brazil	3.4	125,670	9.94 x	267 x	
Torq Resources Inc.	TSXV:TORQ	15.4	16.8	Brazil	2.9	4,695	5.86 x	3,587 x	
Astra Exploration Inc.	TSXV:ASTR	7.6	7.6	Chile	-	8,600	n/a	879 x	
							Average	4.92 x	1,070 x
							Median	3.98 x	334 x
							Max	9.94 x	3,587 x
							Min	0.47 x	55 x
							Coefficient of Variance	0.86 x	1.3 x

Notes:

(1) Source: Capital IQ, GPC websites and public disclosure documents.

SCHEDULE "K"

COMPREHENSIVE VALUATION REPORT FOR LITHIUM CHILE INC. ON LITHIUM CHILE 2.0 INC.

(see attached)

**COMPREHENSIVE VALUATION
REPORT**

FOR

Lithium Chile Inc.

ON

Lithium Chile 2.0 Inc.

Calgary, Alberta

June 27, 2024

EVANS & EVANS, INC.

LITHIUM CHILE INC.
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1.0 ASSIGNMENT & PROPOSED TRANSACTION

1.1 Assignment

Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Report”) was engaged by Lithium Chile Inc. (“LCI” or the “Issuer”) of Calgary, Alberta to prepare a Comprehensive Valuation Report (the “Report”) with respect to the fair market value of LCI’s wholly owned subsidiary Lithium Chile 2.0 Inc. (“Lith 2.0” or the “Company”) as at April 30, 2024 (the “Valuation Date”).

LCI is a reporting issuer whose shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol “LITH” and on the OTC-QB under the symbol “LTMCF”. Evans & Evans understands LCI is contemplating a spinout transaction which would involve transferring its Chilean lithium projects to Lith 2.0 and its Chilean gold and copper projects to Kairos Gold Inc. (“Kairos”) (the “Proposed Transaction”). The Proposed Transaction is outlined in more detail in section 3.0 of the Report.

The Report, or a summary thereof, may be included in public disclosure documents regarding the Proposed Transaction, including in any information circular produced by the Issuer or the Company to be sent to its shareholders, and may be submitted to the Exchange. The final Report may be filed on SEDAR+.

As Evans & Evans will be relying on information, materials and representations provided to us by the Issuer’s management and associated representatives, the authors of the Report will require that management of LCI confirm to Evans & Evans in writing that it has reviewed the Report in detail and that the information and management’s representations contained in the Report are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report.

Evans & Evans, its staff and associates, do not assume any responsibility or liability for losses incurred by LCI, Lith 2.0, their respective management and shareholders or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or any excerpts thereto contrary to the provisions of this section of the Report.

Evans & Evans also reserves the right to review all calculations included or referred to in the Report and, if Evans & Evans considers it necessary, to revise the Report in light of any information existing at the Valuation Date which becomes known to Evans & Evans after the date of the Report.

Unless otherwise indicated, all monetary amounts are stated in the Canadian Dollars.

2.0 BACKGROUND OF THE ISSUER

2.1 Lithium Chile Inc.

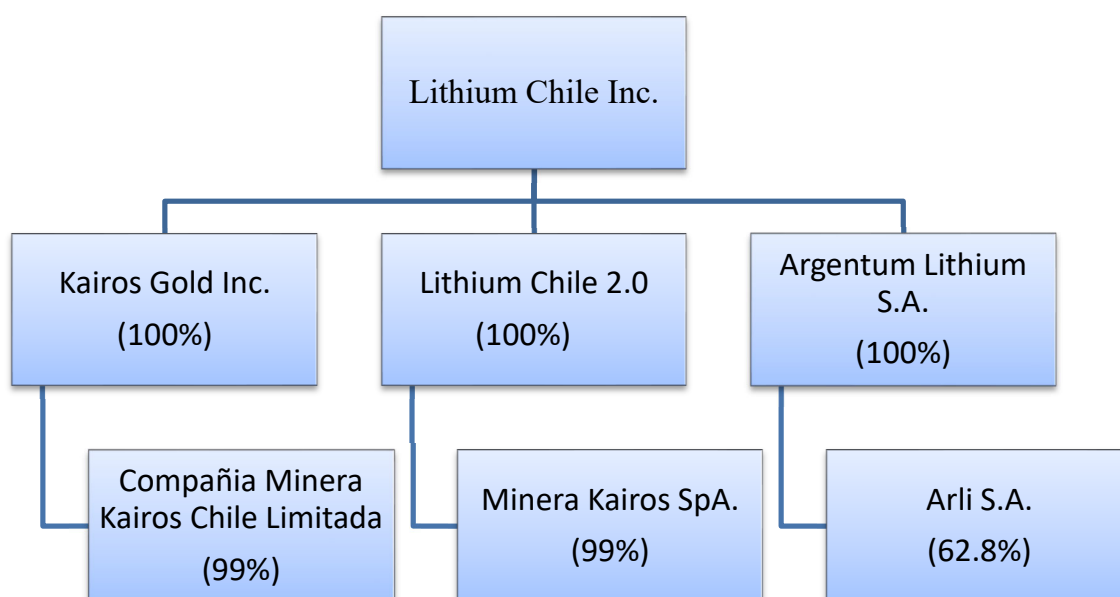
LCI was incorporated on October 18, 2010, as “Kairos Capital Corporation” by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). On December 12, 2017, the Issuer changed its name to “Lithium Chile Inc.” by Certificate of Amendment.

The Issuer is engaged in the acquisition, advancement and development of mineral properties in Chile and Argentina. LCI is an exploration company that has a published National Instrument 43-101 (“NI 43-101”) lithium resource on its Argentinian lithium project. LCI’s property portfolio consists of 111,978 hectares in Chile and 29,245 hectares in Argentina.

The flagship project of the Issuer is the Arizaro lithium project in Argentina (the “Arizaro Project”), located in an area known as the “Lithium Triangle”. The Lithium Triangle is a region of the Andes that is rich in lithium reserves, encompassed by the borders of Argentina, Bolivia, and Chile. The lithium in the Lithium Triangle is concentrated in various salt flats referred to as “salars”.

On April 18, 2024, the Issuer announced that it had formed two wholly owned Canadian subsidiaries: Kairos and Lith 2.0. Compañía Minera Kairos Chile Limitada (“Minera Kairos”) is in the process of transferring its lithium properties in Chile to Minera Kairos SpA (“MK Chile”), and Minera Kairos will retain the copper / gold / silver properties. Thereafter, the membership interests in Minera Kairos will be transferred to Kairos and the shares of MK Chile will be transferred to Lith 2.0.

As a result of the transactions above, the Issuer will have five subsidiaries as outlined in the chart below: Argentum Lithium S.A. (100% ownership), Kairos, Lith 2.0, Minera Kairos and MK Chile. Argentum Lithium S.A. holds a 62.8% stake in Arli S.A.



Financial Overview & Capital Structure

LCI’s financial year (“FY”) end is December 31. The Issuer is currently an exploration company in the pre-revenue stage and has not yet generated any revenue as of the date of the Report. As at March 31, 2024, the Issuer had a working capital balance of \$11,226,805 (December 31, 2023 - \$17,350,327) and no long-term debt.

As of the Valuation Date, LCI had 206,224,157 common shares issued and outstanding. Additionally, the Issuer had 5,524,279 warrants, 6,350,000 stock options, and 4,700,000 restricted share units (“RSUs”) outstanding.

The Issuer’s market capitalization as of the Valuation Date was approximately \$167,000,000.

3.0 DESCRIPTION OF LITHIUM CHILE 2.0 INC.

3.1 Overview

Lith 2.0 was incorporated on April 11, 2024, under the provisions of *Business Corporations Act* (Alberta). Lith 2.0 is a 100% wholly owned Canadian subsidiary of LCI. LCI holds the shares in MK Chile which will be transferred to Lith 2.0 and as such MK Chile will become a wholly owned subsidiary of Lith 2.0.

As of the Valuation Date, the Issuer was in the process of transferring the shares in MK Chile to Lith 2.0 and the ownership of the Chilean lithium properties from Minera Kairos

to MK Chile and the membership interests in Minera Kairos to Kairos. For the purposes of the Report, Evans & Evans has assumed such transfers have occurred.

As of the date of the Report, the management of the Issuer has confirmed that Lith 2.0, as a newly formed entity, had no material assets or liabilities. Lith 2.0, through MK Chile, will hold interests in 11 early stage lithium assets (together the “Lith 2.0 Projects”) in Chile, as summarized in Exhibit 3.0 of the Report.

Of the Lith 2.0 Projects, only the Los Moros Property is the subject of an NI 43-101 technical Report. The Issuer received the Technical Report on the Los Moros Property prepared by Eric L. Hanson, P. Geo., effective June 23, 2024 (the “Los Moros Tech Report”).

All of the Lith 2.0 Projects are considered early stage exploration projects and only the Los Moros Property has an exploration budget. The Los Moros Tech Report sets out a first phase exploration budget of approximately \$900,000 for the Los Moros Property.

3.2 Aguilar Property

The Aguilar Property is an early stage lithium exploration property that consists of four exploration claims totaling 1,078 hectares which will be held 100% by Lith 2.0 through MK Chile, subject to the option outlined below.

The Aguilar Property lies within the southern lithium enriched sector of the Salar de Aguilar basin within the Andean Geomorphic Belt of Chile. During March 2017, Minera Kairos completed preliminary reconnaissance water and sediment geochemical surveys covering the active salar in the northern half of the Aguilar 1 and 2 claims and adjacent paleo salts and sediments.

No drilling has been conducted on the Aguilar Property.

Property Agreements

On March 5, 2024 (the “Eramet Option Date”), the Issuer entered into a farm-in agreement (the “Eramet Agreement”) with Eramet Chile S.A., a subsidiary of a Eramet S.A., a large European-based multinational mining company. The Eramet Agreement sets out the business terms that will ultimately be incorporated in a full joint venture agreement (the “JV Agreement”). The Eramet Agreement sets out the terms by which Eramet will conduct work on the Aguilar Property, the Llamara Property, the Rio Salado Property and the Aguas Caliente Norte Property (together the “Eramet Optioned Properties”).

The Eramet Agreement sets out the terms by which Eramet will undertake a three-phase exploration program. The Eramet Agreement also sets out that within the 24 months following completion of Phase III, Eramet shall have a call option on all of MK Chile’s shares in the JV Co (as defined below). Eramet will have an option to increase its interest

by the payment to MK Chile of a success bonus (“Success Bonus”). The Success Bonus, pre-agreed to between the parties, is based on the amount of lithium carbonate equivalent (“LCE”) resources that are delineated during exploration and exploitation activities in accordance with the results of a completed NI 43-101 - or similar - instrument.

Phase I Activities

The first phase of the Eramet Agreement will take place within the 12 months following the Eramet Option Date. During the first 12 month period Eramet will seek the right to explore for water in the region surrounding the Eramet Optioned Properties. In addition, Eramet must incur exploration expenditures amounting to US\$1,197,150 on the Llamara Property, US\$115,000 on the Aguilar Property and US\$237,015 on the Aguas Caliente Norte and Rio Salado Properties.

Eramet and the Issuer will establish a joint venture company (“JV Co”) which will hold the rights to the Eramet Optioned Properties.

Upon completion of the Phase I expenditures, the Issuer will transfer 30% of the shares of JV Co to Eramet.

The joint venture agreement shall provide that Eramet shall have the right to, in its sole discretion, elect not to complete the expenditures contained in the first, second and third exploration programs, but make a direct payment in cash to the Issuer (or Lith 2.0 following completion of the Proposed Transaction) for the total or each outstanding relevant expenditures amount, with which payment it shall be deemed that the relevant exploration program has been duly complied with. If within any certain phase, the expenditures amount exceed the amount required for such relevant phase, such excess shall be allocated to the following phase.

Phase II Activities

Phase II shall take place from the date when both Eramet and LCI have complied with their respective obligations under Phase I and Eramet has obtained any required permits required to complete the Phase II exploration program.

In Phase II Eramet must incur exploration expenditures amounting to US\$4,343,550 on the Llamara Property, US\$1,210,950 on the Aguilar Property and US\$2,059,075 on the Aguas Caliente Norte and Rio Salado Properties.

Upon completion of the Phase II expenditures, the Issuer will transfer an additional 21% of the shares of JV Co to Eramet, resulting in Eramet holding a 51% interest in JV Co.

Phase III Activities

Phase III shall take place from the date when both Eramet and LCI have complied with their respective obligations under Phase II and shall be completed within 20 months of the

completion of Phase II and the JV Agreement shall terminate if the obligations of Eramet are not completed within 24 months of the completion of Phase II.

In Phase III Eramet must incur exploration expenditures amounting to US\$7,334,700 on the Llamara Property, US\$1,995,825 on the Aguilar Property and US\$3,165,950 on the Aguas Caliente Norte and Rio Salado Properties.

Upon completion of the Phase III expenditures, the Issuer will transfer an additional 20% of the shares of JV Co to Eramet, which will result in Eramet holding a 70% interest in JV Co.

