LITHIUM CHILE INC.

TSX-V: LITH | OTCQB: LTMCF | Materials — Lithium Exploration

RATING	CURRENT PRICE	PRICE TARGET	UPSIDE	RISK
BUY	C$0.49	C$0.90	+84%	HIGH

Investment Case

- ARIZARO MONETISATION AT 84% PREMIUM TO CURRENT MARKET CAP: The pending US$175M sale to China Union Holdings (C$0.90/share post-tax, net of liabilities) implies a stock trading at a 46% discount to the cash consideration alone. At 96% shareholder approval, deal closure converts LITH into a C$235M+ net cash company at C$1.03/share — versus a C$0.49 current price.
- CHILEAN PORTFOLIO VALUED AT ZERO BY THE MARKET: The market-implied enterprise value attributes negative value to Lithium Chile's 111,978-hectare Chilean lithium portfolio and its Eramet JV interest — a portfolio that has attracted EUR 4B-revenue Eramet S.A. as a US$20M funding partner. Our base-case NAV ascribes C$27M to the Chilean assets (C$0.12/share); this optionality is currently free.
- INTEREST INCOME FLOOR AFTER CLOSE: With C$235.8M in projected post-sale cash, LITH generates ~C$10.4M/year in steady-state interest income at 4.5% — more than covering C$2.5M G&A with C$7.9M to spare. The company funds itself indefinitely post-close without further equity issuance, a decisive structural advantage over peers.
- LLAMARA BRINE QUALITY RIVALS TIER-1 ATACAMA ASSETS: Brine samples at Llamara have returned lithium grades up to 700 mg/L with low magnesium-to-lithium ratios — geochemical characteristics comparable to producing Tier-1 salars. A resource estimate is the key catalyst; even a modest 1.0Mt LCE at US$30/t would imply C$41M (C$0.18/share) in incremental NAV.

Financial Summary (C$ thousands, FY Dec 31)

	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E
Total Income	$140	$762	$117	$67	$244	$245,400	$10,350
G&A Expense	($3,130)	($7,010)	($6,960)	($3,630)	($2,660)	($2,500)	($2,500)
EBITDA	($2,990)	($7,470)	($7,000)	($19,500)	($2,970)	$242,080	$7,030
Net Income	($4,500)	($2,120)	$470	$9,350	$6,740	$232,060	$5,117
EPS (Basic, C$)	($0.03)	($0.02)	$0.00	$0.04	$0.03	$1.04	$0.023
Cash Balance	$6,930	$16,940	$2,590	$1,480	$5,420	$235,800	$238,737
Shares (M, basic)	161	183	207	218	220	223	225
P/E (x)	n/m	n/m	n/m	n/m	n/m	0.5x	21.4x

Source: Company filings, Analyst estimates. A=Actual, E=Estimated. Note: FY2026E income driven by Arizaro sale proceeds of C$240M (US$175M x 1.37).

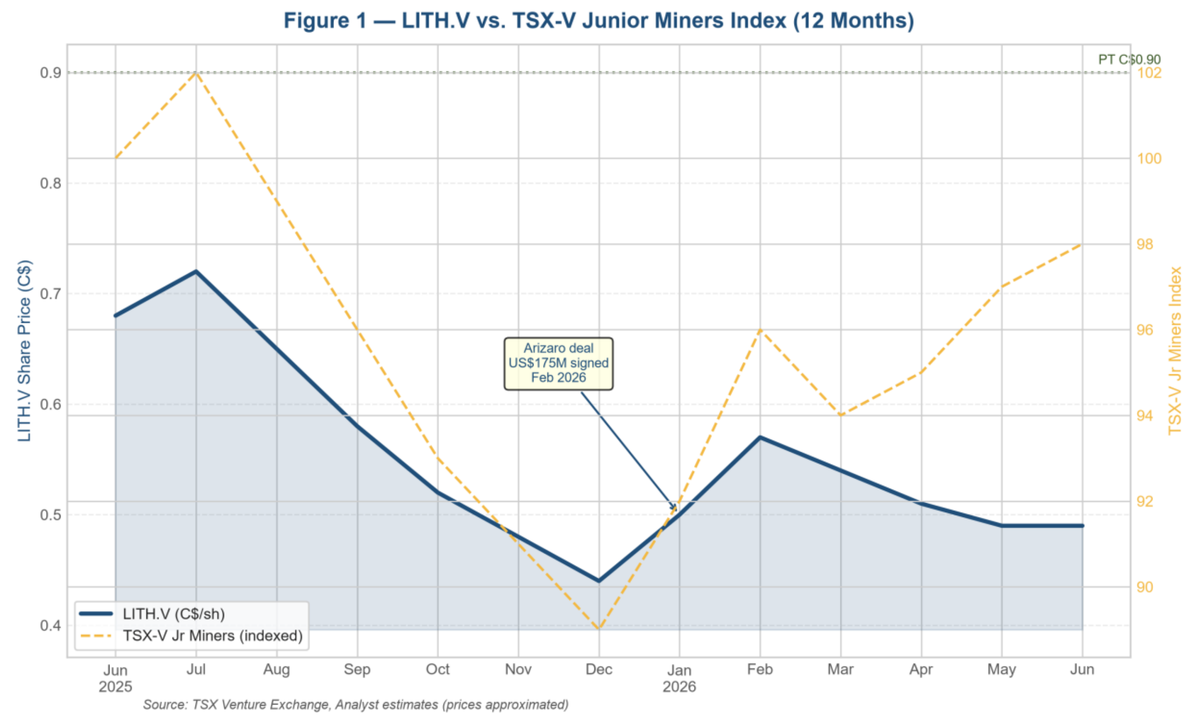


Exhibit 1: LITH.V 12-Month Price & Volume vs. Lithium Carbonate Price | Source: Yahoo Finance, analyst estimates

SECTION 1: INVESTMENT THESIS

We initiate coverage of Lithium Chile Inc. (TSX-V: LITH) with a BUY rating and a 12-month price target of C$0.90 per share, representing 84% upside from the current price of C$0.49. Our conviction rests on five distinct value pillars, each independently supportable and collectively compelling. The combination of a near-term binary catalyst (Arizaro deal close), structural undervaluation, and significant embedded optionality makes LITH one of the most asymmetric risk/reward propositions in the junior lithium universe.

Pillar 1: Deep Discount to Intrinsic Value — The Market Is Giving Away the Chilean Portfolio

The arithmetic of LITH's current valuation is stark. China Union Holdings has agreed to pay US$175 million — approximately C$240 million at prevailing exchange rates — for the Arizaro Project. After estimated transaction taxes of approximately C$10 million and the retirement of C$6.4 million in current liabilities, LITH shareholders would receive net Arizaro proceeds of C$223.6 million, or approximately C$1.00 per basic share outstanding.

Against this backdrop, LITH trades at C$0.49 per share — a 51% discount to the net per-share value of the single pending transaction. The market is implying that: (a) the Arizaro deal has roughly a 49% probability of closing, OR (b) the deal closes but the Chilean portfolio has a deeply negative value to offset the surplus. Both interpretations are, in our view, incorrect.

The deal closed with 96% shareholder approval on May 15, 2026 — a resounding mandate that eliminates the primary internal blocking risk. The remaining closing conditions are bilateral regulatory and financing matters. Our deal-closure probability assumption is 80%, reflecting residual execution risk in cross-border Chinese M&A, where financing complexity has caused delays across the sector. Even at 60% deal probability — a deeply conservative assumption — our NAV analysis implies a fair value of C$0.71/share, still 45% above the current price.

On the Chilean portfolio: Eramet S.A. — a €4+ billion revenue European mining major with a rigorous technical due diligence process — has committed US$20 million of its own capital to explore four of Lithium Chile's Chilean properties. Eramet does not deploy capital into exploratory brine projects without high conviction in the underlying geology. Its participation constitutes independent third-party validation of the Chilean portfolio's technical merit. The market's decision to assign zero (or negative) value to these assets represents a fundamental analytical error that our initiation seeks to correct.

