

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Lithium Chile Inc.		2 Issuer's employer identification number (EIN) None	
3 Name of contact for additional information Jana Lillies or Michelle DeCecco	4 Telephone No. of contact +1 (403) 830-1159; +1 (587) 393-1900	5 Email address of contact jana@kasten.ca; michelle@lithiumchile.ca	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 700, 903 8th Ave. S.W.		7 City, town, or post office, state, and ZIP code of contact Calgary, Alberta, T2P 0P7, Canada	
8 Date of action December 4, 2024		9 Classification and description Common Shares	
10 CUSIP number 53681G109	11 Serial number(s) N/A	12 Ticker symbol TSXV: LITH; OTCPK: LTMCF	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See Attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See Attachment.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment.

Blank lined area for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ See Attachment.

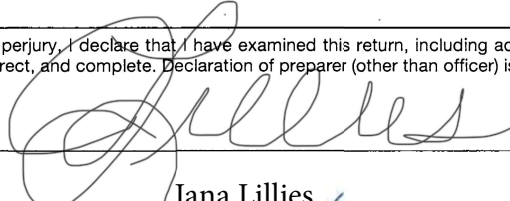
Blank lined area for answering question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment.

Blank lined area for providing other information.

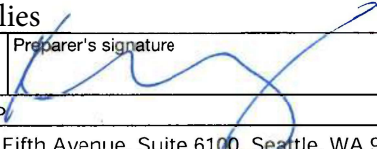
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ January 15, 2025

Print your name ▶ Jana Lillies Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Kendall R. Fisher		January 13, 2025		P01980923
Firm's name ▶ Dorsey & Whitney LLP	Firm's EIN ▶ 41-0223337		Phone no. (206) 903-8793	
Firm's address ▶ Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104				

Lithium Chile Inc.

Attachment to Form 8937-Part II

Report of Organizational Actions Affecting Basis of Securities (The Arrangement)

Consult your own tax advisor: The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “**Code**”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Arrangement (as defined below) on the tax basis of shares in Kairos Gold Inc., a corporation formed under the laws of the Province of Alberta, Canada (“**Kairos**”), in the hands of holders of shares of Kairos stock who are U.S. taxpayers and who received such shares of Kairos stock pursuant to the Arrangement (as defined below) by reason of being holders of shares of stock of Lithium Chile Inc., a corporation formed under the laws of the Province of Alberta, Canada (“**Lithium**”) (“**U.S. Shareholders**”). This discussion does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither Kairos nor Lithium provides tax advice to its shareholders. You should consult your own tax advisors regarding the particular consequences of the Arrangement to you, including the applicability and effect of all U.S. federal, state and local tax laws as well as non-U.S. tax laws.

For additional information, please read the Management Information Circular of Lithium dated as of September 9, 2024 (the “**Circular**”), which is available at www.sedarplus.ca.

Part II Item 14. (Description of organizational action)

On December 4, 2024, pursuant to an arrangement agreement by and between the parties, Lithium effected a distribution of all of the issued and outstanding common shares of Kairos held by Lithium (the “**Arrangement**”). Pursuant to the Arrangement, each shareholder of Lithium received one (1) common share of Kairos (“**Kairos Shares**”) for every ten (10) common shares of Lithium (“**Lithium Shares**”) held at the effective time of the Arrangement. No fractional Kairos Shares were issued pursuant to the Arrangement, and no cash was paid in lieu of any fractional Kairos Shares, as each fractional entitlement equal to or greater than 0.5 was rounded up to the nearest whole number of Kairos Shares and as each fractional entitlement of less than 0.5 was rounded down to the nearest whole number of Kairos Shares.

U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the tax consequences of the Arrangement to them in light of their own particular circumstances.

Part II Item 15. (Description of the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer)

Lithium believes that the Arrangement is likely treated as a taxable distribution of Kairos Shares under Code Section 301 for U.S. federal income tax purposes, but provides no assurances in this regard. Provided the Arrangement constitutes a taxable distribution of Kairos Shares under Code

Section 301, each U.S. Shareholder should have a tax basis in the Kairos Shares received pursuant to the Arrangement equal to the fair market value of such Kairos Shares on December 4, 2024. Lithium has not computed its current or accumulated earnings and profits under U.S. federal tax principles for its tax year which includes the Arrangement. As a result, U.S. Shareholders should assume that the distribution of Kairos Shares constitutes ordinary dividend income equal to the fair market value of such Kairos Shares distributed pursuant to the Arrangement.

If Lithium was a passive foreign investment company (“**PFIC**”), as defined under Code Section 1297, for any tax year during which a U.S Shareholder held its Lithium Shares, certain special PFIC rules may apply to the Arrangement. U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the potential application of the PFIC rules.

Notwithstanding the foregoing, certain recent authorities have held that the absence of income collection did not otherwise prevent a spin-out from qualifying as a tax-deferred transaction for U.S. federal income tax purposes with respect to the specific taxpayers and transactions cited therein. U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the potential application of these authorities to the Arrangement.

Part II Item 16. (Description of the calculation of the change in basis)

For purposes of calculating fair market value, the fair market value of a Kairos Share on December 4, 2024 is estimated at U.S.\$0.13.

Each U.S. Shareholder should consult with his, her or its own tax advisors to determine whether they are required to recognize gain in connection with the Arrangement and what measure of fair market value is appropriate.

Part II Item 17. (List of applicable Code sections)

Provided the Arrangement constitutes a taxable distribution under Code Section 301, the U.S. federal income tax consequences for U.S. Shareholders should be determined under Code Sections 301(c), 301(d) and 316.

In addition, if Lithium was a PFIC at any time during the period that a U.S. Shareholder held Lithium Shares, then Code Sections 1291–1297 would be applicable.

Part II Item 18. (Recognition of loss)

Provided the Arrangement constitutes a taxable distribution under Code Section 301, each U.S. Shareholder which received Kairos Shares pursuant to the Arrangement should not recognize any loss.

Part II Item 19. (Other information)

The Arrangement was effective on December 4, 2024. For a U.S. Shareholder which participated in the Arrangement whose taxable year is a calendar year, the reportable tax year is 2024.