3.3 Aguas Calientes Norte Property

The Aguas Calientes Norte Property is an early stage lithium exploration property that consists of nine exploration claims totaling 2,500 hectares which will be held 100% by Lith 2.0 through MK Chile, subject to the Eramet Agreement. As outlined in Section 3.2 of this Report, the Aguas Calientes Norte Property is the subject of the Eramet Agreement.

The Aguas Calientes Norte Property lies along the eastern edge of a lithium enriched southern sector of the Salar de Pujsa basin and geothermal hot spring within the Andean Geomorphic Belt of Chile. During January 2023, Minera Kairos completed preliminary reconnaissance water and sediment geochemical surveys covering the southeast margin of the salar and several small lagunas in the western claims 1 - 4 and reconnaissance stream sediment and rock sampling on the eastern 5 – 9 claims. No drilling has been conducted.

3.4 Atacama Property

The Atacama Property is an early stage lithium exploration property that consists of 24 exploration claims totaling 5,960 hectares which will be held 100% by Lith 2.0 through MK Chile. The Atacama Property lies within the northern sector of the eastern sub-basin of the lithium rich Salar de Atacama.

During March 2017, Minera Kairos completed preliminary reconnaissance water and sediment geochemical surveys covering the active salar and adjacent paleo salts and sediments in the eastern half the property. During February 2018, Minera Kairos completed 22.5 kilometres (“kms”) of TEM and 37.1 kms of gravity surveys covering the whole property. No drilling has been conducted on the Atacama Property.

3.5 Coipasa Property

The Coipasa Property is an early stage lithium exploration property that consists of 39 exploration claims totaling 11,300 hectares which will be held 100% by Lith 2.0 through MK Chile. The Coipasa Property lies within the southwest sector of the lithium rich Salar de Coipasa basin within the Andean Geomorphic Belt of Chile.

Between November 2016 and October 2017, Minera Kairos completed preliminary reconnaissance and detailed follow up water and sediment geochemical surveys covering the bulk of the active salar and adjacent paleo salts and sediments. In January and February 2018, Geoexploraciones S.A. (“Geoexploraciones”), on behalf of Minera Kairos, completed a 28 - line kilometer reconnaissance TEM and a 67.4 km gravimetric survey covering the active salar and its adjacent west and south flanks. No drilling has been conducted on the Coipasa Property.

3.6 Helados Property

The Helados Property is an early stage lithium exploration property that consists of 73 exploration claims totaling 20,200 hectares which will be held 100% by Lith 2.0 through MK Chile.

The Helados Property lies within the Salar Tara – Laguna Helados basin, a northwest-southeast trending graben within the Andean Geomorphic Belt. Between February 2017 and January 2018, Minera Kairos completed preliminary reconnaissance and detailed follow up water and sediment geochemical surveys covering the bulk of the active salar - laguna complex and adjacent paleo salts and sediments. In January and February 2018, Geoexploraciones on behalf of Minera Kairos, completed a 49.2-line kilometer reconnaissance TEM and gravity survey covering the active salar-laguna complex and its adjacent northeast flank in the southeastern half of the property. No drilling has been conducted on the Helados Property.

3.7 Laguna Blanca Property

The Laguna Blanca Property is an early stage lithium exploration property that consists of 61 exploration claims totaling 14,700 hectares which will be held 100% by Lith 2.0 through MK Chile, subject to the option outlined below.

On October 18, 2022, the Laguna Blanca Property land package was increased to 12,425 hectares and in 2023 the land package was increased to 14,700.

Between April 2018 and June 2021, Minera Kairos completed preliminary reconnaissance and detailed follow up water and sediment geochemical surveys covering the bulk of the active salar - laguna complex and adjacent paleo salts and sediments in the north central sector of the property.

In March 2019, Geoexploraciones, on behalf of Minera Kairos, completed a 13 km reconnaissance TEM survey covering the active salar-laguna complex in the northern sector of the property and its adjacent southwest flank.

During June 2021, Minera Kairos staff collected a bulk brine sample from the main laguna for lithium extraction tests. During August 2021, Minera Kairos staff collected several bulk

samples of cesium rich sediments for metallurgical testing to evaluate extraction technique for the and recovery parameters.

No drilling has been conducted on the Laguna Blanca Property.

In October, 2023, Monumental Energy Inc., formerly Monumental Minerals Corp. (“Monumental”), initiated negotiations with the Toconoa Indigenous Community in pursuit of securing approval for an exploration drill program at the Laguna Blanca Property. In November 2023, Monumental met with the Toconoa Community to present a proposal finalizing details such as timing, payments, and specific plans pertaining to drilling activities on the Laguna Blanca Property. In December 2023, the Toconoa Community requested Monumental prepare of a filing for the Environmental Assessment Service that confirms the Laguna Blanca Property does not require specific Environmental approval from a Declaration Impact or Environmental Impact Study.

On April 15, 2024, Monumental provided an update on the latest Chilean government lithium strategy. Chile, through its Ministry of Mines, launched the process for Chilean and foreign investors to express interest in developing projects to explore and/or extract lithium from deposits located in Chile. Under this strategy, the Ministry of Mines has approved the procedure for the request for information (“RFI”), which is intended to obtain the information necessary to promote the implementation of projects for the exploration, extraction and processing of lithium deposits, and to design the mechanisms, requirements and conditions for granting special lithium operation contracts. Monumental, through its Chilean subsidiary, Monumental Minerals Chile SpA, plans to file an RFI to pursue necessary exploration for future lithium operation contracts related to project Laguna Blanca. The Company acknowledges the Chilean government's prioritization of areas of interest and confirms that the Laguna Blanca brine system falls within eligible territories for the RFI process.¹

Laguna Blanca Property Agreements

On March 30, 2022, the Issuer entered into an option agreement (the “Laguna Option”) with Monumental whereby Monumental can acquire up to 75% of the Laguna Blanca Property. The Laguna Option was amended pursuant to an amending agreement dated October 12, 2023.

In order to exercise the Laguna Option, Monumental must meet the following commitments:

Cash payments of \$1,500,000 according to the following schedule:

- i. \$200,000 within thirty days from May 3, 2022, the date of final Exchange approval (the “Acceptance Date”) (paid);

¹ Monumental Management Discussion and Analysis for the quarter ended March 31, 2024

- ii. \$250,000 on or before the twenty-one month anniversary of the Acceptance Date (paid);
- iii. \$300,000 on or before the second anniversary of the Acceptance Date;

Minimum Explorations expenditures of an aggregate of \$1,500,000 according to the following schedule:

- i. \$200,000 on or before the first anniversary of the Acceptance Date (completed);
- ii. \$500,000 on or before the second anniversary of the Acceptance Date; and
- iii. \$800,000 on or before the third anniversary of the Acceptance Date.

On April 22, 2022, Monumental issued 3,401,874 common shares of Monumental to LCI at a fair value of \$1,267,087.

3.8 Llamara Property

The Llamara Property is an early stage lithium exploration property that consists of 129 exploration claims totaling 36,100 hectares which will be held 100% by Lith 2.0 through MK Chile, subject to the Eramet Agreement. As outlined in Section 3.2 of this Report, the Llamara Property is the subject of the Eramet Agreement.

During December 2017 and January 2018, Minera Kairos personnel completed a preliminary reconnaissance geochemical sediment survey covering the paleo-salar salts and sediments.

During December 2022 and March 2023, Geoexploraciones, on behalf of Minera Kairos, completed nine reconnaissance TEM profiles totaling 67.4 kms covering the paleo-salar salts and sediments in the central and southern sectors of the Llamara Property.

In June 2023, a drilling program commenced. Sediment samples were taken during drilling of four diamond boreholes through the first 50 metres of depth.

3.9 Los Moros Property

A proposed exploration budget of approximately \$900,000 is provided for in the Los Moros Tech Report.

Property Location, Property Ownership, Status, Infrastructure and Agreements

The Los Morros Property is an early stage lithium exploration property that consists of six exploration claims totaling 1,700 hectares which will be held 100% by Lith 2.0 through MK Chile. The property is located 145 km to the east and inland of the city of Antofagasta, Chile.

As outlined in the Los Moros Tech Report:

All of the surface rights associated with the claims making up the Los Moros Property are held by the Chilean military, which at times, uses the area in and around the property for military exercises. Authorization to do field work must be obtained beforehand.

The Property is not subject to any additional royalties, back-in rights or other encumbrances.

Access is possible year round paved roads up to the Baquedano train station on the Panamerican Highway. Access to the property itself is by dirt roads which are generally well maintained.

Work is possible year round in this desert climate. Typically there is a modest amount of rainfall in January and February and negligible rainfall in the other months.

There is no water supply on the property.

History of Exploration and Production

As outlined in the Los Moros Tech Report:

No known exploration work for lithium is known to have taken place by previous owners or operators. In March of 2017, the Author collected 5 sediment samples. These samples were collected from less than 1m from the surface, using an auger. In 2021, LCI collected water samples at various depths. Some measurements were taken on site and later samples were sent to a laboratory for multi-element analysis.

In 2021, a geophysics contractor, Geoexploraciones, was contracted to do 3 east – west lines of TEM – Transient Electromagnetic or Time Domain Electromagnetic – surveys totaling 17 line – kilometers.

Total historical exploration expenditures by the Issuer are estimated at approximately \$116,000.

No drilling has been conducted by the Issuer on the Los Moros Property.

Geology and Mineralization

As outlined in the Los Moros Tech Report:

Locally, the geology in and around the Los Morros Property is dominated by evaporite sequences of halite (salt) and gypsum. Also present are alluvial gravel deposits of the Miocene Epoch. These gravel deposits contain various intercalations of sand, silt, and tuff. Unconsolidated alluvial and colluvial deposits ranging in grain size from gravel to clay sized particles, are of Quaternary age.

Exploration Results and Potential

The following summary of exploration is taken from the Los Moros Tech Report.

The results of the TEM survey divide the Los Morros Property area into 3 zones and strong near-surface anomalies were identified.

The Los Morros Project is an early stage lithium brine exploration project. Results, particularly the TEM survey, have been encouraging.

Mining and Processing Operations & Metallurgical Testing

As outlined in the Los Moros Tech Report, no mineral processing or metallurgical testing is known to have taken place.

Mineral Resources and Mineral Reserves

There are no mineral resources and reserves in compliance with NI 43-101 standard nor are there any historical resource calculations outlined in the Los Moros Tech Report.

Mining & Recovery Methods

As outlined in the Los Moros Tech Report:

The Author has not conducted investigations of appropriate mining techniques for purposes of this Technical Report.

Environmental Considerations

As outlined in the Los Moros Tech Report:

The Author is not aware of any additional environmental liabilities associated with the Property. No environmental studies have been undertaken and no known environmental issues exist. The property is in a well-established mining area.

3.10 Mariposas Property

The Mariposas Property is an early stage lithium exploration property that consists of four exploration claims totaling 1,200 hectares which will be held 100% by Lith 2.0 through MK Chile.

The Mariposas Property is located in the Cerro Pintadas Basin 30 km southwest of Salar de Atacama in the same lithium rich Pre-Andean Salar Belt. No sampling, geophysics surveying or drilling has been conducted on the Mariposas Property.

3.11 Rio Salado Property

The Rio Salado Property is an early stage lithium exploration property that consists of 12 exploration claims totaling 2,900 hectares which will be held 100% by Lith 2.0 through MK Chile, subject to the Eramet Agreement. As outlined in Section 3.2 of this Report, the Rio Salado Property is the subject of the Eramet Agreement.

The Rio Salado Property is located in the center of the Salar Quisquino – Aguas Calientes Basin 20 km southwest of Salar de Quisquino in the lithium rich Andean Salar Belt.

No sampling, geophysics surveying or drilling has been conducted on the Rio Saldo Property.

3.12 Turi Property

The Turi Property is an early stage lithium exploration property that consists of 31 exploration claims totaling 8,500 hectares which will be held 100% by Lith 2.0 through MK Chile, subject to the option agreement outlined below.

Covering the bulk of the Turi Basin and geothermal springs, the Turi Property is located 70 km north of Salar de Atacama in the same lithium rich Pre-Andean Salar Belt.

During 2017, Minera Kairos personnel completed reconnaissance geochemical sediment survey covering the paleo-salar salts and sediments and geothermal pools in the southern half of the property. During February 2018, Geoexploraciones, on behalf of Minera Kairos, completed a 22.5 km gravity and a 25 km TEM survey covering the paleo-salar salts and sediments in the southern half of the claims. One hole was drilled in 2019 but not completed to target depth due to drilling problems.

Summit Option

On August 23, 2022, as amended August 24, 2023, the Issuer entered into an arm's-length option agreement whereby Monumental may earn a 50.01% interest in the Turi Property by making certain staged cash payments totaling \$700,000 and incurring no less than \$1,400,000 of capital expenditures before the second anniversary of the date of the option agreement (the "Turi Option").

The first and second \$200,000 option payments were made by Monumental to the Issuer during the year ended December 31, 2022. At December 31, 2023, Monumental was in default of option payment and capital expenditure requirements. On April 4, 2024, LCI entered into an Amended and Restated Turi Option & Joint Venture Agreement and Monumental Transfer with Summit Nanotech Corporation ("Summit") whereby Monumental transferred and assigned its rights and obligations under the Turi Option Agreement to Summit.