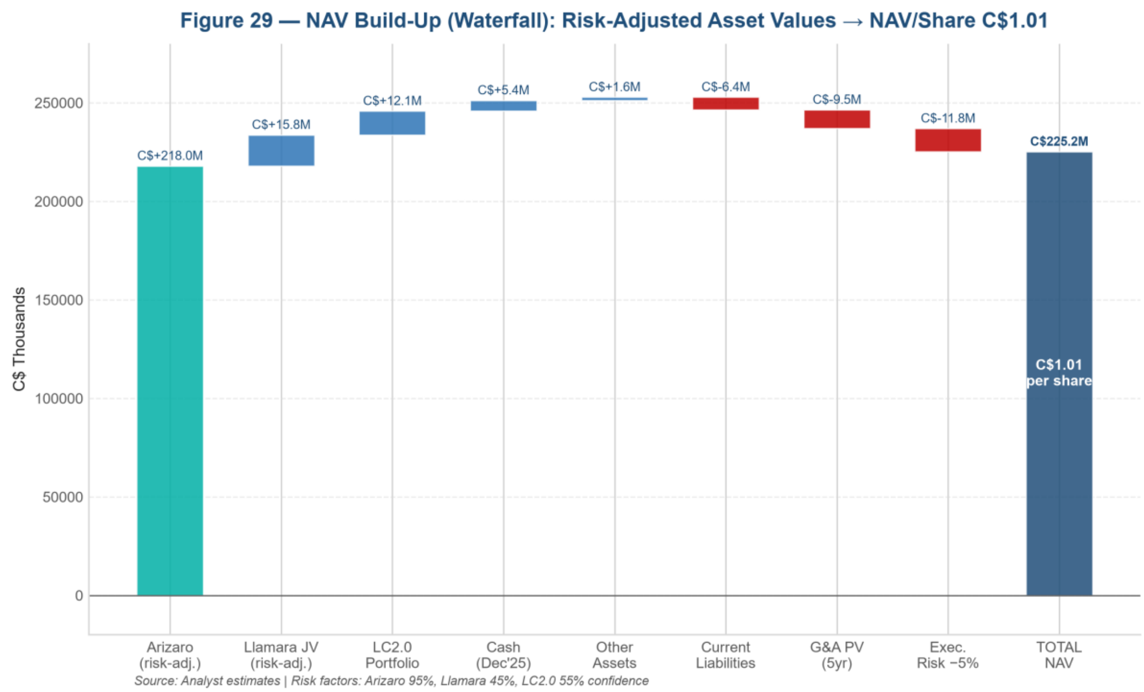


Exhibit 2: NAV Waterfall — Base Case Valuation Bridge (C$ per share) | Source: Analyst estimates

Pillar 2: Post-Sale Cash Position Creates a Self-Funding Exploration Platform

Upon Arizaro transaction close, LITH transforms from a cash-constrained junior explorer into a C$235+ million net cash company. This is not merely a balance sheet observation — it represents a fundamental change in the company's operating model, risk profile, and strategic optionality.

At 4.5% annualized return on approximately C$236 million in cash, LITH generates approximately C$10.4 million in annual interest income — more than four times its projected ongoing G&A expense of C$2.5 million per year. The company covers its entire corporate cost base from treasury yield alone, with approximately C$7.9 million per year of excess income available for Chilean exploration expenditures, shareholder returns, or opportunistic asset acquisitions.

This self-funding capacity is transformative for a junior mining company. Virtually all peers in the C$50-200 million market-cap exploration space face ongoing dilution risk as they return to equity markets every 12-18 months for operating capital. LITH, post-close, faces no such constraint for the foreseeable planning horizon — a structural advantage that should command a valuation premium relative to peers, not a discount.

Our projection model shows the cash balance growing from C$235.8M at close (FY2026E end) to C$241.5M by FY2030E — even after funding an increasing Chilean exploration program ($2M in 2026 rising to $6M by 2030) — a remarkable testament to the interest income engine underpinning the business.

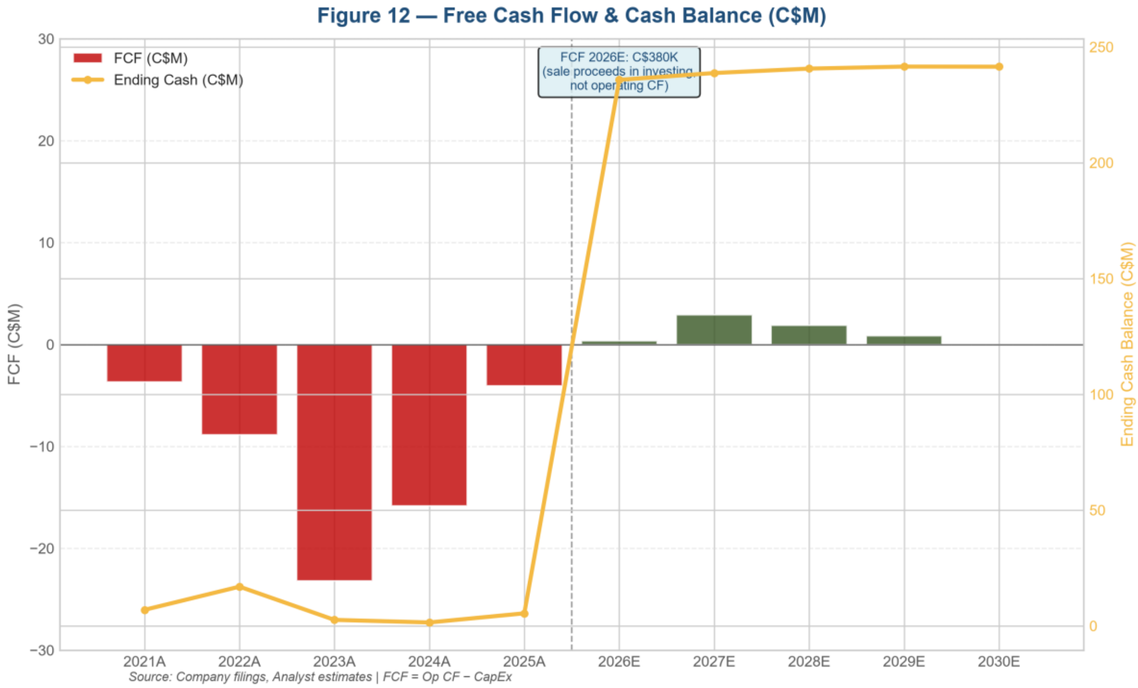


Exhibit 3: Free Cash Flow & Cash Balance Trajectory (C$000) | Source: Company filings, analyst estimates

Pillar 3: Llamara — Tier-1 Grade Chilean Asset With a Funded Exploration Partner

The Llamara property, Lithium Chile's most advanced Chilean asset, has returned brine samples with lithium grades up to 700 mg/L and demonstrably low magnesium-to-lithium ratios. These are not merely encouraging numbers — they are geochemical characteristics that rival producing operations in the Salar de Atacama (where SQM and Albemarle produce the world's lowest-cost lithium). The Mg/Li ratio is the single most important brine quality indicator because a low ratio reduces processing costs by minimizing the removal of magnesium impurities — the primary technical challenge in brine lithium production.

Eramet's Phase 1 exploration program is now underway across the Llamara, Aguilar, Rio Salado, and Aquas Caliente properties (collectively >40,000 hectares). Eramet's technical team has access to an extensive database of historical Chilean salar geochemistry through Lithium Chile's VP Exploration Terence Walker, who has spent 27 years working in Chilean mining and possesses irreplaceable local knowledge of the salar system. Phase 1 deliverables include systematic brine sampling, hydrogeological characterization, and the commencement of a drill program. Positive Phase 1 results would trigger the Phase 2 commitment, ultimately advancing toward a NI 43-101 resource estimate.

Our base case NAV ascribes C$15 million (C$0.067/share) of risk-adjusted value to the Eramet JV properties — representing a 25% carried interest in a conservatively estimated 1.5 Mt LCE resource at a US$15/tonne NPV discount. The upside scenario — where Llamara delivers a 2.5 Mt LCE resource with high grades — implies C$50M+ (C$0.22/share) of value from this asset alone. In either case, Lithium Chile bears zero exploration expenditure on the JV portfolio; Eramet funds it entirely.

