LITHIUM CHILE PROVIDES SHAREHOLDER UPDATE FOLLOWING INVESTMENT CANADA ACT NOTICE

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CALGARY, ALBERTA, August 19, 2026 - Lithium Chile Inc. ("**Lithium Chile**" or the "**Company**") is providing shareholders with an update following its August 17, 2026, announcement that the Company and China Union Holdings Ltd. ("**China Union**" or "**CUH**") had received a notice (the "**Notice**") pursuant to subsection 25.2(1) of the *Investment Canada Act* (the "**ICA**") in connection with the proposed sale of all of the outstanding shares of Argentum Lithium S.A. ("**Argentum**") to China Union (the "**Transaction**").

1) Lithium Chile and China Union Remain Committed to Closing the Transaction

Following receipt of the Notice, representatives of Lithium Chile and China Union, together with their respective legal advisors, met to discuss the Notice and assess the legal, regulatory and transactional alternatives available to them.

The Company believes this is an important message for its shareholders: *The Transaction has not been abandoned; both parties remain firmly committed to closing the Transaction and are actively coordinating their respective resources and options to achieve that outcome.*

2) Lithium Chile Continues to Challenge the Jurisdictional Basis for the Review

Lithium Chile continues to maintain the position set out in its January 7, 2026 correspondence to Innovation, Science and Economic Development Canada ("**ISED**") that the proposed sale of Argentum does not constitute an investment in a Canadian business contemplated by subsection 25.1(c) of the ICA.

The Transaction involves the sale of all outstanding shares of Argentum, an Argentine corporation whose sole asset is a 62.2% interest in another Argentine corporation, ARLI S.A., that owns and operates the Argentine mineral project, Arizaro, located in Salta Province, Argentina.

- Argentum does not carry on all or any part of its operations in Canada;
- Argentum does not maintain a place of operations in Canada;
- Argentum does not employ individuals in Canada in connection with its operations; and
- Argentum does not own assets in Canada used in carrying on its operations.

On that basis, Lithium Chile continues to believe that the sale of Argentum falls outside the jurisdiction contemplated by the applicable provisions of the ICA.

The Company intends to advance that position and, together with its advisors, evaluate all courses of action available to it.

3) Timing of the Notice and Regulatory Certainty

Lithium Chile believes the timing of the Notice raises serious concerns regarding regulatory certainty, procedural fairness and the ability of shareholders to rely on a transparent regulatory process.

The Company announced the Transaction on December 22, 2025 and proactively notified ISED on January 7, 2026, outlining its position that the sale of Argentum fell outside the applicable provisions of the ICA. More than seven months then passed without response or indication of a review, while Lithium Chile continued to meet its continuous disclosure obligations through repeated public updates.

That regulatory silence became material to both the Company and its shareholders. Investors were entitled to assess the Transaction, buy or sell shares and make investment decisions based on the public record and the reasonable understanding that no ICA review had been initiated.

Lithium Chile believes there must be a reasonable point at which a Canadian public company and its shareholders can rely on the absence of regulatory action, particularly where the regulator has been proactively notified and the Company has continued to make transparent public disclosure throughout the process.

Allowing the market to rely on that disclosure for more than seven months before intervening creates precisely the type of uncertainty that continuous disclosure obligations are intended to prevent. The consequences extend beyond Lithium Chile, creating uncertainty for shareholders and transaction counterparties and undermining confidence in the predictability of Canada's capital markets.

Lithium Chile intends to raise these concerns through the appropriate channels as part of its response.

4) Lithium Chile Is Evaluating All Available Alternatives

While Lithium Chile and China Union remain focused on completing the Transaction as presently contemplated, the Company is also evaluating alternative structures that could achieve Lithium Chile's objective of monetizing its interest in the Arizaro Project while complying with all applicable laws and regulatory requirements.

The regulatory uncertainty also affects Lithium Chile's broader business plans, including the intended reinvestment of Transaction proceeds into its other high-potential projects in Chile, which may now be delayed pending resolution of the ICA process.

Steve Cochrane, President and CEO of Lithium Chile, commented:

"*Our message to shareholders is straightforward: China Union remains committed to this Transaction, Lithium Chile remains committed to this Transaction, and we are working together to determine the most effective path forward.*

We were transparent from the beginning. We publicly disclosed the Transaction, proactively notified the federal government, clearly explained our jurisdictional position and continued to keep our shareholders fully informed as the Transaction progressed.

After receiving no response for more than seven months, we are understandably concerned by the timing of this notice and the uncertainty it creates for our shareholders. We intend to vigorously defend our position while at the same time evaluating every lawful alternative available to us to complete the transaction."

The Company will provide further updates regarding the Transaction and the ICA process as material developments occur.

ABOUT LITHIUM CHILE

Lithium Chile Inc. is an exploration company with a portfolio of 11 properties spanning 106,136 hectares in Chile and 29,245 hectares on the Salar de Arizaro in Argentina. The Company has successfully advanced its Arizaro project with the completion of an NI 43-101 compliant Resource Report, a Preliminary Economic Assessment and a Prefeasibility Study which are all accessible on Sedar+.ca under Lithium Chile's profile.

ISSUER CONTACT

To find out more about Lithium Chile, please contact:

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FORWARD LOOKING STATEMENTS AND RISK FACTORS:

This news release contains certain statements that may constitute "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information in this news release includes, but is not limited to, statements regarding the proposed sale of the shares of Argentum to China Union; the commitment of the parties to pursue completion of the Transaction; the parties' response to the notice received under the ICA; Lithium Chile's position regarding the application and jurisdiction of the ICA; the process under the ICA; the parties' engagement with ISED and other governmental authorities; the pursuit of legal or other remedies; the evaluation of alternative corporate, transaction or ownership structures; the potential reorganization, continuance, re-domiciliation, merger or restructuring of the Company or the Transaction; the potential involvement of third parties; the monetization of the Arizaro Project; and the ability of the parties to complete the Transaction, whether on the terms currently contemplated, pursuant to an alternative structure, or at all.

Forward-looking information is based on management's current expectations, estimates, assumptions and projections and is subject to known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied by such forward-looking information. Such risks and uncertainties include, without limitation, the possibility that an order for further review may be made under the ICA; the timing and outcome of the ICA process; the possibility that conditions, undertakings or other requirements may be imposed; the possibility that the Transaction may be delayed, modified, restructured or not completed; the ability of the Company and China Union to agree upon or implement an alternative transaction structure; legal, tax, regulatory and commercial risks associated with any alternative structure; and other risks described in the Company's continuous disclosure filings available under its profile on SEDAR+.

Although the Company believes that the expectations and assumptions reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. The forward-looking information contained in this news release is provided as of the date hereof, and the Company undertakes no obligation to update or revise such information to reflect new events or circumstances, except as required by applicable securities laws.