In order to have exercised the option to acquire a 50.01% interest in the Turi Property, Monumental was obligated to issue common shares, make certain staged cash payments, all of which have been made, to LCI and incur exploration expenditures on the Turi Property of not less than \$1.4 million before October 5, 2025.

In addition, Monumental issued to the Issuer, on March 3, 2023, 1,050,000 Monumental common shares with a fair market value of \$183,750.

4.0 SCOPE OF THE REPORT

In arriving at opinion as to the fair market value of the Company as at the Valuation Date, Evans & Evans have relied on the following documents and information:

- Interviewed management of the Issuer to gain an understanding of the plans going forward and historic operations.
- Reviewed a management-prepared summary of the book values of the Lith 2.0 Projects as of March 31, 2024, and the yearly spend on each of the Lith 2.0 Projects for FYs 2020 through 2023.
- Reviewed a summary report prepared by management of LCI entitled “Property Report – Chilean Lithium Properties”.
- Reviewed and relied extensively on the Technical Report on the Los Moros Property prepared for the Issuer by Eric L. Hanson, P. Geo, with an effective date of June 24, 2024.
- Reviewed a management-prepared summary of LCI’s claims tax summary.
- Reviewed LCI’s Management Discussion and Analysis (“MD&A”) for the year ended December 31, 2023, and for the three months ended March 31, 2024.
- Reviewed LCI’s unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024.
- Reviewed LCI’s consolidated financial statements for the years ended December 31, 2022, and 2023 as audited by MNP LLP of Calgary, Alberta.
- Reviewed Compañía Minera Kairos Chile Limitada’s draft trial balance as at March 31, 2024 prepared by the management of the Issuer.
- Reviewed the certificate of incorporation and articles of incorporation of Lith 2.0 dated April 11, 2024.
- Reviewed the Issuer’s May 2024 Investor Presentation.

- Reviewed the website of LCI (<https://lithiumchile.ca/>).
- Reviewed the Farm-In Term Sheet between Eramet and the Issuer. Also reviewed the letters from Eramet dated May 24, 2024 extending the due diligence period on the Llamara Property and the Augilar Property under the Eramet Agreement to September 4, 2024.
- Reviewed publicly available information on Eramet S.A. Eramet S.A. is a multinational company which reports over 10,700 employees, mining and industrial sites in 16 countries and approximately €3.8 billion in revenues in 2023.
- Reviewed the Option Agreement between Monumental and Minera Kairos dated March 30, 2022. Also reviewed the Amending Agreement dated October 12, 2023.
- Reviewed public information on Monumental including the firm’s website, financial statements and public disclosure to gain insight into its activities at the Laguna Blanco Property.
- Reviewed the Amended and Restated Turi Option & Joint Venture Agreement and Monumental Transfer between the Issuer and Summit dated April 4, 2024.
- Reviewed information on the Company’s market from a variety of sources as outlined in section 9.0 of the Report.
- Reviewed information on recent transactions involving the acquisition of lithium properties and lithium companies, with a primary focus on Chile and South America.
- Reviewed information on companies that operate in similar jurisdictions and who are involved in mining of lithium: First Lithium Minerals Corp. (CNSX:FLM); Lithium Chile Inc. (TSXV:LITH); Monumental Energy Corp. (TSXV:MNRG); Power Nickel Inc. (TSXV:PNPN); Wealth Minerals Ltd. (TSXV:WML); American Lithium Corp. (TSXV:LI); Argentina Lithium & Energy Corp. (TSXV:LIT); A.I.S. Resources Limited (TSXV:AIS); Azincourt Energy Corp. (TSXV:AAZ); Battery Mineral Resources Corp. (TSXV:BMR); D2 Lithium Corp. (TSXV:DTWO); Edison Lithium Corp. (TSXV:EDDY); Eon Lithium Corp. (TSXV:EON); International Iconic Gold Exploration Corp. (TSXV:ICON); International Metals Mining Corp. (TSXV:IMM); Lithium Energi Exploration Inc.(TSXV:LEXI); Lithium Ionic Corp. (“TSXV:LTH”); Lithium South Development Corporation (TSXV:LIS); Sigma Lithium Corporation (TSXV:SGML); and Ultra Lithium Inc.(TSXV:ULT).
- Reviewed information on the lithium market from a variety of sources.
- **Limitation and Qualification:** Evans & Evans did not visit any of the Lith 2.0 Projects. Evans & Evans did review and entirely relied upon the various reports as outlined above. Evans & Evans has, therefore, relied on such expert’s technical and

due diligence work as well as the Issuer’s management disclosure with respect to the Lith 2.0 Projects. The reader is advised that Evans & Evans can provide no independent technical and due diligence comfort or assurances as to the specific operating characteristics and functional capabilities of the Lith 2.0 Projects.

5.0 CONDITIONS OF THE REPORT

- The Report may be included in public disclosure documents regarding the Proposed Transaction and may be submitted to the Exchange. The Report may be referenced in public disclosure documents and filed on SEDAR+. The Report may be submitted to the Canada Revenue Agency if requested as part of an assessment or review.
- The Report may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor other foreign stock exchanges, or other regulatory authorities, nor foreign tax authorities. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter (other than relating to the approval of the Proposed Transaction).
- Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- Evans & Evans did rely only on the information, materials and representations provided to it by the Issuer. Evans & Evans did apply generally accepted valuation principles to the financial information it received from the Issuer.
- Evans & Evans has assumed that the information, which is contained in the Report, is accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Issuer is aware of. Evans & Evans did not attempt to verify the accuracy or completeness of the data and information available.
- The Report, and more specifically the assessments and views contained therein, is meant as an independent review of the Lith 2.0 as of April 30, 2024. The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding the Issuer or events after the date of the management-prepared financial statements. The information/assessments contained in the Report pertain only to the conditions prevailing at the time the Report was primarily completed in May and June of 2024.
- Should the assumptions used in the Report be found to be incorrect, then the valuation conclusion may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.

- Evans & Evans denies any responsibility, financial or legal or other, for any use and/or improper use of the Report however occasioned.
- Evans & Evans’s assessments and conclusion are based on the information that has been made available to it. Evans & Evans reserves the right to review all information and calculations included or referred to in the Report and, if it considers it necessary, to revise part and/or its entire Report in light of any information which becomes known to Evans & Evans during or after the date of this Report.
- This analysis and Report do not constitute in any manner a tax opinion or fairness opinion that may not now, or in the future, be used for that purpose.
- Evans & Evans as well as all of its Principal, Partner’s, staff or associates’ total liability for any errors, omissions or negligent acts, whether they are in contract or tort or breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report. No claim shall be brought against any of the above parties, in contract or tort, more than two years after the date of the Report.

6.0 ASSUMPTIONS OF THE REPORT

The authors of the Report have made the following assumptions in completing the Report:

- (1) Evans & Evans made certain assumptions as outlined in the Exhibits of the Report.
- (2) Lith 2.0 has no material assets or liabilities and as such the balance sheet of MK Chile accurately reflects the balance sheet of the Company.
- (3) The lithium properties shown on the balance sheet of Minera Kairos will be transferred to MK Chile.
- (4) All current assets of Minera Kairos will be shared equally with MK Chile.
- (5) As of the Valuation Date all assets and liabilities of the Minera Kairos have been recorded in their accounts and financial statements and follow International Financial Reporting Standards.
- (6) An audit of Minera Kairos’s balance sheet as of March 31, 2024 would not result in any material changes to the balance sheet provided to the authors of the Report other than those noted herein.
- (7) There are no known previous formal valuation reports on the Lith 2.0 Projects or the Company.

- (8) MK Chile will have The satisfactory title to its interests in the Lith 2.0 Projects and there are no liens or encumbrances on such assets nor have any assets been pledged in any way unless otherwise disclosed in the Report or the Issuer’s financial statements. MK Chile and the Issuer have complied with all government taxation, import and export and regulatory practices as well as all aspects of their contractual agreements that would have an effect on the Report, and there are no other material agreements entered into by the Issuer with respect to the Lith 2.0 Projects that are not disclosed in the Report.
- (9) Evans & Evans have assumed that the information, which is contained in the Report, is accurate, correct, and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Issuer is aware of. Evans & Evans did not attempt to verify the accuracy or completeness of the data and information available.
- (10) The Issuer and all of its related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comment.
- (11) No special purchaser has been identified that would purchase the Lith 2.0 Projects, together or independently.

7.0 DEFINITION OF FAIR MARKET VALUE

For the purposes of our Report, the definition of fair market value is the *“highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”*

With respect to the market for the shares of a company viewed “en bloc” there are, in essence, as many “prices” for any business interest as there are purchasers and each purchaser for a particular “pool of assets”, be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or “synergies” that may result from such an acquisition.

Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different

price for a particular pool of assets than can each other purchaser. Based on the authors of the Report's experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than the vendor.

In this engagement, Evans & Evans was not able to expose the Issuer or the Lith 2.0 Projects for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal or greater than the fair market value (assuming the existence of special interest purchasers) outlined in the Report. As noted above, special interest purchasers might be prepared to pay a price higher than the fair market value for the synergies noted above.

8.0 REVIEW OF FINANCIAL RESULTS

8.1 Historical Financial Results

As noted above, given Lith 2.0 was incorporated on April 11, 2024, no financial statements exist for the Company. In Exhibits 1.0 and 2.0 of the Report, Evans & Evans has summarized the March 31, 2024 balance sheet for Minera Kairos and the income statement for Minera Kairos for the three months ended March 31, 2024. Evans & Evans has common sized the income statement and balance sheet to indicate trends.

8.2 Financial Plan

As the Lith 2.0 Projects are considered early stage exploration projects, no forecasts currently exist.

The Los Moros Tech Report does set out a first stage exploration budget of approximately \$900,000. None of the other Lith 2.0 Projects are at a stage where exploration budgets exist.

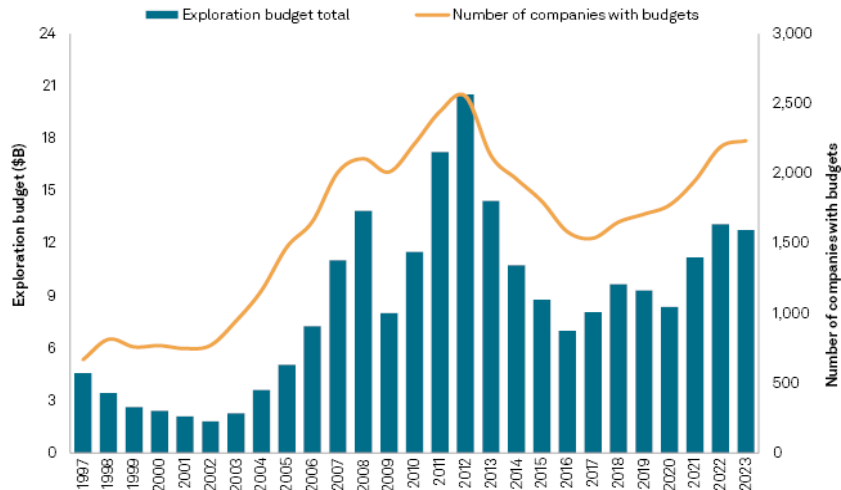
9.0 MARKET OVERVIEW

9.1 In determining the fair market value of the Lith 2.0 Projects as at the Valuation Date, Evans & Evans did consider the overall lithium market conditions and the market for exploration and development stage companies.