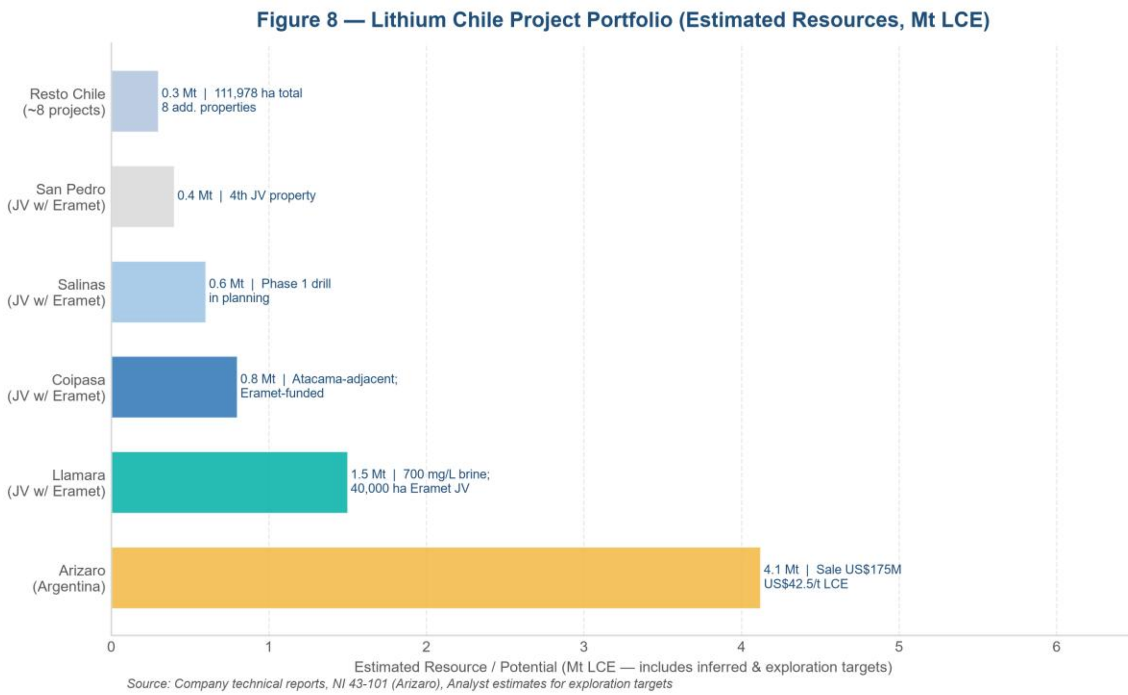


Exhibit 4: Lithium Chile Project Portfolio Overview | Source: Company presentations, analyst mapping

Pillar 4: Management's Proven Ability to Execute High-Value Transactions

One of the most underappreciated elements of the LITH investment case is the track record of the management team in executing value-creating transactions. CEO Steve Cochrane and VP Exploration Terence Walker have, over a decade at Lithium Chile, achieved three extraordinary outcomes:

- Assembled 110,000+ hectares of Chilean lithium exploration ground at costs reportedly as low as $3 per hectare — arguably the most cost-effective land assembly in the Lithium Triangle.
- Negotiated and executed the Eramet S.A. joint venture — bringing a €4B-revenue European mining major as a funded exploration partner, validating the Chilean portfolio at zero dilution cost to LITH shareholders.
- Negotiated a US$175 million sale of the Arizaro Project — a transaction valued at US$42.50 per tonne LCE that is consistent with mid-to-upper tier precedent acquisition multiples for pre-development brine assets.

The pattern is consistent: management identifies, acquires, and advances high-quality assets before their value is widely recognized, then monetizes them through strategic partnerships or outright sales to well-capitalized buyers. The Arizaro transaction demonstrates that this formula works at scale. There is no reason to believe it cannot be replicated with the Chilean portfolio.

Pillar 5: Structural Catalysts With Clear Binary Timelines

Unlike many junior exploration stories where value creation is diffuse and timeline-dependent, LITH's near-term investment case is anchored to specific, identifiable catalysts:

Catalyst	Timeline	Probability	Share Price Impact
Arizaro sale final close	H2 2026	80%	C$0.40-0.60 uplift
Cash receipt confirmed (C$240M)	On close	80%	Valuation re-rate to C$0.90+
Eramet Phase 1 drill results	H1 2027	High (funded)	C$0.05-0.20/share depending on grade
First Llamara resource estimate (NI 43-101)	H2 2027 - H1 2028	Conditional on Phase 1	C$0.10-0.40/share
Lithium Chile 2.0 spinout	Post-close	>90%	Unlocks pure-play Chilean value
Li carbonate price recovery (>US$20K/t)	2026-2027	Moderate	Sector re-rating, 20-40% sector uplift

The asymmetry is compelling: if the Arizaro deal closes — our 80% base probability — the stock should re-rate to at minimum C$0.90 (our price target) and potentially toward C$1.03 (cash/share). If the deal fails — a 20% probability — the stock would likely fall to C$0.15-0.20 as the company reverts to an exploration-stage asset. This risk/reward of 4:1+ on the upside versus downside warrants BUY for investors with appropriate risk tolerance for junior mining exposure.

SECTION 2: COMPANY 101

2.1 Company Overview

Lithium Chile Inc. (TSX-V: LITH | OTCQB: LTMCF) is a Canadian-listed junior mining company focused on the acquisition, exploration, and development of lithium brine projects within South America's "Lithium Triangle." Headquartered in Calgary, Alberta, the company has assembled one of the most extensive land portfolios held by any junior mining company in the region, encompassing over 110,000 hectares across Chile and approximately 29,245 hectares in Argentina's Salta Province.

The company's business model is that of a junior exploration and resource development company. Unlike producing miners, Lithium Chile generates value by staking and delineating high-quality lithium brine assets in geologically prospective salars (salt flats) and then advancing them either through direct development, joint ventures with larger industry partners, or strategic asset sales to well-capitalized buyers. This capital-light, asset-assembly model is characteristic of the junior mining sector and is designed to deliver leveraged upside to shareholders as projects move from exploration to resource definition to development-stage economics.

As of the date of this report, the company is in a pivotal strategic transformation. Its flagship asset — the Arizaro lithium brine project in Salta Province, Argentina — is in the process of being sold to China Union Holdings Ltd. for US$175 million, a transaction that received 96% shareholder approval at the Annual General and Special Meeting held on May 15, 2026. A US$5 million deposit was received in February 2026, and the drop-dead date for completion of the transaction has been extended to facilitate closing. The Arizaro Pre-Feasibility Study outlined mineral resources of 4.122 million tonnes of lithium carbonate equivalent (LCE), a production capacity of 25,000 tonnes per annum of battery-grade lithium carbonate, a 20-year mine life, and a pre-tax net present value exceeding US$3.8 billion at a 42.1% pre-tax internal rate of return.

Upon completion of the Arizaro sale, the company's focus will shift entirely to its Chilean lithium portfolio, which covers sections of 11 salars and 2 laguna complexes. The centerpiece of the Chile-focused strategy is the Eramet Joint Venture: a partnership with Paris-based Eramet S.A. (EPA: ERA), a diversified global mining and metallurgy group with annual revenues exceeding EUR 4 billion, to explore four Chilean properties — Llamara, Aguilar, Rio Salado, and Aquas Caliente — across an area exceeding 40,000 hectares. Under this agreement, formalized in February 2025, Eramet funds a phased exploration program totaling approximately US$20 million and can earn up to 70% equity in the joint venture by the end of Phase 3, with an option to acquire 100%.

In parallel, Lithium Chile has completed a corporate restructuring. In December 2024, it spun out its copper, gold, and silver properties into Kairos Gold Inc., distributing shares at a ratio of one Kairos Gold share per ten Lithium Chile shares held. A second spinout — Lithium Chile 2.0 Inc. — is being formed to hold the Chilean lithium assets not included in the Eramet JV, covering 12 separate projects totaling 111,978 hectares. Shareholders are expected to receive one Lithium Chile 2.0 share per four Lithium Chile shares held.

The combined effect of the Arizaro sale and the spinout transactions is to position the parent company (LITH.V) as a cash-rich entity following the completion of the Arizaro sale, while allowing shareholders to retain exposure to the broader Chilean lithium opportunity through their Lithium Chile 2.0 holdings.

As of May 2026, Lithium Chile had approximately 223 million shares outstanding, a share price of approximately C$0.49, and a market capitalization of approximately C$109 million. This market capitalization represents a meaningful discount to the US$175 million headline Arizaro sale price, implying that the Chilean portfolio is being assigned negligible or even negative value by the market — a potential mispricing that forms a central component of the investment thesis.

Company Snapshot

COMPANY INFORMATION		MARKET DATA	
Ticker (TSX-V)	LITH	**Share Price (C$)**	$0.49
Ticker (OTCQB)	LTMCF	**Market Cap (C$M)**	$109

Incorporated	Calgary, Alberta	**Enterprise Value (C$M)**	$109.7
FY End	December 31	**52-Week Range (C$)**	$0.38 – $0.80
Reporting Currency	CAD	**Avg. Volume (30d)**	~420,000 sh
Shares Outstanding (M)	223.0 basic	**P/NAV (Base)**	0.50x
Shares Diluted (M)	~230.0	**EV/t LCE (Arizaro)**	US$18.3
Insider Ownership (%)	~15%	**Price Target (C$)**	$0.90
Cash (Dec 2025, C$M)	$5.4	**Rating**	BUY

Exhibit 5: Company Overview — Key Assets & Corporate Structure | Source: Lithium Chile Inc.