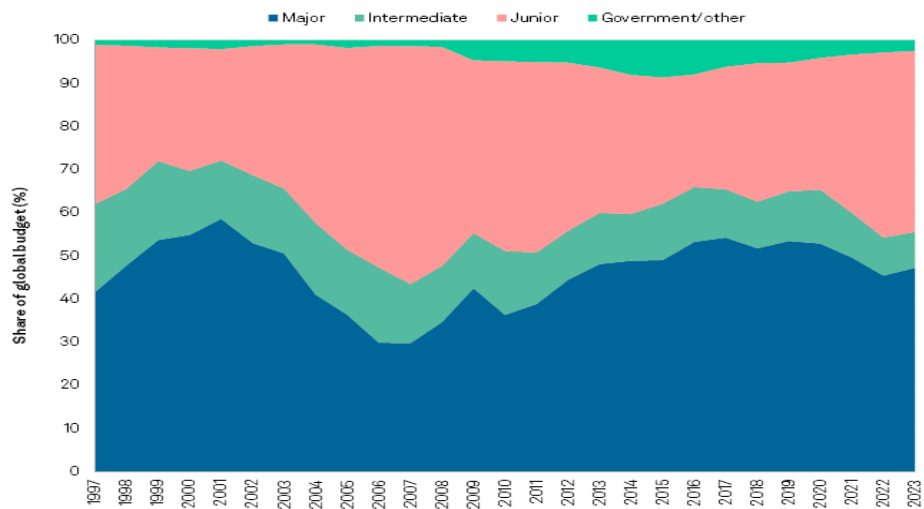
9.2 Most junior exploration companies are generally reliant on equity financings to advance their properties (as they lack producing assets) and accordingly, their ability to advance mineral resource properties is dependent on market conditions and investor interest. According to S&P Global Market Intelligence in 2023, monetary tightening by central banks has restrained the flow of new capital, directly impacting junior explorers, which rely heavily on capital raisings to finance their exploration programs. As shown in the below graph, the global nonferrous exploration budget fell by 3% year-over-year to

US\$12.8 billion in 2023 from US\$13.0 billion in 2022.²

Annual nonferrous exploration budgets, 1997–2023



In 2023, major companies exhibited resilience by sustaining a collective budget increase of 1.2% to reach US\$6.02 billion. The erosion of major companies' global budget share since 2020, attributed to the robust post-pandemic growth of junior explorers, was arrested in 2023. Conversely, junior explorers faced a 4.5% year-over-year decline in budgets to US\$5.36 billion, reflecting a loss of momentum amid weakening financing conditions.³



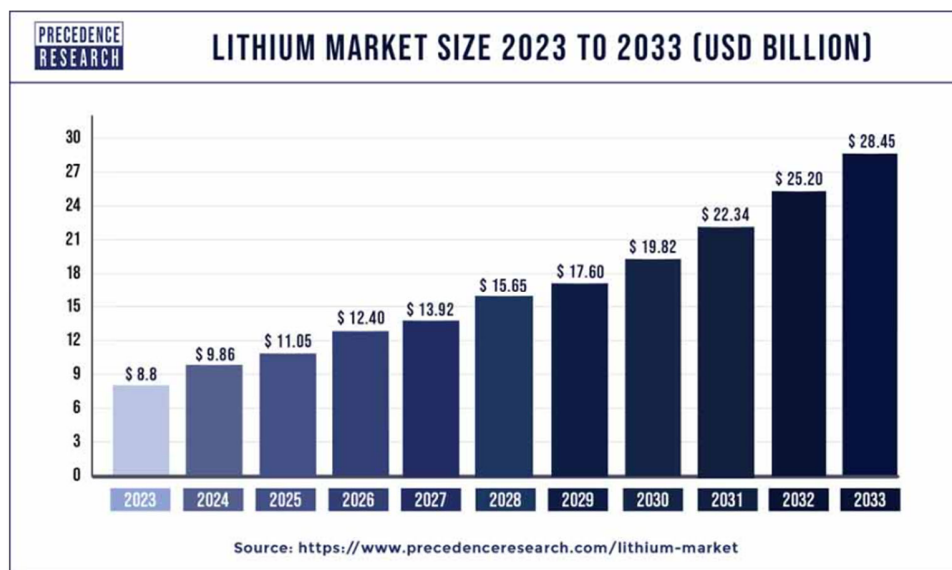
² <https://www.spglobal.com/marketintelligence/en/news-insights/research/ces-2023-monetary-tightening-weighs-down-exploration-activity>

³ <https://www.spglobal.com/marketintelligence/en/news-insights/research/ces-2023-monetary-tightening-weighs-down-exploration-activity>

9.3 Lithium is a lightweight and highly reactive chemical element crucial for rechargeable batteries, essential in smartphones, laptops, and electric vehicles. Lithium-ion (“Li-ion”) batteries are preferred for their efficient energy storage and release in modern technology. Li-ion batteries find extensive use across various sectors, including electronics, transportation, and energy storage systems. Li-ion batteries are employed in smartphones, wearables, tablets, laptops, payment systems, buses, forklifts, golf carts, wheelchairs, bicycles, toys, personal care products, cordless phones, power tools, and both portable and stationary energy storage applications.

Lithium plays a vital role in storing renewable energy from solar panels and wind turbines. As demand rises for electric vehicles and clean energy solutions, lithium's importance in advancing a digital and sustainable future becomes clearer⁴.

The global lithium market size surpassed US\$8.8 billion in 2023 and is predicted to reach US\$28.45 billion by 2033, growing at a compound annual growth rate (“CAGR”) of 12.50% from 2024 to 2033⁴.



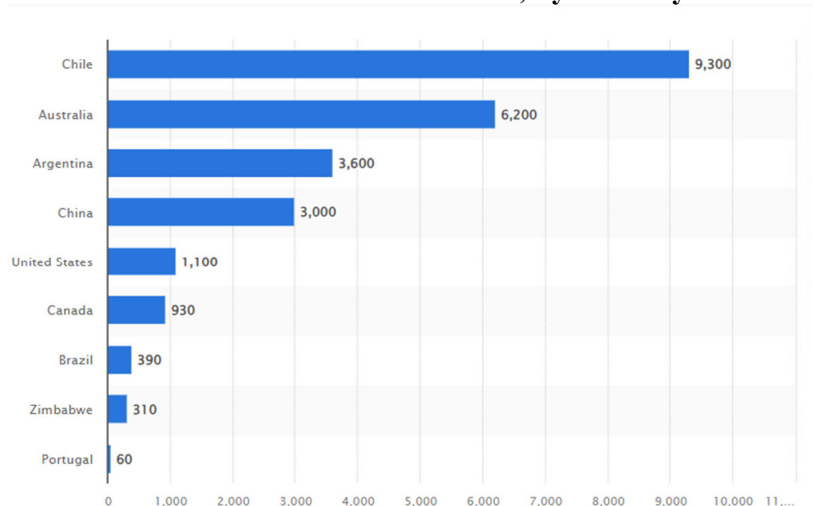
9.4 Globally lithium is sourced primarily from two main reservoirs: brines and minerals. Currently, minerals containing lithium, such as spodumene and petalite, are primarily extracted from pegmatites located in Australia, Zimbabwe, and Brazil. However, future lithium supplies are expected to include hectorite and jadarite, which are found in certain sedimentary basins. Lithium extraction from brines is predominantly carried out in continental brine deposits found in Chile, Argentina, and Bolivia. Additionally, the

⁴ <https://www.precedenceresearch.com/lithium-market>

potential extraction of lithium from oilfield and geothermal brines has been demonstrated and may emerge as a significant source in the future⁵.

In 2023, reserves of lithium in Chile amounted to an estimated 9.3 million metric tonnes, the largest worldwide. Australia comes in second, with reserves estimated at 6.2 million metric tonnes in 2023. Mineral reserves are defined as those minerals that were extractable or producible at the time of estimate. Australia was the top country in terms of lithium mine production in 2023, with an output of 86 thousand metric tons of lithium that year. That same year, the United States had total lithium reserves of approximately 1.1 million metric tonnes⁶.

Lithium Reserves as of 2023, by Country



Source: Statista

In 2023, Australia was the world leader in terms of lithium mine production, with an estimated output of 86,000 metric tonnes. Australia was followed by Chile and China which ranked second and third, with lithium production totaling 44,000 and 33,000 metric tonnes, respectively⁷.

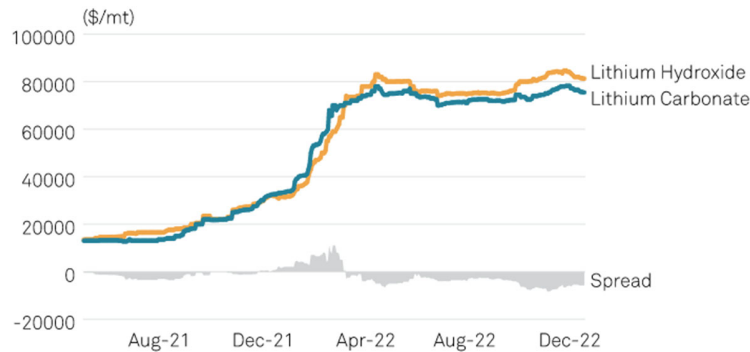
9.5 S&P Global Commodity Insights assessed seaborne lithium carbonate (used in rechargeable batteries) and lithium hydroxide (used in batteries for electric vehicles and mobile phones) at US\$75,000/ metric tonne (“mt”) CIF North Asia and US\$81,000/mt CIF North Asia on Dec. 20, up 122% and 156%, respectively, since the start of 2022⁸.

⁵ <https://lithiumfuture.org/map.html>

⁶ <https://www.statista.com/statistics/268790/countries-with-the-largest-lithium-reserves-worldwide/>

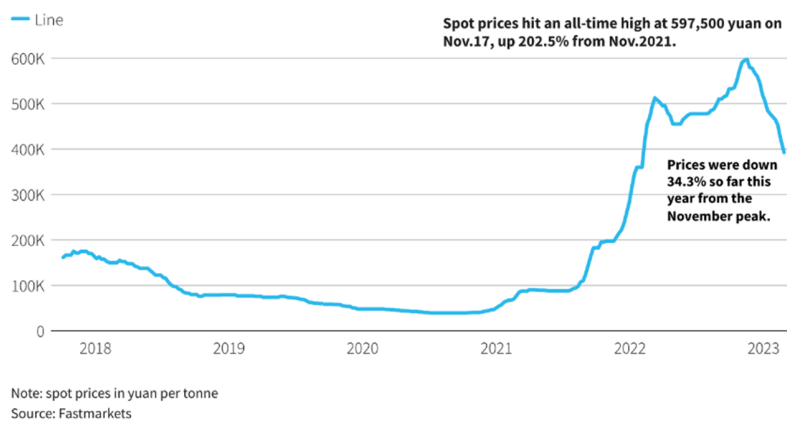
⁷ <https://www.statista.com/statistics/268789/countries-with-the-largest-production-output-of-lithium/#:~:text=Leading%20lithium%20producing%20countries%20worldwide%202023&text=In%202023%2C%20Australia%20was%20the,and%2033%2C000%20metric%20tons%2C%20respectively.>

⁸ <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/metals/122222-lithium-prices-likely-to-see-support-in-2023-from-tight-supply-bullish-ev-demand>



Lithium carbonate prices did peak in November of 2022 and dropped in 2023 as the decline in lithium prices in China, the world’s biggest consumer, began to affect producers outside of China⁹. Lithium carbonate prices in China hit a 13-month low in March 2023¹⁰.

Lithium carbonate prices in China



In late 2022 and early 2023, industry analysts were forecasting a lithium supply of 858,000 mt of LCE in 2023, up from the 668,000 mt forecast for 2022, while LCE demand was forecast at 856,000 mt, up from 684,000 mt in 2022. This would put the market in a small surplus of 2,000 mt in 2023, improving from a deficit of 15,000 mt in 2022.

According to Benchmark Mineral Intelligence (“Benchmark”), the lithium market will remain in structural shortage until 2025. Benchmark claims further that the lithium market will balance over the next few years, but it’s unlikely that an unprecedented ramp-up of

⁹ <https://www.reuters.com/markets/commodities/lithium-price-slide-deepens-china-battery-giant-bets-cheaper-inputs-2023-02-28/#:~:text=S%26P%20analysts%20see%20the%20average,are%20forecasting%20for%20lithium%20carbonate.>

¹⁰ <https://oilprice.com/Energy/General/Lithium-Prices-Have-Crashed-Spectacularly-Heres-What-Next.html>

marginal, unconventional feedstock will fill the deficit. According to Benchmark, it is also unlikely that lithium demand will weaken significantly¹¹.

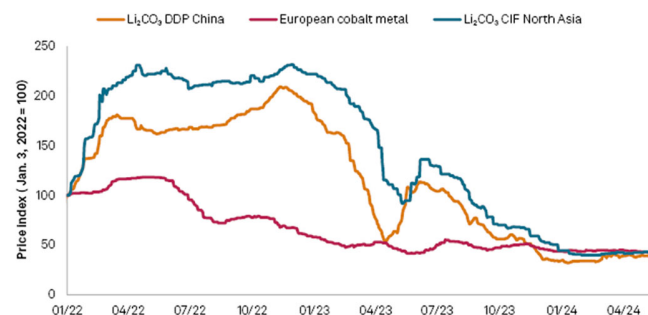
Additionally, business consulting firm specializing in the lithium industry, iLiMarkets, does not expect lithium supply to catch up with demand until 2026 to 2027, primarily as a result of the difficulty of bringing greenfield projects into production at full capacity. Over this period of time, lithium can be expected to be the limiting factor in EVs sales.¹²

In the first four months of 2023, the lithium market saw a correction. Goldman Sachs has forecast that lithium carbonate supply will grow at a 33% annual rate, outpacing demand which will only grow at 25% per annum. The mismatch between the two market forces will depress lithium carbonate prices even further with prices expected to sink to US\$34,000 a tonne in the next 12 months, from around US\$53,000 per tonne in March 2023, representing another 36% decline¹³.

The lower price environment is likely to stay throughout 2024, with some impact expected on higher-cost producers, limiting the production or even shutting down their facilities. Brine-based operations and established lower-cost producers will likely continue to expand, possibly at a slower pace for some of them. Financing options for the industry, especially for junior miners, might become limited again.

Lithium carbonate prices have remained broadly stable at low levels for the fifth consecutive month in 2024 on the back of soft demand and rising seaborne supply, despite some support from a higher auction settlement price. The Platts-assessed lithium carbonate CIF Asia price settled at US\$14,250 per metric ton in May 2024¹⁴.

Lithium, cobalt prices continue stabilizing in May



As of May 23, 2024.
Li₂CO₃ = lithium carbonate; DDP = delivered duty-paid.
Source: S&P Commodity Insights.
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¹¹ <https://investingnews.com/daily/resource-investing/battery-metals-investing/lithium-investing/lithium-market-update/>

¹² <https://investingnews.com/daily/resource-investing/battery-metals-investing/lithium-investing/lithium-market-update/>

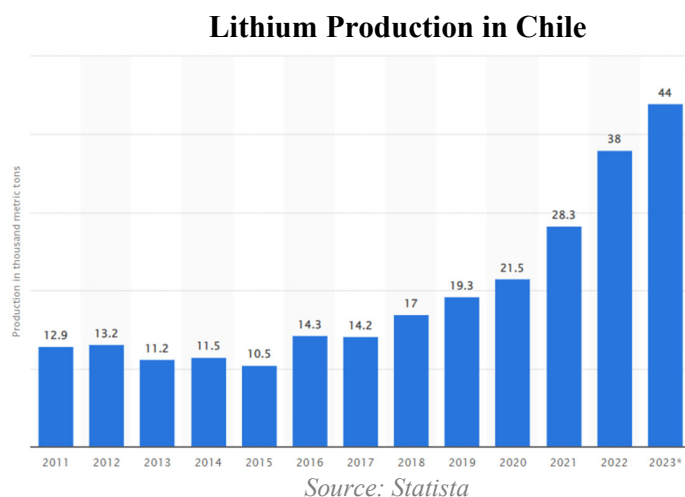
¹³ <https://oilprice.com/Energy/Energy-General/Lithium-Prices-Have-Crashed-Spectacularly-Heres-What-Next.html>

¹⁴ Lithium and Cobalt Commodity Briefing Service, May 2024: S&P Capital IQ

9.6 Chile's move to create a national lithium company, as well as the amended copper mining royalty bill, has contributed to supply chain uncertainty for global car makers due to the shortage of electric vehicle battery materials. Prospective investors and miners are allegedly apprehensive about Chile's strategy for the mining sector, for which details are still unavailable. Nevertheless, global demand for copper and lithium should keep Chile's mining sector resilient. Chile's relative political stability, now that the constitutional reform period is over, will attract foreign direct investment in the mining sector¹⁵.

The National Lithium Strategy (the “Strategy”) of Chile aims to vitalize the Chilean economy through the development of the domestic lithium industry. The strategy is intended to be a public-private collaboration, with the State supplying the long term vision and regulations and private companies contributing capital, technology and market networks. The creation of the National Lithium Company, pending congressional approval, will be key to implementing the objectives of the plan. Main objectives of the Strategy include: (i) sustainable development of lithium production potential; (ii) social and environmental sustainability; (iii) technological and supply chain development; (iv) Chile’s participation in lithium revenue streams; (v) fiscal sustainability; (vi) diversification of industry players; and (vii) contribution to economic diversification and growth potential¹⁶.

9.7 In 2023, lithium production in Chile was estimated at 44,000 mt, the highest figure recorded in the period displayed in the chart below. This represented an increase of more than 15%in comparison to the previous year. Chile accounted for about 24% of global lithium production in 2023¹⁷.



¹⁵ <https://store.fitchsolutions.com/mining/chile-mining-report>

¹⁶ <https://www.iea.org/policies/17958-national-lithium-strategy>

¹⁷ <https://www.statista.com/statistics/717594/chile-lithium-production/#:~:text=In%202023%2C%20lithium%20production%20in,global%20lithium%20production%20that%20year.>

The mining sector's contribution to the country's 2022 GDP was 13.6% and mining exports reached 58% of total country exports. The industry remains a key sector of Chile's economy. According to a report by BMI Fitch, Chile's mining sector to experience growth, reaching US\$54.1 billion by 2033.

- 9.8 Chile's mining sector is showing signs of improvement, with total production in February 2024, witnessed a 7.7% increase compared to the same period in 2023. The National Statistics Institute of Chile ("INE") reports that copper and lithium, the country's primary commodities, are driving this overall production increase. Copper production increased by 9.95% to 420,242 tons, resulting in a 5.5% rise in metal mining output. Chile's copper production constitutes almost a quarter of the global total. Additionally, the non-metallic mining sector experienced significant year-over-year output growth of 24.9%, mainly propelled by increased lithium carbonate production, according to INE data.
- 9.9 Chile's mining sector is embracing new technologies to enhance sustainability and align with the country's climate change objectives. Mining ventures are integrating desalination and renewable energy solutions to mitigate their carbon emissions. Water usage in mining remains minimal, accounting for less than four percent of the total, in stark contrast to the agricultural sector's 72%. Moreover, approximately three quarters of the water utilized in mining operations is recycled. To further boost operational efficiency and safety, mining firms are implementing automation and remote operations technologies¹⁸.

According 2023-2032 Workforce Study in the Chilean Large-Scale Mining Industry report, the mining industry in Chile will need more than 34,000 new workers by 2032, which is indicates a CAGR of 36%. The main drivers of this demand for talent are the retirement of workers nearing the end of their careers and the development of new projects in key regions¹⁹.

- 9.10 Chile grants two types of mineral tenures, exploration concessions and mining exploitation concessions. The application and granting of mining concessions which overlap pre-existing mining concessions is allowed under Chilean mining law. This can result in overlapping of mining concessions. Whichever claim was filed first is considered to have preferential rights, allowing the owner exclusive rights to perform mining exploration or exploitation activities on the concessions.

Exploration concessions are made up of square blocks with 1,000 m sides. The concessions can have side dimensions with a maximum ratio of 1:5 and can cover a maximum area of 5,000 hectares. Concessions often measure 1,000 metres by 3,000 m (300 Ha) because the annual license fees increase significantly for larger concessions. Concessions are oriented either north-south or east-west and are defined by their center point. The center point is defined by the point at which diagonal lines from opposite corners of the concession cross.

¹⁸ <https://www.trade.gov/country-commercial-guides/chile-mining>

¹⁹ <https://www.mining.com/chiles-mining-sector-needs-34000-new-professionals-by-2032/>

The center point must be listed in the concession application using UTM co-ordinates projected using the Provisional South American Datum 1956.

The concession holder with the preferential rights can explore the concession area for a period of two years. Following this two-year period the concession can be converted to an exploitation concession or the exploration concession can be extended for a further two-year period. If the exploration concession is extended for another two-year period, the area of the concession must be reduced by half.

- 9.11 The Lith 2.0 Projects are located in Chile. In determining the fair market of the Company and the Lith 2.0 Projects, Evans & Evans considered the jurisdiction relative to the jurisdiction of the transactions that were used in determining the fair market value of the Lith 2.0 Projects as outlined in section 12.0 of the Report.

The following rankings are from the 2023 Fraser Institute Survey of Mining Companies (“FI Survey”).

Country – Province / State	Policy Perception Ranking	Investment Attractiveness Ranking
Chile	2023 – 49/86 2022 – 38/62 2021 – 38/84	2023 – 38/86 2022 – 35/62 2021 – 31/84
Argentina – Catamarca	2023 – n/a 2022 – 35/62 2021 – 42/84	2023 – n/a 2022 – 49/62 2021 – 48/84
Argentina – Chubut	2023 – n/a 2022 – n/a 2021 – 82/84	2023 – n/a 2022 – n/a 2021 – 73/84
Argentina – La Rioja	2023 – 86/86 2022 – n/a 2021 – 48/84	2023 – 83/86 2022 – n/a 2021 – 47/84
Argentina – Mendoza	2023 – n/a 2022 – n/a 2021 – 80/84	2023 – n/a 2022 – n/a 2021 – 77/84
Argentina – Rio Negro	2023 – n/a 2022 – n/a 2021 – 41/84	2023 – n/a 2022 – n/a 2021 – 55/84
Argentina – San Juan	2023 – 34/86 2022 – 23 /62 2021 – 26/84	2023 – 21/86 2022 – 19/62 2021 – 22/84
Argentina – Jujuy	2023 – 40/86 2022 – 39/62 2021 – 44/84	2023 – 22/86 2022 – 39/62 2021 – 44/84
Argentina – Salta	2023 – 26/86	2023 – 14/86

Country – Province / State	Policy Perception Ranking	Investment Attractiveness Ranking
	2022 – 36/62 2021 – 20/84	2022 – 45/62 2021 – 27/84
Argentina – Santa Cruz	2023 – n/a 2022 – 40/62 2021 – 40/84	2023 – n/a 2022 – 32/62 2021 – 40/84
Bolivia	2023 – 76/86 2022 – 43/62 2021 – 77/84	2023 – 78/86 2022 – 52/62 2021 – 70/84
Brazil	2023 – 43/86 2022 – 29/62 2021 – 68/84	2023 – 29/86 2022 – 25/62 2021 – 51/84
Colombia	2023 – 83/86 2022 – 50/62 2021 – 51/84	2023 – 71/86 2022 – 36/62 2021 – 29/84
Ecuador	2023 – 75/86 2022 – 45/62 2021 – 45/84	2023 – 64/86 2022 – 27/62 2021 – 24/84
Guyana	2023 – n/a 2022 – 32/62 2021 – 67/84	2023 – n/a 2022 – 22/62 2021 – 69/84
Peru	2023 – 61/86 2022 – 49/62 2021 – 69/84	2023 – 59/86 2022 – 34/62 2021 – 42/84
Venezuela	2023 – n/a 2022 – n/a 2021 – 84/84	2023 – n/a 2022 – n/a 2021 – 76/84

An overview of the Investment Attractiveness Ranking and the Policy Perception Ranking from the FI Survey is provided below.²⁰

The Investment Attractiveness Index is constructed by combining the Best Practices Mineral Potential index, which rates regions based on their geologic attractiveness, and the Policy Perception Index, a composite index that measures the effects of government policy on attitudes toward exploration investment. While it is useful to measure the attractiveness of a jurisdiction based on policy factors such as onerous regulations, taxation levels, the quality of infrastructure, and the other policy related questions that respondents answered, the Policy Perception Index alone does not recognize the fact that investment decisions are often to a considerable extent based on the pure mineral potential

²⁰ <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2023>

of a jurisdiction. Indeed, as discussed below, respondents consistently indicate that approximately 40 percent of their investment decision is determined by policy factors.

While geologic and economic considerations are important factors in mineral exploration, a region's policy climate is also an important investment consideration. The Policy Perception Index is a composite index that measures the overall policy attractiveness of the 86 jurisdictions in the survey. The index is composed of survey responses to policy factors that affect investment decisions. Policy factors examined include uncertainty concerning the administration of current regulations, environmental regulations, regulatory duplication, the legal system and taxation regime, uncertainty concerning protected areas and disputed land claims, infrastructure, socioeconomic and community development conditions, trade barriers, political stability, labor regulations, quality of the geological database, security, and labor and skills availability.

10.0 VALUATION METHODOLOGIES

10.1 Going Concern versus Liquidation Value

The first stage in determining which approach to utilize in valuing a company or an asset is to determine whether the company is a going concern or whether it should be valued based on a liquidation assumption. A business is deemed to be a going concern if it is both conducting operations at a given date and has every reasonable expectation of doing so for the foreseeable future after that date. If a company is deemed to not be a going concern, it is valued based on a liquidation assumption.

10.2 Overview

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company. In the absence of open market transactions, the three basic, generally accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.

A summary of these generally accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits. This approach

contemplates the continuation of the operations, as if the business is a “going concern”. With regards to a company involved in exploration and development of a mineral property, or the valuation of a mineral property itself, the Income Approach generally relates to the current value of expected future income or cash flow arising from the potential development of a mineral property.

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Guideline Public Company (“GPC”) Method”, (b) the “Merger and Acquisition Method (“M&A”)”; and (c) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value. The Cost Approach typically includes a comprehensive and all-inclusive definition of the cost to recreate an asset. Typically, the definition of cost includes the direct material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset. With regard to mineral properties, the Cost Approach involves a review of the historical exploration expenditures and their contribution to the current value of the mineral property. In certain cases, a discount or premium to historical development costs may be utilized.

The Asset-Based Approach is adopted where either: (a) liquidation is contemplated because the business is not viable as an ongoing operation; (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or (c) there are no indicated earnings/cash flows to be capitalized. If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario (“Adjusted Net Asset Method”) or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.

The Multiple Exploration Expenditures Method (“MEE Method”) is utilized to arrive at the fair market value of exploration and development stage properties. The MEE Method involves assigning a premium or discount to the relevant effective expenditure base (i.e., the sum of adjusted historical expenditures), represented by past expenditures, through the application of a prospective enhancement multiplier (“PEM”). This factor directly relates to the success or failure of exploration completed to date, and to an assessment of the future potential of the asset. The method is based on the premise that a “grassroots” Copper Flat commences with a nominal value that increases with positive exploration results from increasing exploration expenditure. Conversely, where exploration results are consistently negative, exploration expenditure will decrease along with the value.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property.

10.3 Mineral Property Stage of Development

Mineral assets and mineral securities can be defined by their level of asset maturity:

- i. “Exploration Areas” refer to properties where mineralization may or may not have been identified, but where a mineral resource has not been identified.
- ii. “Mineral Resource Properties” are those where Mineral Resources have been identified and their extent estimated, but where a positive development decision has not been made.
- iii. “Development Projects” refers to properties which have been committed to production, but which have not been commissioned or are not operating at design levels.
- iv. “Operating Mines” are those mineral properties which have been fully commissioned and are in production.