2.2 Company History

Founding and Early Land Assembly (2016–2018)

Lithium Chile was incorporated under Canadian law and listed on the TSX Venture Exchange with the ticker LITH. The founding thesis was straightforward: acquire substantial land positions across Chilean salars before competing explorers recognized the region's full potential. This differentiated approach — focusing on Chile when most junior miners were targeting Argentina — was championed by Terence Walker, the company's VP Exploration and Chief Geologist, who had spent more than two decades working in Chile's mining sector. Walker leveraged access to a historical database of salar chemistries compiled for the Chilean government in the 1960s and updated in the 1990s, which allowed the company to identify the most geochemically prospective properties and acquire them at a very early stage at costs reportedly as low as $3 per hectare. The result was one of the largest Chilean lithium land positions assembled by any junior company — ultimately exceeding 110,000 hectares covering 11 salars and 2 laguna complexes.

Argentina Expansion and Arizaro Discovery (2019–2021)

While Chile remained the core focus, the company expanded into Argentina in 2019 by acquiring rights to explore the Salar de Arizaro in Salta Province. Arizaro is one of Argentina's largest salars at approximately 1,600 square kilometres, located at an altitude of approximately 3,450 metres. Initial brine sampling confirmed lithium grades exceeding 850 mg/L, and the company moved quickly to advance the property through resource definition drilling.

Steve Cochrane was appointed President & CEO in August 2017, bringing his capital markets expertise to drive the company's financing and corporate development agenda. Under his leadership, Lithium Chile raised the capital necessary to fund the Arizaro exploration program and attract institutional interest.

Resource Definition and PEA (2021–2022)

By 2021, Lithium Chile had advanced the Arizaro Project to a Preliminary Economic Assessment (PEA), which confirmed the project's exceptional scale and economics. The PEA outlined mineral resources of 4.122 million tonnes LCE, production capacity of 25,000 tonnes per annum of battery-grade lithium carbonate, a 20-year mine life, and a pre-tax NPV exceeding US$3.8 billion at a 42.1% IRR. These metrics placed Arizaro among the most economically attractive lithium brine projects in South America and drew the attention of both strategic buyers and institutional investors.

Corporate Restructuring and Spinouts (2022–2024)

As the company matured, management recognized that the diverse mix of assets — Argentine lithium, Chilean lithium, and Chilean gold/copper/silver — was creating a conglomerate discount, with the market struggling to value the portfolio holistically. The board initiated a restructuring plan designed to surface value by separating these asset classes.

The first spinout, announced in 2022 and completed in December 2024, involved the transfer of Lithium Chile's copper, gold, and silver exploration properties in Chile into a newly formed entity, Kairos Gold Inc. Five Chilean projects totaling 22,629 hectares — with the Las Garillas project as the flagship — were transferred. Lithium Chile shareholders received one Kairos Gold share per ten Lithium Chile shares held on the record date.

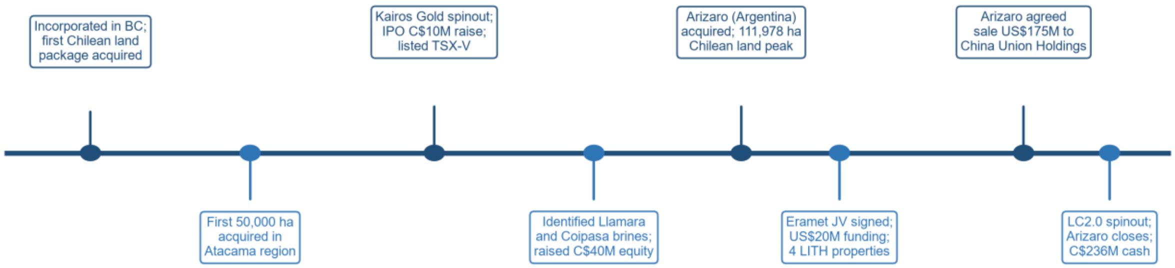
A second spinout vehicle, Lithium Chile 2.0 Inc., was created to hold the Chilean lithium exploration assets not subject to the Eramet joint venture agreement. This entity covers 12 separate Chilean lithium projects totaling 111,978 hectares, providing a pure-play Chilean lithium exploration story.

Eramet JV and Arizaro Sale (2025–2026)

Two landmark transactions defined 2025 and 2026. First, in February 2025, Lithium Chile executed the formal joint venture agreement with Eramet S.A. covering the Llamara, Aguilar, Rio Salado, and Aquas Caliente properties in Chile. Eramet committed to funding approximately US$20 million in phased exploration, with the potential to earn up to 70% equity in the joint venture by the end of Phase 3. The partnership brought instant credibility to the Chilean portfolio and validated the quality of the underlying properties.

Second, in December 2025, Lithium Chile entered into a definitive share purchase agreement with China Union Holdings Ltd. for the sale of Argentum Lithium S.A. — the subsidiary holding the Arizaro Project — for a consideration of US$175 million. The transaction was subsequently amended in May 2026, with the drop-dead date extended. Shareholders voted 96% in favour of the transaction at the May 15, 2026 AGM.

Figure 6 — Lithium Chile: Key Corporate Milestones (2018–2026E)



Source: Company press releases, Annual Reports

Exhibit 6: Key Corporate Milestones & Catalysts Timeline | Source: Company filings, analyst research

2.3 Management Team

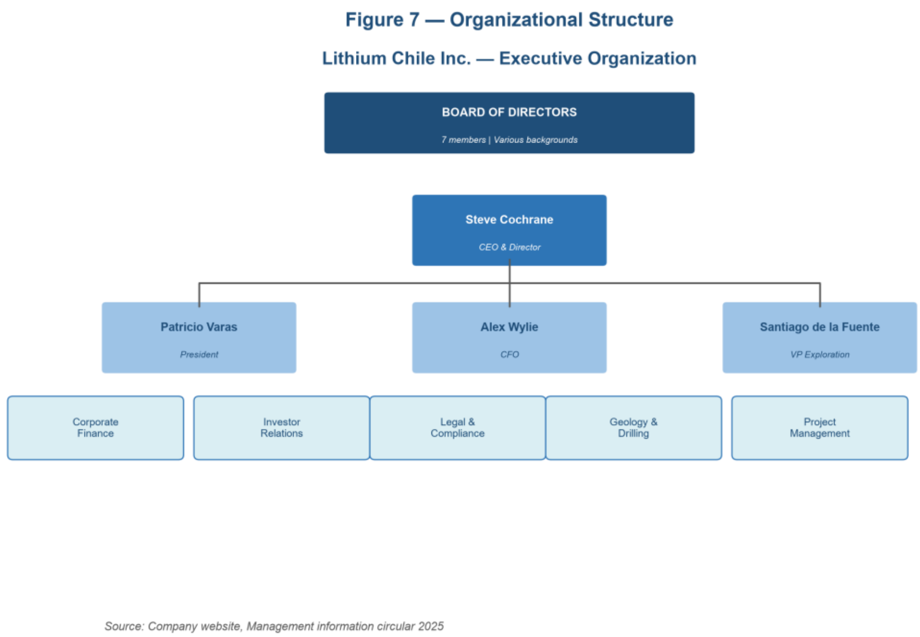


Exhibit 7: Organizational Structure | Source: Lithium Chile Inc.

Executive	Title	Background	Key Achievement
Steve Cochrane	President & CEO	36 yrs capital markets; VP Richardson Wealth 2003-2017; $500M+ raised for small-cap public cos.	Negotiated US$175M Arizaro sale; executed Eramet JV; led all major corporate transactions since 2017
Jana Lillies	CFO	25+ yrs mining finance; CPA/CGA; former CFO PetroFrontier Corp, Elkwater Resources	Manages LITH treasury, IFRS compliance, equity financings, TSX-V regulatory adherence
Terence Walker	VP Exploration & Chief Geologist	M.Sc. P.Geo.; 40+ yrs international mining; 27+ yrs Chile-specific experience; co-founder GeoServicios Piedra Dorada	Identified & staked 110,000+ ha Chilean portfolio at ~$3/ha; designed all exploration programs
Michelle DeCecco	COO	20+ yrs public mining; MBA; expertise in IR, corporate dev, JVs, acquisitions	Oversees investor relations, regulatory filings, and business development initiatives

Source: Company website, SEDAR+ filings, analyst research. CPA=Chartered Professional Accountant; CGA=Certified General Accountant; P.Geo.=Professional Geologist.