10.4 CIMVAL Recommended Valuation Approaches for Mineral Properties

The table below outlines which valuation approaches are generally considered appropriate to apply to each type of mineral property (as defined in the preceding section) as outlined by the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties (“CIMVAL”).

Valuation Approach	Exploration Properties	Mineral Resource Properties	Development Properties	Production Properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

11.0 SELECTED VALUATION APPROACHES

11.1 Selected Valuation Approach

In arriving at the fair market value of Lith 2.0, Evans & Evans believed it was appropriate to determine the fair value on a going concern basis. The reason for this is: (1) the Company is contemplating a financing in the short term; (2) the Company has no property

obligations it is not able to meet; and (3) the going concern approach results in a higher value than the liquidation method.

In determining the fair value of Lith 2.0, Evans & Evans selected an Asset Approach – the Net Book Value (“NBV”) Method and a Market Approach – the Guideline Public Company (“GPC”) Method. The NBV Method was selected as Lith 2.0 is not generating revenues or positive cash flows and as such its primary value is driven by its investment in the MK Chile which holds the Lith 2.0 Projects. The NBV Method focuses on the value of individual assets and liabilities from a company’s balance sheet, which are adjusted to fair market value with the difference representing the fair market value of a company.

Valuation theory holds that the NBV Method is appropriate to use when the net asset value, as opposed to earning/cash flows, constitutes the prime determinant of fair market value for a business. The NBV Method involved three steps. Firstly, Evans & Evans determined the fair value of the Lith 2.0 Projects. Secondly, the book value on the Lith 2.0 Projects on the Minera Kairos balance sheet was adjusted to their fair market value. Lastly, the balance sheet of Lith 2.0 was adjusted to reflect the fair market value of the investment in MK Chile. In the case of the Company, it had no material assets or liabilities aside from the investment in MK Chile and as such, the NBV of MK Chile was determined to equal the NBV of Lith 2.0.

To determine the fair market value of the Lith 2.0 Projects, Evans & Evans selected Market Approach – the Merger and Acquisition (“M&A”) Method.

The GPC Method was selected as it reflects the prices in the market for assets similar to the Lith 2.0 Projects.

In selecting its valuation approach, Evans & Evans considered the Lith 2.0 Projects to be exploration stage. None of the Lith 2.0 Projects have an identified mineral resource in compliance with NI 43-101.

In the above valuation approaches Evans & Evans has relied on information provided by the management of the Issuer and data from industry participants and competitors as indicative in determining the range of the fair market value of the Lith 2.0 Projects as at the Valuation Date.

11.2 Approaches Considered but not Utilized

The reader should note that Evans & Evans also attempted to use a variety of other valuation approaches. In this regard, Evans & Evans considered the following approaches, but were unable to use any of them:

- (a) Cost Approach. In reviewing mergers and acquisitions in the resource market, Evans & Evans found the historical costs were not reflective of the current fair value of exploration stage properties and thereafter the Lith 2.0.

- (b) Income Approach. Given the Lith 2.0 Projects are early stage exploration properties an Income Approach was considered inappropriate.
- (c) Previous Valuations. Evans & Evans was advised there are no former valuations on the Company, MK Chike or the Lith 2.0 Projects.
- (d) Appraised Value Method. The Appraised Value Approach assumes that a relationship exists between the amount of prior exploration work performed on a property and the value of that property. An exploration program will either enhance or diminish the value of the property. The Appraised Value Approach also assumes that all of, or a portion of, past and projected future expenditures on a property of merit will produce a dollar value for the property that is at least equal to the total amount expended assuming that all expenditures are relevant and within accepted industry standards. A premium or discount may be applied to the historical and projected future costs based on an evaluation of how the previous and planned exploration has enhanced or diminished the value of the property. Evans & Evans deemed it inappropriate to utilize this approach as it is not recognized by many regulatory authorities.
- (e) Market Approach - Historical Financings of LCI. The Issuer had not completed any equity financings in the 12 months prior to the Valuation Date. Further, LCI has publicly announced that its focus is on the Arizaro Project and as such, had such a financing been completed, it would be difficult to separate the implied value of the Issuer amongst the Lith 2.0 Projects, the lithium projects in Chile and the Arizaro Project.
- (f) Market Approach - Trading Price Method. As LCI is a reporting issuer with its common shares listed for trading on the TSXV, the authors of the Report carefully considered the use of a Trading Price Method in determining the fair market value of the Company, as at the Valuation Date. The authors of the Report reviewed the trading data for LCI’s common shares for the period January 1, 2023 to April 30, 2024.

As at the Valuation Date, the Issuer’s market capitalization was in the range of \$164,000,000 based on the average closing price for the 30 trading days preceding the Valuation Date. In the view of Evans & Evans given the focus of LCI on the Arizaro Project and the April 2024 release of an updated NI 43-101 indicated and inferred resource, it is likely investors are placing the majority of the value on the Arizaro Project. Evans & Evans does not believe it is appropriate to allocate the market capitalization of the Issuer amongst the Lith 2.0 Projects, the lithium projects in Chile and the Arizaro Project.

Market Capitalization Based on Average Share Price - C\$				
Days Preceding the Date of Opinion				
	10	30	90	180
	\$164,360,000	\$164,640,000	\$136,390,000	\$135,760,000

12.0 VALUATION OF THE COMPANY

12.1 Net Book Value Method

12.1.1 Overview

As noted above, the determination of the fair market value of Lith 2.0 involved several steps as outlined below.

1. Determine the fair market value of each of the Lith 2.0 Projects using the M&A Method as outlined in Exhibits 6.0, 7.0 and 8.0 in combination with an estimate of the future cash payments to be received under the various option and earn-in agreements outlined in section 3.0 of this Report.
2. Adjust the book value of the Lith 2.0 Projects on the Minera Kairos balance sheet and adjust other assets and liabilities to their fair market value as outlined in Exhibit 5.0.
3. Adjust the book value of Lith 2.0 to reflect the fair market value of the investment in MK Chile.

12.1.2 Fair Market Value of the Lith 2.0 Projects

Evans & Evans utilized the M&A Method to determine the fair market value of the Lith 2.0 Projects. The M&A Method involves using data from actual market transactions regarding the sale of similar assets/properties to determine the fair market value of the property under review. Evans & Evans reviewed recent transactions in the lithium industry and initially identified 11 transactions as outlined in Table 1.0 Exhibit 8.0 - Mergers & Acquisitions Transaction Multiples Table 1.

Evans & Evans reviewed each of the identified transactions to assess the comparability to the Lith 2.0 Projects as summarized in the table below.

#	Rationale
1	This transaction was announced but had not closed as of the date of the Report. The underlying projects are located in Brazil which is considered a comparable jurisdiction. The transaction was included as the underlying properties were at a similar level of development as of the Valuation Date.
2	This transaction was not included as it involved the property owner staking additional claims contiguous to its existing property portfolio.
3	This transaction was considered comparable given its location and stage of development. A similar level of work had been conducted on the underlying property. Brazil as a jurisdiction is considered comparable to Chile.

#	Rationale
4	This transaction was considered comparable as historically the region of Argentina in which the subject property was located had a similar risk profile to Chile, however, this region of Argentina was not included in the 2023 Fraser Institute Study. The property was considered to be a similar level of development, but much smaller than most of the Lith 2.0 Projects.
5	This transaction was considered comparable given its location and stage of development. A similar level of work had been conducted on the underlying property. Brazil as a jurisdiction is considered comparable to Chile.
6	This transaction was considered comparable as historically the region of Argentina in which the subject property was located had a similar risk profile to Chile, however, this region of Argentina was not included in the 2023 Fraser Institute Study. The property was considered to be a similar level of development, but in the view of Evans & Evans this transaction was a premium as it involved property that was critical to the acquirer in order to advance its existing property.
7	This transaction was announced in July of 2023, but had not closed as of the Valuation Date. The region was considered comparable to Chile, but the transaction size appeared to be an outlier relative to other transactions and as such was not considered in the analysis.
8	This transaction was announced in July of 2023, but had not closed as of the Valuation Date. This transaction was excluded from the analysis as the underlying properties were considered to be advanced exploration and the acquisition was strategic in nature.
9	This transaction was considered appropriate given its location in Argentina but Evans & Evans did consider the province in which the underlying property was located was considered much more favourable and the transaction itself was considered strategic in nature which may have resulted in a premium.
10	This transaction was considered comparable given its location in Brazil and the underlying licenses were at a similar stage of development as the Lith 2.0 Projects.
11	This transaction was excluded as the underlying properties were more advanced than the Lith 2.0 Projects and the acquisition involved a strategic land position for the acquirer given its location relative to the acquirer's existing properties.

Following a review of the 11 identified transactions, the seven transactions outlined in Table 2.0 of Exhibit 8.0 were considered in arriving at a fair value of the Lith 2.0 Projects. Evans & Evans utilized a price to hectare multiple for calculating the fair value each of the Lith 2.0 Projects. Each of the Lith 2.0 Projects was considered independently given different levels of work were conducted on each of the Lith 2.0 Projects.

For those Lith 2.0 Projects which were the subject of option or earn-in agreements, Evans & Evans considered only the portion retained by the Company, assuming the options were exercised. In the case of the Eramet Optioned Properties, Evans & Evans assumed Eramet earned the first 30% of such properties.

The selected transactions have price / hectare multiples ranging from \$9 to \$565 with an average of \$268 and a median of \$167. Evans & Evans selected a price / hectare multiple ranging from \$15 to \$220 for the Lith 2.0 Projects as outlined in Exhibits 6.0 and 7.0.

The highest multiple was applied to the Eramet Optioned Properties as Eramet, as a large multinational mining company, would be an attractive partner on an early stage project which requires significant funding for advancement.

The selected multiple range was then applied to the area of each of the Lith 2.0 Projects.

The fair market value of the Lith 2.0 Projects was determined to be in the range of \$9,400,000 to \$10,120,000 as outlined in Exhibit 5.0 of the Report.

12.1.3 Net Book Value Method – MK Chile

Upon arriving at the fair market value of the Lith 2.0 Projects it was then necessary to create a balance sheet for MK Chile based on the Minera Kairos balance sheet to arrive at the fair market value of 100% of MK Chile. Evans & Evans made the following assumptions in creating the MK Chile balance sheet.

1. Evans & Evans assumed 50% of all current assets of Minera Kairos will be transferred to MK Chile.
2. Property, plant and equipment relates to the lithium assets and as such will be transferred MK Chile.
3. The book value of the Lith 2.0 Projects was adjusted to fair market value.
4. A stub period loss was added to reflect the cash position between the date of the financial statements and the Valuation Date would have eroded.

The fair market value of MK Chile was determined to be in the range of \$9,860,000 to \$10,590,000 as outlined in Exhibit 5.0 of the Report.

12.1.4 Valuation Conclusion

The final step in the analysis would be to adjust the balance sheet of Lith 2.0 to reflect the fair market value of the investment in MK Chile as outlined in Exhibit 5.0. However, given Lith 2.0 was incorporated less than one month prior to the Valuation Date, no opening balance sheet was available and management noted the Lith 2.0 had no assets or liabilities other than its interest in MK Chile.

Under the Net Book Value Method, the fair market value of 100% of the equity of Lith 2.0 as at the Valuation Date was in the range of \$9,860,000 to \$10,590,000.

12.2 Guideline Public Company Method

The GPC Method involves identifying public companies similar to the subject company with stocks that trade freely in the public markets on a daily basis. The objective of the GPC Method is to derive multiples to apply to the fundamental financial variables of the subject company. Since the indication of value is based on minority interest transactions, if one is valuing a controlling interest, it may sometimes be necessary to consider applying a premium for control. A discount for lack of marketability may also be appropriate.

Evans & Evans used an Enterprise Value/ per Hectare (“EV / Ha”) multiple as a means of deriving the fair market value of the Company. Market values for the guideline public companies were selected as at the Valuation Date. The reader of the Report should note that although the comparable companies may not be direct competitors to Lith 2.0, they do or may have similar assets in similar locations and therefore embody similar business, technical and financial risk/reward characteristics that a notional investor would consider as being comparable.

Evans & Evans identified 18 companies as outlined in Table 1 of Exhibit 10.0 as a starting point. Companies identified were operating in a similar space as the Issuer with lithium exploration properties in South America. Thereafter, Evans & Evans removed those companies with NI 43-101 reserves and resources or where the companies also held significant interests in non-lithium properties. The seven companies as outlined in Table 2 were selected and utilized in the analysis.

The selected GPCs had a range of EV/ Ha multiples of \$6 to \$939 with an average of \$320 and a median of \$260. Evans & Evans selected the multiple in the range of \$130 to \$140 for Lith 2.0. Evans & Evans believed a multiple below the median of the selected companies was appropriate given the relative stage of exploration work of the Lith 2.0 and its option partners. Evans & Evans considered in the analysis the remaining interest the Company had in the Lith 2.0 Projects where such properties were the subject of option or earn in agreements.

Under the Guideline Public Company Method, the fair market value of 100% of the equity of Lith 2.0 as at the Valuation Date was in the range of \$8,630,000 to \$9,840,000.

13.0 VALUATION OPINION

Upon arriving at the fair market value of the Company under the NBV Method and GPC Method as outlined above, Evans & Evans calculated the fair market value of the Company in the range of \$9,250,000 to \$10,220,000 as midpoints of the lows and highs of the fair

market value ranges under the two methods as shown in the below table and outlined in Exhibit 4.0 – Valuation Summary.