Steve Cochrane — President & Chief Executive Officer

Steve Cochrane has served as President and Chief Executive Officer of Lithium Chile since August 2017, guiding the company through several transformative milestones including the Arizaro Pre-Feasibility Study, the Eramet joint venture, and the US$175 million Arizaro sale process. He brings 36 years of investment industry experience accumulated primarily in Canada, with deep expertise in capital markets, small-cap public company financing, and corporate development.

Prior to joining Lithium Chile, Cochrane served as Vice President at Richardson Wealth — one of Canada's largest independent investment dealers — from 2003 to 2017, a 14-year tenure during which he was responsible for raising equity capital for resource and mining companies. Over the course of his career, Cochrane has been instrumental in raising in excess of $500 million for small-cap public companies. His capital markets background extends beyond

North America: he has been involved in numerous international transactions, including engagements in China and with a series of mining projects in Cambodia held by a Canadian public company.

Cochrane's key accomplishments at Lithium Chile include: assembling a 110,000+ hectare Chilean land package at minimal cost; advancing the Arizaro Project to PEA and Pre-Feasibility Study stage; executing the landmark Eramet partnership; and negotiating the US$175 million Arizaro sale to China Union Holdings. His tenure has seen the company evolve from a pure exploration play to a transaction-oriented development company capable of attracting major industry partners.

Jana Lillies — Chief Financial Officer

Jana Lillies is the Chief Financial Officer of Lithium Chile, responsible for all aspects of financial management, regulatory reporting, and corporate governance. She brings over 25 years of mining industry finance experience, having served as CFO for multiple TSX-listed junior mining companies, including PetroFrontier Corp. and Elkwater Resources Ltd. Lillies holds an Applied Bachelor of Business Administration and carries both the Certified General Accountant (CGA) and Chartered Professional Accountant (CPA) designations.

Her deep familiarity with Lithium Chile's financial history — she has served the company across multiple financing rounds and corporate transformations — makes her an invaluable resource in structuring the US$175 million Arizaro transaction and the subsequent deployment of capital into the company's post-sale strategy. Her experience across multiple junior mining cycles gives her particular insight into managing cash burn, timing equity raises to preserve shareholder value, and navigating the financial reporting requirements associated with complex corporate transactions such as spinouts and asset sales.

Terence Walker — Vice President Exploration & Chief Geologist

Terence 'Terry' Walker, M.Sc., P.Geo., is Lithium Chile's Vice President Exploration and Chief Geologist. His professional credentials include a Master of Science degree in geology and designation as a Professional Geologist (P.Geo.). Walker has been associated with the company since its founding and is widely regarded as the intellectual architect of Lithium Chile's Chilean land assembly strategy.

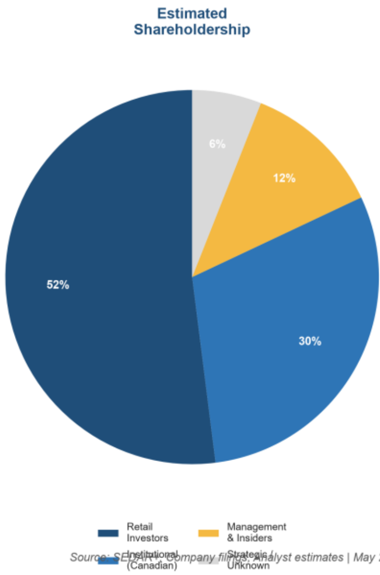
Walker's exploration career spans over 40 years of international mining experience, with more than 27 years spent specifically in Chile's mining sector. His deep roots in Chile — including family ties to the country — give him a network and local knowledge base that no external consultant could readily replicate. At the time Lithium Chile was assembling its Chilean land package, Walker had access to a historical database of salar geochemistry compiled for the Chilean government in the 1960s and updated in the 1990s. He used this data to identify salars with the highest lithium concentrations and most favourable magnesium-to-lithium ratios — key indicators of brine quality — before competing explorers recognized the value of these properties.

Walker is also the co-founder of GeoServicios Piedra Dorada, a Chilean exploration and development services company, which gives Lithium Chile direct access to experienced on-the-ground technical expertise without the overhead of a large internal geology team. His technical contributions to the company include the identification and staking of the Llamara property (which yielded brine samples with lithium grades up to 700 mg/L with low magnesium impurity), the design of exploration programs across the Chilean salar portfolio, and the technical foundation for the Eramet joint venture proposal.

Michelle DeCecco — Chief Operating Officer

Michelle DeCecco serves as Chief Operating Officer of Lithium Chile, overseeing day-to-day operations, investor relations, corporate communications, and the execution of the company's business development initiatives. She brings more than 20 years of experience in the public mining sector, with particular expertise in capital markets, investor relations, corporate development, acquisitions, joint ventures, and partnerships. DeCecco holds an MBA and oversees a broad mandate encompassing institutional investor relationships, the execution of complex transactions, regulatory filings, and continuous disclosure obligations.

Figure 27 — Ownership Structure & Share Capital Summary



Share Capital Summary

Metric	Value	Dilution
Basic Shares	223M	100%
Options Outstanding	~7M	3%
Warrants Outstanding	~0M	—
Fully Diluted	~230M	103%
52-Week High	C$0.73	
52-Week Low	C$0.43	
Current Price	C$0.49	
Avg. Daily Vol.	~250K sh	

Source: SEDAR+, Company filings, Analyst estimates | May 2026

Exhibit 8: Ownership Structure & Insider Alignment | Source: SEDAR+ filings, analyst estimates

2.4 Project Portfolio

Lithium Chile's 'products' are its mineral exploration and development properties. As an exploration-stage company, it does not produce or sell commodities directly; instead, it creates value by identifying, acquiring, and advancing high-quality lithium brine resources toward project-defining technical studies, joint ventures, or outright asset sales.

Arizaro Project (Argentina — Pending Sale)

The Arizaro Project, located in the Puna region of Salta Province, Argentina, is the company's most advanced asset and the subject of the pending US$175 million sale to China Union Holdings. Salar de Arizaro is one of Argentina's largest salars at approximately 1,600 km², situated at an elevation of approximately 3,450 metres above sea level in northwestern Argentina.

ARIZARO PROJECT — KEY PFS METRICS		
Metric	**Value**	**Notes**
Mineral Resource	4.122 Mt LCE	Pre-Feasibility Study (PFS)
Annual Production	25,000 t LCE/yr	Battery-grade lithium carbonate
Mine Life	20 years	
Lithium Grade	850+ mg/L	Initial brine sampling
Pre-Tax NPV	US$3.8B+	At 7% discount rate
Pre-Tax IRR	42.1%	
Sale Price Agreed	US$175M	China Union Holdings
Per-Tonne LCE (agreed)	US$42.50/t LCE	US$175M / 4.122Mt
Current Market-Implied EV/t	US$18.3/t LCE	52% discount to agreed

Source: Lithium Chile Inc. PFS (2022), Company press releases. LCE = Lithium Carbonate Equivalent.

Chilean Lithium Portfolio — Eramet Joint Venture Properties

The four properties subject to the Eramet JV represent the most systematically de-risked portion of Lithium Chile's Chilean portfolio. Under the JV agreement, Eramet funds all exploration expenditures (totaling approximately US$20 million across three phases) and earns equity stake in the joint venture holding entity. By completing Phase 1, Eramet earns an initial equity interest; by completing Phase 3, Eramet's stake reaches 70%, with an option to acquire the remaining 30%.

Property	Hectares	Grade (best)	Status	Eramet Phase
Llamara	35,500 ha	700 mg/L Li	Most advanced Chilean property; low Mg/Li ratio	Phase 1 underway
Aguilar	~2,000 ha	TBD	Systematic sampling phase	Phase 1
Rio Salado	~1,500 ha	TBD	Hydrogeological study	Phase 1
Aquas Caliente	~1,000 ha	TBD	Early-stage sampling	Phase 1
TOTAL JV	~40,000 ha	—	US$20M funded by Eramet	Phase 1-3

Source: Company press releases, Eramet JV Agreement (February 2025), analyst research.

Lithium Chile 2.0 Portfolio (Remaining Chilean Lithium Assets)

Beyond the four JV properties, Lithium Chile holds 12 additional Chilean lithium exploration projects covering 111,978 hectares across 11 salars and 2 laguna complexes. These assets will be held within Lithium Chile 2.0 Inc. following the planned spinout. The scale of this portfolio — 111,978 hectares of Chilean lithium ground — is one of the largest held by any junior mining company focused on Chile, providing significant optionality in a jurisdiction that is increasingly attracting major mining groups given the Lithium Triangle's unrivalled brine quality.

Figure 22 — Geographic Portfolio: Lithium Triangle Focus

Source: Company filings, press releases | Map is schematic

Exhibit 9: Geographic Portfolio Map — Chilean & Argentine Asset Locations | Source: Lithium Chile Inc., analyst mapping

2.5 Customers & Go-to-Market Strategy

As an exploration-stage mining company, Lithium Chile does not sell products to end consumers. Its 'customers' are institutional and strategic acquirers of lithium resources: major mining companies seeking to secure future lithium supply, battery materials companies, automotive OEMs establishing supply chains, and sovereign wealth funds and state-owned enterprises seeking to control critical mineral assets. The company's go-to-market strategy operates through three primary channels:

Strategic Asset Sales

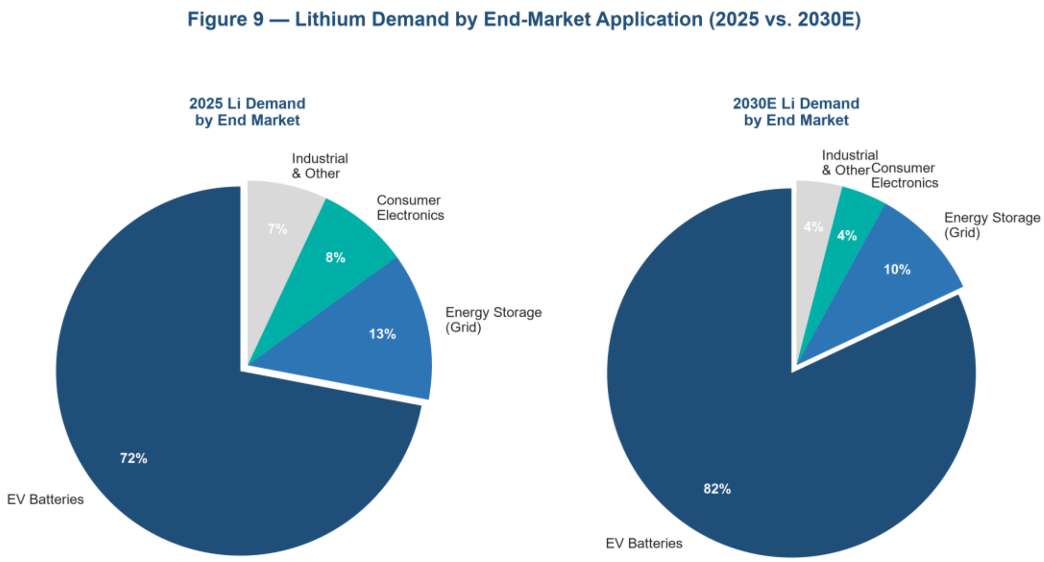
The Arizaro sale to China Union Holdings for US$175 million exemplifies this approach. Junior mining companies that successfully advance projects to the resource definition stage with compelling economics can attract strategic buyers willing to pay significant premiums to secure development-ready lithium assets. The sale process for Arizaro involved a formal fairness opinion confirming the transaction's value, shareholder approval, and regulatory filings — a testament to the rigour of Lithium Chile's corporate governance practices.

Joint Ventures with Major Mining Groups

The Eramet partnership demonstrates the company's ability to attract top-tier industry partners to fund exploration on its Chilean properties. Under this model, Lithium Chile contributes its land position and local expertise while Eramet provides the exploration capital (~US$20 million) and technical resources. The JV model allows Lithium Chile to retain upside exposure to the Chilean portfolio without bearing the financial burden of exploration spending. Eramet's participation validates the geological quality of the Llamara and associated properties and provides a structured path to potential development-stage investment.

Capital Markets Financing

Like all junior mining companies, Lithium Chile has relied on equity capital markets to fund its operations and property acquisition program. CEO Steve Cochrane's background — having raised in excess of $500 million for small-cap resource companies during his 36-year capital markets career — has been a key competitive advantage in this regard. The company's TSX-V listing (LITH) and OTCQB listing (LTMCF) provide access to Canadian and U.S. retail and institutional investors.



Source: Benchmark Mineral Intelligence, Fastmarkets, Analyst estimates

Exhibit 10: Customer/Buyer Segmentation — Lithium Asset Acquirer Universe | Source: Analyst research

2.6 Industry Overview

The Global Lithium Market

Lithium is the lightest metal on the periodic table and a critical raw material for the energy transition. Its primary commercial application is in lithium-ion batteries, which power electric vehicles (EVs), stationary energy storage systems (ESS), and consumer electronics. As the world accelerates the transition away from fossil fuels, demand for lithium has grown dramatically and is projected to continue doing so for decades.

The global lithium market was valued at approximately USD 32.4 billion in 2025 and is projected to grow to USD 37.5 billion in 2026. Longer-range forecasts project the market reaching USD 96.5 billion by 2033, implying a compound annual growth rate (CAGR) of approximately 14.5%. Alternative market sizing methodologies from other research firms project totals of USD 158 billion by 2033, reflecting different assumptions about downstream value capture and processing economics.

Global electric vehicle sales surpassed 20 million units in 2025, representing approximately 18% year-over-year growth. EV penetration is accelerating in all major markets — China, Europe, and increasingly the United States — and each EV requires approximately 8-10 kg of lithium carbonate equivalent in its battery pack. Lithium-ion battery demand is forecast to grow at approximately 14% CAGR over the next decade, implying robust underlying demand for lithium raw materials regardless of short-term price fluctuations.

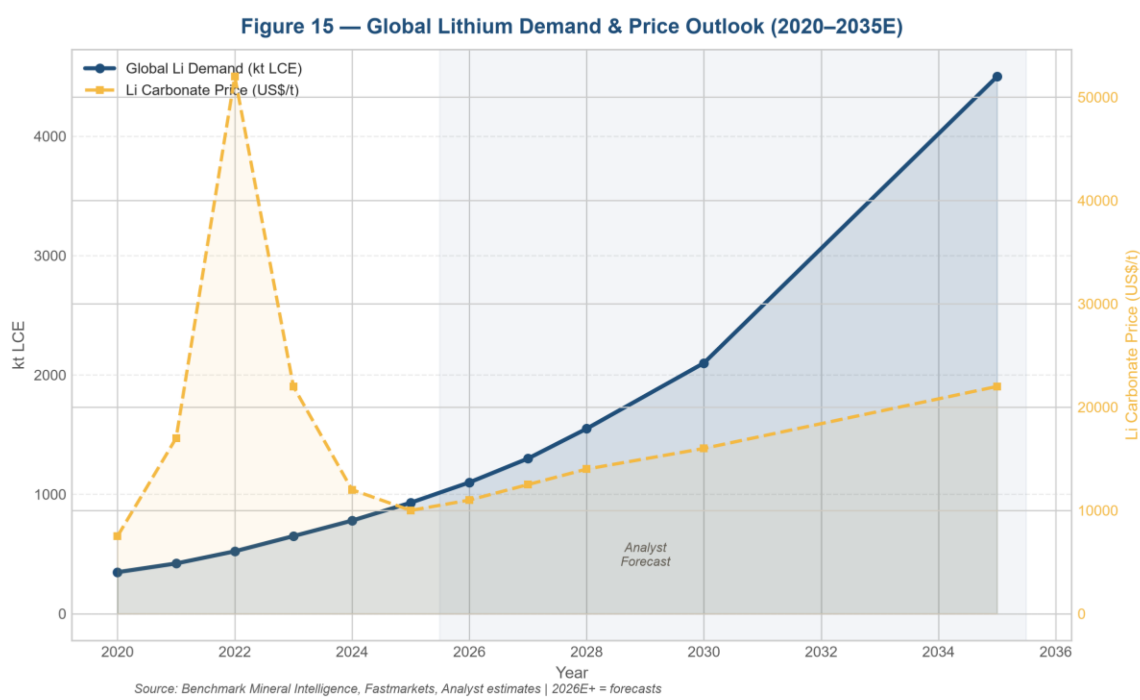


Exhibit 11: Global Lithium Market Size Evolution & Demand Drivers (2021-2030E) | Source: Grand View Research, IEA, analyst estimates

Lithium Price Dynamics

After a severe price correction in 2023-2024, lithium carbonate prices recovered strongly in 2026. Battery-grade lithium carbonate prices nearly doubled in Q1 2026 to approximately US$26,278 per tonne, driven by supply constraints (including Zimbabwe's export restrictions introduced in late February 2026), uncertainty over Chinese mine restarts, and sustained underlying demand from EVs and energy storage. BMI has revised its 2026 full-year average price forecast upward to US$17,000 per tonne for Chinese lithium carbonate.