Methods	Fair Market Value				
	Low	High	Weighting	Value - Low	Value - High
Net Book Value Method	9,860,000	10,590,000	50%	4,930,000	5,295,000
Guideline Public Company Method	8,630,000	9,840,000	50%	4,315,000	4,920,000
Fair Market Value of Equity (rounded) - on a controlling, marketable basis				9,250,000	10,220,000

A Comprehensive Valuation Report provides the highest level of assurance regarding the valuation conclusion. This valuation opinion as well as the entire Report is subject to the scope of the work conducted (refer to section 4.0) as well as the assumptions made (refer to section 6.0) and to all of the other sections of the Report.

14.0 CERTIFICATION AND QUALIFICATIONS

14.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Ms. Jennifer Lucas, MBA, CBV, ASA
 Managing Partner, Evans & Evans, Inc.
 Suite 130, Third Floor, 55 Burrard Street Vancouver, British Columbia V7X 1M8

1. I am a graduate of the University of Saskatchewan (1993) with a Bachelor of Commerce degree and the University of British Columbia (1995) with a Masters in Business Administration degree.
2. I hold the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. I am a member of the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers.
3. I have been employed as an analyst and valuator with Evans & Evans, Inc. since 1997. I possess several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. My background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. I have also gained experience in the Personal Security and Telecommunications industries.
4. I have for the past 27 years at Evans & Evans been involved in writing and reviewing over 2,500 valuation and due diligence reports for public and private transactions.

5. Over the past 15 years I have examined and provided valuations on numerous mineral properties around the world. Given my experience I believe I am a Qualified Valuator as outlined in CIMVAL.
6. The information in the Report was obtained in part from reports provided by specialists as outlined in section 4.0. This information is to the best of my knowledge and experience correct. I have had no previous involvement with the subject properties.
7. I am not aware of any material fact or material change with respect to the subject properties which is not reflected in the Report.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1989. For over 35 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of over several thousand technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

14.2 Certification

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators with reference to CIMVAL.

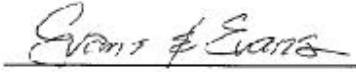
Evans & Evans was paid a fixed fee for the preparation of the Report. The fee established for the Report has not been contingent upon the value or other opinions presented.

The authors of the Report have no present or prospective interest in Lith 2.0, the Lith 2.0 Projects or Issuer that are the subject of this Report, and we have no personal interest with respect to the parties involved.

Evans & Evans had no relationship with the Issuer prior to the preparation of the Report. No promises of additional assignments have been made to Evans & Evans by the Issuer.

For the purposes of the Report, Evans & Evans is independent to LCI and Lith 2.0.

Yours very truly,



EVANS & EVANS, INC.

15.0 EXHIBITS

	Exhibit Number
I FINANCIAL SUMMARY	
Historical Balance Sheet - Minera Kairos.....	1.0
Historical Income Statement - Minera Kairos.....	2.0
Property Summary.....	3.0
I VALUATION ANALYSIS	
Valuation Summary.....	4.0
Asset Approach - Net Book Value Method.....	5.0
Market Approach - Mergers & Acquisitions Method - 100% owned Lith 2.0 Projects	6.0
Market Approach - Fair Market Value of Lith 2.0 Projects under Option.....	7.0
Market Approach - Merger & Acquisition Transaction Multiples.....	8.0
Market Approach - Guideline Public Company Method.....	9.0
Market Approach - Guideline Public Company Multiples.....	10.0

Lithium Chile Inc.
Comprehensive Valuation Report - Lithium Chile 2.0 Inc
Balance Sheet - Compañía Minera Kairos Chile Limitada
Valuation as of April 30, 2024

Exhibit 1.0

FINAL

(Canadian Dollars)

	For the fiscal year ended March 31, 2024	Common Size March 31, 2024	Notes
			(1)
ASSETS			
Current Assets			
Cash and cash equivalents	101,707	0.9%	
From San Lorenzo	101,008	0.9%	
Deposit- Big Bear	153,024	1.4%	
Tax AR	411,105	3.7%	
Total Current Assets	766,844	6.9%	
Non-Current Assets			
Plant, property and equipment	106,652	1.0%	
Lithium Projects:			
Proyecto Aguilar	74,455	0.7%	
Proyecto Atacama	311,848	2.8%	
Proyecto Coipasa	649,582	5.8%	
Proyecto Helados	1,129,615	10.1%	
Proyecto Llamara	3,385,332	30.4%	
Proyecto Los Morros	133,763	1.2%	
Proyecto Mariposas	64,351	0.6%	
Proyecto Turi	649,515	5.8%	
Laguna Blanca	506,355	4.5%	
Rio Salado	100,370	0.9%	
Aguas Caliente	101,133	0.9%	
Copper / Gold Projects	2,197,898	19.7%	
Properties to be Abandoned	975,854	8.7%	
Total Fixed Assets	10,386,724	93.1%	
TOTAL ASSETS	11,153,568	100.0%	
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	1,265	0.0%	
Accrued Accounts Payable	3,089	0.0%	
Total Current Liabilities	4,354	0.0%	
Due to Lithium Chile Inc.	11,938,485	107.0%	
TOTAL LIABILITIES	11,942,839	107.1%	
Equity			
Share capital	12,000	0.1%	
Deficit	(974,047)	-8.7%	
Accumulated Other Comprehensive Income	114,764	1.0%	
Contributed surplus	58,013	0.5%	
TOTAL EQUITY	(789,270)	-7.1%	
TOTAL LIABILITIES & EQUITY	11,153,568	100.0%	

Notes:

(1) Unaudited trial balance for the year ended March 31, 2024 provided by management

EVANS & EVANS, INC.

Lithium Chile Inc.
Comprehensive Valuation Report - Lithium Chile 2.0 Inc
Historical Income Statement - Compañía Minera Kairos Chile Limitada
Valuation as of April 30, 2024

Exhibit 2.0

FINAL

(Canadian Dollars)

	For the fiscal year ended March 31, 2024	Common Sized March 31, 2024	Notes (1)
Expenses:			
Office expense	4,757	6.9%	
Office salaries	20,650	30.1%	
Legal	32,095	46.8%	
Bank	569	0.8%	
Rent	3,185	4.6%	
Miscellaneous	2,290	3.3%	
Foreign exchange	4,985	7.3%	
Total Expenses	68,531	100.0%	
Net Income (loss) before other items	(68,531)		
Adjustments:			
Other Comprehensive Income	148,632		
Net income (loss) and comprehensive income (loss) for the period	80,101		

Notes:

(1) Unaudited trial balance for the year ended March 31, 2024 provided by management.

(Canadian Dollars)

Property Name	Commodity	Book Value	Interest	Interest Optioned	Number of Claims	Hectares	Option Adjusted Interest	Notes
Proyecto Aguilar	Lithium	74,455	100%	30%	4	1,078	754.6	Optioned to Eramet
Proyecto Atacama	Lithium	311,848	100%		24	5,960	5,960	
Proyecto Coipasa	Lithium	649,582	100%		39	11,300	11,300	
Proyecto Helados	Lithium	1,129,615	100%		73	20,200	20,200	
Proyecto Llamara	Lithium	3,385,332	100%	30%	129	36,100	25,270	Optioned to Eramet
Proyecto Los Morros	Lithium	133,763	100%		6	1,700	1,700	
Proyecto Mariposas	Lithium	64,351	100%		4	1,200	1,200	
Proyecto Turi	Lithium	649,515	100%	50%	31	8,500	4,242	Optioned to Summit Nanotech
Laguna Blanca	Lithium	506,355	100%	75%	61	14,700	3,675	Optioned to Monumental
Rio Salado	Lithium	100,370	100%	30%	12	2,900	2,030	Optioned to Eramet
Aguas Caliente Norte	Lithium	101,133	100%	30%	9	2,500	1,750	Optioned to Eramet
		7,106,320				106,138	78,081	

Note:

Note Provided by management.

(Canadian Dollars)

Methods	Fair Market Value				
	Low	High	Weighting	Value - Low	Value - High
Net Book Value Method	9,860,000	10,590,000	50%	4,930,000	5,295,000 (1)
Guideline Public Company Method	8,630,000	9,840,000	50%	4,315,000	4,920,000 (2)
Fair Market Value of Equity (rounded) - on a controlling, marketable basis				9,250,000	10,220,000

Note:

(1) See Exhibit 5.0.

(2) See Exhibit 9.0

(Canadian Dollars)	As at March 31, 2024	Adjustments		Net Book Value - Low	Net Book Value - High	Notes
		Low	High			(1)
Assets						
Current Assets						
Cash and cash equivalents	50,853			50,853	50,853	(2)
From San Lorenzo	50,504			50,504	50,504	(3)
Deposit- Big Bear	76,512			76,512	76,512	(3)
Tax AR	205,553			205,553	205,553	(3)
Total Current Assets	383,422			383,422	383,422	
Non-current Assets						
Plant, property and equipment	106,652			106,652	106,652	(4)
Lith 2.0 Projects						
Proyecto Aguilar	74,455	25,545	35,545	100,000	110,000	(5)
Proyecto Atacama	311,848	(11,848)	48,152	300,000	360,000	(5)
Proyecto Coipasa	649,582	(79,582)	30,418	570,000	680,000	(5)
Proyecto Helados	1,129,615	(119,615)	80,385	1,010,000	1,210,000	(5)
Proyecto Llamara	3,385,332	2,174,668	2,424,668	5,560,000	5,810,000	(5)
Proyecto Los Morros	133,763	(3,763)	6,237	130,000	140,000	(5)
Proyecto Mariposas	64,351	(44,351)	(44,351)	20,000	20,000	(5)
Proyecto Turi	649,515	(249,515)	(209,515)	400,000	440,000	(5)
Laguna Blanca	506,355	413,645	453,645	920,000	960,000	(5)
Rio Salado	100,370	99,630	109,630	200,000	210,000	(5)
Aguas Caliente	101,133	78,867	78,867	180,000	180,000	(5)
	7,212,972			9,496,652	10,226,652	
Total Assets	7,596,394			9,880,074	10,610,074	
Liabilities						
Current Liabilities						
Accounts payable	-			-	-	(6)
Accrued Accounts Payable	-			-	-	(6)
Total Current Liabilities	-			-	-	
Stub Period Net Loss				(25,000)	(25,000)	(7)
Fair Market Value of Equity (rounded)				9,860,000	10,590,000	

Notes:

- (1) Unaudited trial balance for the period ended March 31, 2024 provided by management.
- (2) Assume 50% of the cash of Minera Kairos would be transferred to MK Chile. Cash
- (3) Book value was assumed to be equal to fair market value. Evans & Evans assumed the assets would be split with Minera Kairos and as such this represents 50% of the balance of the Minera Kairos balance sheet.
- (4) The property plant and equipment on the Minera Kairos balance sheet relates to the Lith 2.0 Projects and as such will be transferred to MK Chile.
- (5) Book value of the Lith 2.0 Projects was adjusted to the fair market value as calculated in Exhibit 7.0 and Exhibit 6.0.
- (6) Evans & Evans has assumed MK Chile and as such Lith 2.0 have no liabilities as of the Valuation Date.
- (7) Adjustment to account for the timing difference between the date of the most recent financial statements and the Valuation Date.

(Canadian Dollars)

	Metric (1)	Selected Multiple (2)		Indicated Value		Weighting
		Low	High	Low	High	
Hectares						
Proyecto Atacama	5,960	50	60	300,000	360,000	100%
Proyecto Coipasa	11,300	50	60	570,000	680,000	100%
Proyecto Helados	20,200	50	60	1,010,000	1,210,000	100%
Proyecto Los Morros	1,700	75	85	130,000	140,000	100%
Proyecto Mariposas	1,200	15	20	20,000	20,000	100%
	40,360			2,030,000	2,410,000	

Note:

- (1) As provided by management .
- (2) Evans & Evans selected the multiples with reference to the multiples of the precedent transactions as outlined in Exhibit 8.0

Comprehensive Valuation Report - Lithium Chile 2.0 Inc
Market Approach - Fair Market Value of Lith 2.0 Projects under Option
Valuation as of April 30, 2024

FINAL

(Canadian Dollars)	Metric (1) (a)	Outstanding (b)	Selected Multiple (2) (c)		Indicated Value b+a*c		Notes
			Low	High	Low	High	
Hectares							
Proyecto Aguilar	755		130	140	100,000	110,000	(3)
Proyecto Llamara	25,270		220	230	5,560,000	5,810,000	(3)
Proyecto Turi	4,242	186,438	50	60	400,000	440,000	(4)
Laguna Blanca	3,675	740,381	50	60	920,000	960,000	(5)
Rio Salado	2,030		100	105	200,000	210,000	(3)
Aguas Caliente Norte	1,750		100	105	180,000	180,000	(3)
	37,721				7,360,000	7,710,000	

Note:

- Refer to Exhibit 1.0. The hectares as noted above assumes all options are earned.
- The selected multiple was derived from the range of transactions outlined in Exhibit 8.0 Table 2.0. The multiple was applied to the hectares net of the interest optioned to a third party.
- There are no cash payments under the Eramet Agreement. Eramet is required to make significant property exploration expenditures which may increase the propsectivity of the Eramet Optioned Properties. A higher multiple was applied to the Eramet Optioned Properties to reflect that Eramet, as a large multinational mining company, would be an attractive partner.
- The fair market value of the Turi Property was calculated as the sum of the remaining option payments and the value implied by the M&A transactions as outlined in Table 2.0 of Exhibit 8.0

Cash Payments	\$ Amount	Time	Mining Industry Cost of Capital (6)	Exploration Premium & Payment Risk	Adjusted Cost of Capital	PV of Cash
On or before October 5, 2025	250,000	1.43	7.7%	15.0%	22.7%	186,438
						186,438

- The fair market value of the Laguna Blanca Property was calculated as the sum of the remaining option payments and the value implied by the M&A transactions as outlined in Table 2.0 of Exhibit 8.0

Cash Payments	\$ Amount	Time (Years)	Mining Industry Cost of Capital (6)	Exploration Premium & Payment Risk	Adjusted Cost of Capital	PV of Cash
On or before May 3, 2025	300,000	1.01	7.7%	15.0%	22.7%	243,774
On or before May 3, 2026	750,000	2.01	7.7%	25.0%	22.7%	496,607
						740,381

- Professor Aswath Damodaran - Professor, Stern School of Business at New York University - Industry Cost of Capital Data.