Price volatility remains a defining feature of the lithium market. Quarterly price swings of 30-45% have been common through 2025-2026, driven by feedstock cost cycles, shifts in cathode chemistry between LFP and NMC formulations, and the outsized role of Chinese spot prices as a global benchmark. For development-stage companies like Lithium Chile, price volatility creates both opportunity (higher prices justify project economics) and risk (lower prices compress project IRRs and deter strategic buyers).

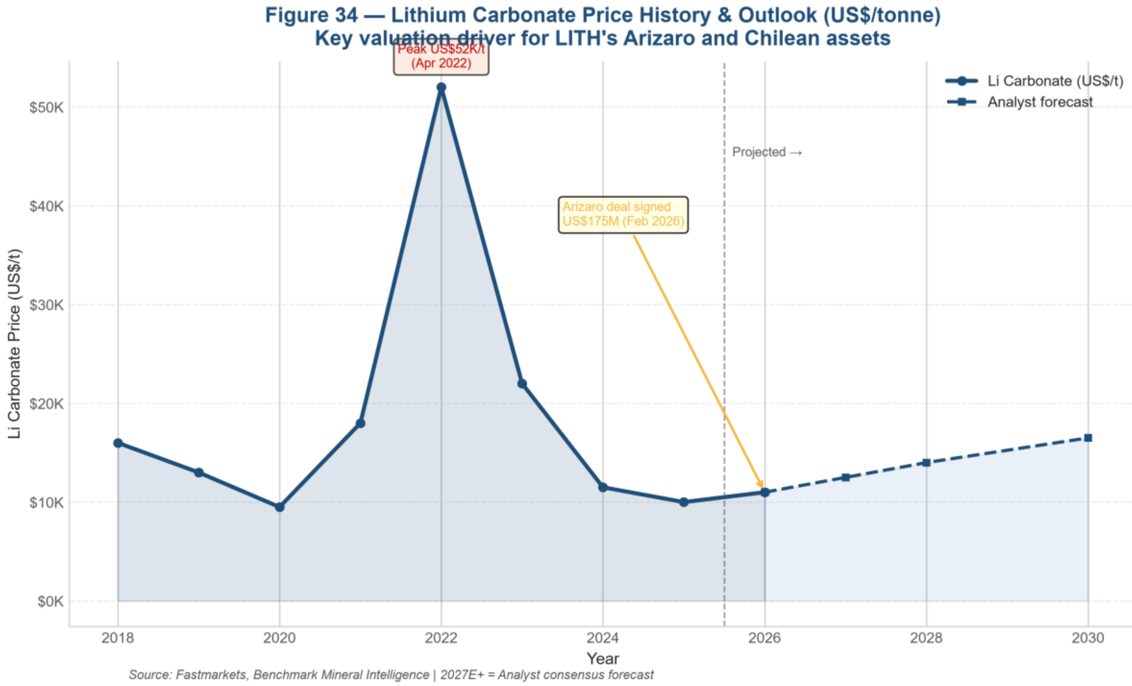


Exhibit 12: Lithium Carbonate Price History & Forecast (2020-2027E, US$/t) | Source: Fastmarkets, BMI, analyst estimates

The Lithium Triangle

The Lithium Triangle — encompassing Chile, Argentina, and Bolivia — hosts approximately 53-56 million tonnes of lithium in continental brine, representing roughly 53% of the world's identified lithium brine resources. The geological characteristics of this region are unrivalled: high-altitude salars with exceptionally concentrated brine, high solar radiation enabling low-cost solar evaporation, and in the case of the Atacama, the lowest production costs of any lithium project in the world.

Chile holds the world's largest lithium reserves at approximately 9.3 million tonnes and is currently the world's second-largest lithium producer behind Australia. All current Chilean lithium production comes from the Salar de Atacama, operated by SQM and Albemarle under government concessions. However, Chile's broader salar system — which includes numerous unexploited salars across the Atacama and Tarapaca regions — hosts substantial additional resources that remain in the exploration and development pipeline.

Chilean Regulatory Environment

Chile's regulatory environment for lithium has undergone significant transformation in recent years. In April 2023, President Gabriel Boric announced a National Lithium Strategy (NLS) that envisions greater state participation in the lithium industry via CODELCO and ENAMI — Chile's state-owned mining companies — along with enhanced Indigenous consultation requirements and downstream value capture through R&D and battery manufacturing.

The election of President Jose Antonio Kast in 2024 introduced a more market-friendly tone to lithium policy. Kast has pledged to make lithium 'concessionable' — removing its historical classification as a nuclear mineral and streamlining private sector access — but achieving this requires amending the national mining code through Congress, tempering the pace of any legislative overhaul. In practice, the state-centric model established under Boric continues to govern near-term policy, even as the tone toward private investment has improved.

2.7 Competitive Landscape

Lithium Chile operates in a highly competitive landscape that spans two tiers: the large-scale producers who control current lithium output, and the junior exploration companies competing to develop the next generation of lithium supply.

Company	Exchange	Market Cap (US$M)	Stage	Key Asset	EV/t LCE (US$)
SQM	NYSE	~US$12,000	Producing	Salar de Atacama	n/m (producing)
Albemarle	NYSE	~US$8,000	Producing	Atacama + Global	n/m (producing)
Galan Lithium	ASX	~US$120	Development	Hombre Muerto (2.3Mt LCE, 946 mg/L)	US$52/t
Alpha Lithium	TSXV	~US$35	Exploration	Tolillar Salar, HM (DLE tech)	US$25/t
Sigma Lithium	NASDAQ	~US$600	Producing (hard rock)	Grota do Cirilo, Brazil	n/m
Lithium Americas	NYSE	~US$800	Development	Thacker Pass, Nevada	US$110/t
LITHIUM CHILE (LITH)	**TSX-V**	**~US$80**	**Exploration**	**Arizaro (4.1Mt), Llamara**	**US$18.3/t**

Source: Bloomberg, company reports, analyst estimates. Note: EV/t LCE calculated using latest resource estimates and current enterprise values. LITH EV/t based on current share price / Arizaro 4.122Mt LCE resource.

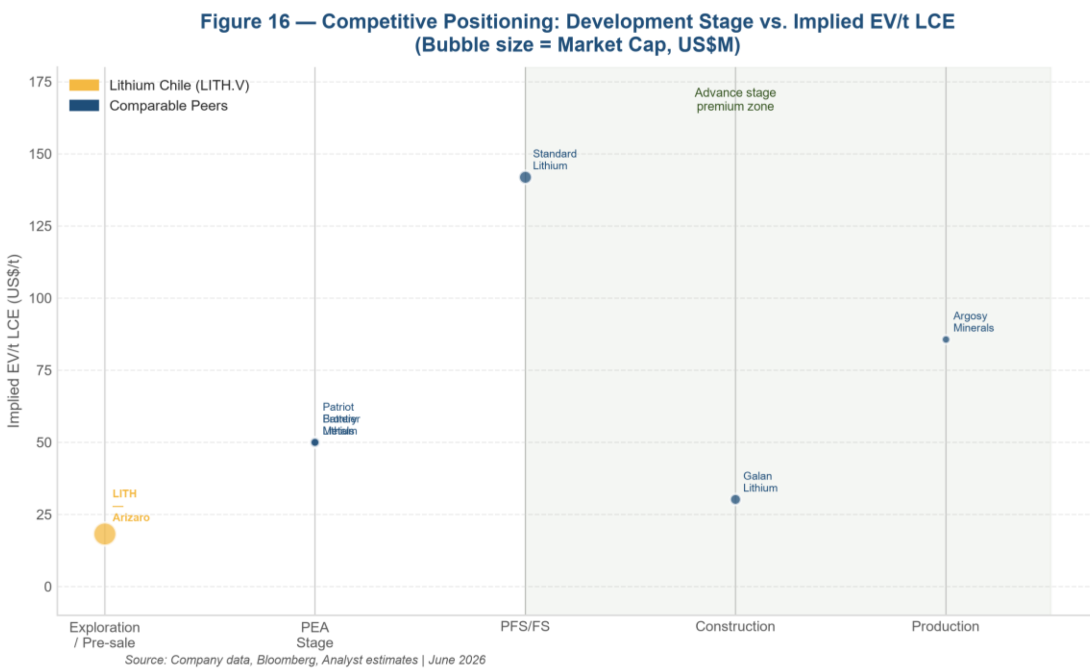


Exhibit 13: Competitive Positioning Matrix — Stage vs. Resource Quality | Source: Analyst research