(Canadian Dollars)

Identified Merger & Acquisition Transactions (1)

#	Date	Target	Target Description	Location	Transaction Value ("TV")	Hectares	TV / Hectares
1	Pending	Portfolio of Projects in Brazil	The projects are spread across an area of 29,267 hectares in the mining-friendly and commodity-rich states of Minas Gerais & Paraiba. Prospective for rare earth elements (REE), niobium and lithium.	Brazil	265,790	29,267	9
2	27-Feb-24	2,500 ha of new license area adjacent to the Kuska Project in the Ollagüe Salar in Chile	As of February 27, 2024, 2,500 ha of new license area adjacent to the Kuska Project in the Ollagüe Salar in Chile was acquired by Wealth Minerals Ltd. 2,500 ha of new license area adjacent to the Kuska Project in the Ollagüe Salar in Chile comprises lithium mining area.	Chile	0	2,500	n/a
3	4-Dec-23	15 Mineral Tenements in the Lithium Valley in Minas Gerais state, Brazil	As of December 4, 2023, 15 Mineral Tenements in the Lithium Valley in Minas Gerais state, Brazil was acquired by Canadian Palladium Resources Inc. A mineral exploration property.	Brazil	4,080,000	24,427	167
4	1-Nov-23	Mining property in Antofagasta de la Sierra, Argentina	1,562 hectares mining property in Antofagasta de la Sierra, Argentina was acquired by NOA Lithium Brines Inc.	Argentina	882,090	1,562	565
5	21-Dec-23	Three applications for lithium exploration permits in Lithium Valley in Minas Gerais, in Brazil	As of December 21, 2023, Three applications for lithium exploration permits in Lithium Valley in Minas Gerais, in Brazil was acquired by Adelong Gold Limited.	Brazil	677,550	5,229	129.56
6	25-Sep-23	Yergo Lithium Project, Catamarca Argentina	As of September 25, 2023, Yergo Lithium Project, Catamarca Argentina was acquired by Portofino Resources Inc. Yergo Lithium Project, Catamarca Argentina comprises mineral exploration properties.	Argentina	807,790	2,932	276
7	Pending (Announced July 2023)	Fundos del Plata Properties in Catamarca, Argentina	Fundos del Plata Properties in Catamarca, Argentina comprises lithium exploration properties.	Argentina	26,359,600	6,274	4,201

(Canadian Dollars)

Identified Merger & Acquisition Transactions (1)

#	Date	Target	Target Description	Location	Transaction Value ("TV")	Hectares	TV / Hectares
8	Pending (Announced July 2023)	N Green lithium exploration permits	Lithium exploration projects.	Brazil	621,180	928	669
9	29-Mar-23	Purita claim at Rio Grande Salar in Salta Province, Argentina.	As of March 29, 2023, Purita claim at Rio Grande Salar in Salta Province, Argentina.	Argentina	448,000	896	500
10	16-Jun-23	22 Exploration Licences at Borborema Lithium Project in Brazil	As of February 15, 2023, 22 Exploration Licences at Borborema Lithium Project in Brazil was acquired by Solis Minerals Ltd.	Brazil	423,090	24,800	17.06
11	19-Jan-23	Five Lithium Mineral Rights in Araçuaí and Itinga	As of January 19, 2023, Five Lithium Mineral Rights in Araçuaí and Itinga was acquired by BMIX Participações Ltda.	Brazil	2,510,640	574	4,377
					Average		1,091
					Median		388
					Max		4,377
					Min		9.08
					First Quartile		139
					Third Quartile		643

(Canadian Dollars)

Table 2 - Selected Merger & Acquisition Transactions (1)

#	Date	Target	Target Description	Location	Transaction Value ("TV")	Hectares	TV / Hectares	
1	Pending	Portfolio of Projects in Brazil	The projects are spread across an area of 29,267 hectares in the mining-friendly and commodity-rich states of Minas Gerais & Paraiba. Prospective for rare earth elements (REE), niobium and lithium.		265,790	29,267	9	
3	4-Dec-23	15 Mineral Tenements in the Lithium Valley in Minas Gerais state, Brazil	As of December 4, 2023, 15 Mineral Tenements in the Lithium Valley in Minas Gerais state, Brazil was acquired by Canadian Palladium Resources Inc. A mineral exploration property.	Brazil	4,080,000	24,427	167	
4	1-Nov-23	Mining property in Antofagasta de la Sierra, Argentina	1,562 hectares mining property in Antofagasta de la Sierra, Argentina was acquired by NOA Lithium Brines Inc.	Argentina	882,090	1,562	565	
5	21-Dec-23	Three applications for lithium exploration permits in Lithium Valley in Minas Gerais, in Brazil	As of December 21, 2023, Three applications for lithium exploration permits in Lithium Valley in Minas Gerais, in Brazil was acquired by Adelong Gold Limited.	Brazil	677,550	5,229	130	
6	25-Sep-23	Yergo Lithium Project, Catamarca Argentina	As of September 25, 2023, Yergo Lithium Project, Catamarca Argentina was acquired by Portofino Resources Inc. Yergo Lithium Project, Catamarca Argentina comprises mineral exploration properties.	Argentina	807,790	2,932	276	
9	29-Mar-23	Purita claim at Rio Grande Salar in Salta Province, Argentina.	As of March 29, 2023, Purita claim at Rio Grande Salar in Salta Province, Argentina.	Argentina	448,000	896	500	
10	16-Jun-23	22 Exploration Licences at Borborema Lithium Project in Brazil	As of February 15, 2023, 22 Exploration Licences at Borborema Lithium Project in Brazil was acquired by Solis Minerals Ltd.	Brazil	423,090	24,800	17	
							Average	238
							Median	167
							Max	565
							Min	9
							First Quartile	73
							Third Quartile	388

Notes:

(1) Source: Capital IQ. Hectare data sourced from company disclosures.

**Comprehensive Valuation Report - Lithium Chile 2.0 Inc
Market Approach - Guideline Public Company ("GPC") Method**

Valuation as of April 30, 2024

FINAL

(Canadian Dollars)	Metric (1)	Selected Multiple (2)		Discounted Selected Multiple (3)		Indicated Enterprise Value		Weighting
		Low	High	Low	High	Low	High	
Multiple of Hectares	78,081	130.0	140.0	110.5	126.0	8,627,962	9,838,219	100%
Estimated weighted value range						8,627,962	9,838,219	100%
Enterprise Value						8,627,960	9,838,220	
Plus Cash (1):						-	-	
Less: Debt (1)						-	-	
Fair Market Value of Equity (rounded) (4)						8,630,000	9,840,000	

Note:

- (1) Refer to Exhibit 1.0 and Exhibit 3.0. Evans & Evans calculated the GPC data and the Lith 2.0 hectares assuming all options are earned. Evans & Evans has assumed cash is nominal as at the Valuation Date based on discussions with management.
- (2) Evans & Evans selected the multiples with reference to the multiples of the guideline public companies as outlined in Exhibit 10.0. While selecting the multiples, Evans & Evans considered the location and stage of development of the Company as compared to those of the guideline public companies, as well as the stage of development of the properties.
- (3) Support for the discount applied to the selected multiples:
- | | Low | High |
|------|-------|-------|
| Size | 10.0% | 15.0% |
| | 10.0% | 15.0% |
- (5) Evans & Evans did not consider a control premium as the literature is mixed as to whether there actually is a control premium paid in M&A transactions. The 'control premiums' paid in M&A transactions are generally buyer specific and, therefore, may not be reliably estimated as they can vary significantly.

(Canadian Dollars) Millions

Table 1.0 - Identified Guideline Public Companies (1)

Company Name	Exchange: Ticker	Market Capitalization	Enterprise Value	Locations	Book Value of Mineral Property Interest	Hectares	EV / BV of MPI	EV / Hectares
First Lithium Minerals Corp.	CNSX:FLM	9.5	6.8	Chile	0	25,743	32.49 x	264 x
Monumental Energy Corp.	TSXV:MNRG	5.5	2.4	Chile and New Zealand	6.1		0.40 x	n/a
Power Nickel Inc.	TSXV:PNPN	66.3	66.1	Chile		18,900	n/a	3,499 x
Wealth Minerals Ltd.	TSXV:WML	65.2	61.4	Chile	42	65,346	1.47 x	939 x
American Lithium Corp.	TSXV:LI	180.6	159.3	Nevada and Peru	150.5	114,783	1.06 x	1,388 x
Argentina Lithium & Energy Corp.	TSXV:LIT	34.2	40.5	Argentina	22.6	66,000	1.79 x	614 x
A.I.S. Resources Limited	TSXV:AIS	1.0	1.5	Argentina and Australia	1.2	20,100	1.29 x	76 x
Azincourt Energy Corp.	TSXV:AAZ	7.3	3.3	Saskatchewan and Newfoundland	4.7	28,125	0.69 x	116 x
Battery Mineral Resources Corp.	TSXV:BMR	18.1	44.7	Ontario, Nevada, Idaho, Chile and South Korea	54.5	n/a	0.82 x	n/a
D2 Lithium Corp.	TSXV:DTWO	1.3	2.1	Nevada and Argentina	0.7	50,887	3.05 x	41 x
Edison Lithium Corp.	TSXV:EDDY	2.3	0.9	Argentina	7.5	152,440	0.12 x	6 x
Eon Lithium Corp.	TSXV:EON	1.5	1.2	Argentina	-	2,500	n/a	479 x
International Iconic Gold Exploration Corp.	TSXV:ICON	3.5	6.6	Argentina and Chile	4.2	96,310	1.58 x	68 x
Lithium Energi Exploration Inc.	TSXV:LEXI	12.1	15.4	Argentina	4.9	59,300	3.18 x	260 x
Lithium Ionic Corp.	TSXV:LTH	100.9	89.7				n/a	n/a
Lithium South Development Corporation	TSXV:LIS	41.7	40.2	Argentina	12.1	5,687	3.33 x	7,072 x
Sigma Lithium Corporation	TSXV:SGML	2,183.2	2,298.7	Brazil	36.4	20,000	63.10 x	114,934 x
Ultra Lithium Inc.	TSXV:ULT	6	7	Argentina, Ontario & Nevada	3.53	17,918	2	373 x
					Average		7.75 x	8,675 x
					Median		1.58 x	373 x
					Max		63.10 x	114,934 x
					Min		0.12 x	6 x
					Coefficient of Variance		2.23 x	3 x

Table 2.0 - Selected Guideline Public Companies (1)

Company Name	Exchange: Ticker	Market Capitalization	Enterprise Value	Locations	Book Value of Mineral Property Interest	Hectares	EV / BV of MPI	EV / Hectares
First Lithium Minerals Corp.	CNSX:FLM	9.5	6.8	Chile	0	25,743	32.49 x	264 x
Wealth Minerals Ltd.	TSXV:WML	65.2	61.4	Chile	42	65,346	1.47 x	939 x
Argentina Lithium & Energy Corp.	TSXV:LIT	34.2	40.5	Argentina	23	66,000	1.79 x	614 x
Azincourt Energy Corp.	TSXV:AAZ	7.3	3.3	Saskatchewan and Newfoundland	5	28,125	0.69 x	116 x
D2 Lithium Corp.	TSXV:DTWO	1.3	2.1	Nevada and Argentina	1	50,887	3.05 x	41 x
Edison Lithium Corp.	TSXV:EDDY	2.3	0.9	Argentina	8	152,440	0.12 x	6 x
Lithium Energi Exploration Inc.	TSXV:LEXI	12.1	15.4	Argentina	5	59,300	3.18 x	260 x
					Average		6.11 x	320 x
					Median		1.79 x	260 x
					Max		32.49 x	939 x
					Min		0.12 x	6 x
					First Quartile		1.08 x	78.54 x

Notes:

(1) Source: Capital IQ, GPC websites and public disclosure documents