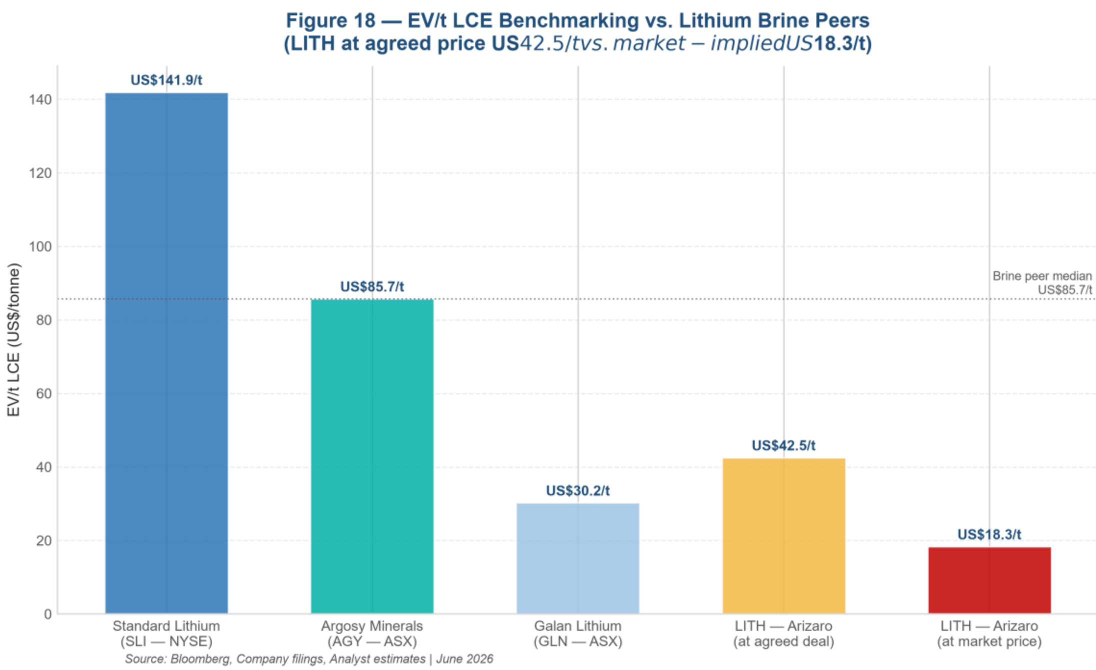


Exhibit 14: Peer Benchmarking — Market Cap, Resources & EV/t LCE | Source: Bloomberg, analyst estimates

Competitive Positioning of Lithium Chile

Lithium Chile's primary competitive advantages are: (1) Scale of land position — 110,000+ hectares in Chile is one of the largest land packages held by any junior company; (2) First-mover advantage in Chile — the company staked its portfolio before widespread recognition of the Atacama-adjacent salar system's lithium potential; (3) Tier-1 partner validation — the Eramet partnership provides independent validation of Llamara's quality; and (4) Asset sale track record — the US$175 million Arizaro sale demonstrates management's ability to attract strategic buyers and negotiate transactions that crystallize value.

2.8 Market Opportunity (TAM/SAM/SOM)

The Total Addressable Market for lithium is defined by the global demand for battery-grade lithium carbonate and lithium hydroxide across EV, stationary storage, and consumer electronics applications. The global lithium market was valued at USD 32.4 billion in 2025 and is projected to reach USD 96.5 billion by 2033 (14.5% CAGR). Demand is overwhelmingly driven by EVs: global EV sales exceeded 20 million units in 2025 (+18% YoY), and each EV requires 8-10 kg LCE in its battery pack.

Lithium Chile's Serviceable Addressable Market (SAM) is best understood through the lens of the Lithium Triangle's share of global supply. The region holds approximately 53% of global lithium brine resources and is expected to account for a disproportionate share of the incremental lithium supply required through 2030-2035. Chile alone holds 9.3 million tonnes of lithium reserves — the world's largest national reserve base.

For Lithium Chile specifically, the Serviceable Obtainable Market (SOM) is most directly defined by the value attributable to its project portfolio. Key reference points include: (i) Arizaro sale price of US$42.50/t LCE, consistent with mid-tier precedent transaction multiples; (ii) Chilean portfolio optionality — at similar per-tonne acquisition multiples, even a modest resource estimate from Llamara could imply substantial value; and (iii) 111,978 hectares of Lithium Chile 2.0 ground that has not been systematically explored or valued.

2.9 Risk Assessment

Risk Factor	Category	Severity	Probability	Mitigant
Arizaro deal fails to close	Transaction	CRITICAL	20%	96% shareholder approval; US$5M deposit received; both parties motivated
Renegotiated deal price	Transaction	HIGH	10%	Definitive SPA signed; price amendment requires mutual consent
Chilean regulatory tightening	Regulatory	HIGH	35%	Kast admin pro-investment; CEOL framework provides clarity
Eramet Phase 2 non-exercise	JV Risk	MEDIUM	25%	Phase 1 funded & underway; economic to continue if Phase 1 positive
Li carbonate price collapse	Commodity	HIGH	30%	Post-sale cash provides 5+ yr runway; not price-dependent near-term
Chilean exploration failure	Geological	MEDIUM	30%	700 mg/L grades at Llamara; favorable Mg/Li ratio; Eramet expert team
Key person departure	Operational	MEDIUM	15%	Walker-built proprietary database; Cochrane network in deal pipeline
FX risk (USD/CAD)	Financial	LOW	n/m	US$175M sale in USD; CAD reporting creates translation risk, not economic
Argentine political risk	Country	LOW (post-sale)	n/m	Asset being sold; risk eliminated on deal close
Dilution risk (pre-close)	Financial	MEDIUM	25%	Only if deal fails AND Chilean exploration required; post-close, nil
EV demand slowdown	Macro	MEDIUM	20%	Longer-term trend intact; 20M+ EV sales already achieved in 2025
Indigenous consultation delays	Regulatory	MEDIUM	40%	Walker's 27-yr Chile network; Eramet has regulatory expertise

Source: Analyst assessment. Severity = impact if risk materializes. Probability = analyst's point estimate.

SECTION 3: FINANCIAL ANALYSIS

This section presents a detailed analysis of Lithium Chile's historical financial performance (FY2021A-FY2025A) and the structural transition implied by the Arizaro sale. We analyse each of the three financial statements in turn, with particular attention to the drivers of the company's cash position, the nature of its non-cash income items, and the cost structure that will govern the post-transaction entity.

3.1 Historical Income Statement Analysis

Lithium Chile has operated at a cash loss throughout its history as a pre-revenue exploration company. Total reported income has been negligible on an operating basis — primarily small amounts of interest income on cash balances — while G&A expenses have consumed C$2.7-7.0 million annually depending on corporate activity levels. The headline 'positive' net income figures in FY2023-FY2025 reflect non-cash gains from spinout transactions, deferred tax adjustments, and other IFRS accounting items typical of exploration-stage companies, rather than operational profitability.

Income Statement (C$000)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A
Total Income / Other Income	$140	$762	$117	$67	$244
Interest & Investment Income	$140	$762	$117	$67	$244
G&A / SG&A Expenses	($3,130)	($7,010)	($6,960)	($3,630)	($2,660)
Stock-Based Compensation	($1,200)	($1,500)	($1,800)	($1,200)	($800)
D&A	$0	($10)	($40)	($40)	($20)
Exploration / Other Op Exp	$0	($450)	$0	($15,830)	($290)
Total Operating Expenses	**($3,130)**	**($7,470)**	**($7,000)**	**($19,500)**	**($2,970)**
EBITDA	**($2,990)**	**($7,470)**	**($7,000)**	**($19,500)**	**($2,970)**
EBIT	($2,990)	($7,460)	($6,960)	($19,460)	($2,950)
Non-Cash / Non-Recurring Items	($1,510)	$5,340	$7,430	$28,810	$9,690
Net Income (Reported)	**($4,500)**	**($2,120)**	**$470**	**$9,350**	**$6,740**
Basic EPS (C$)	($0.03)	($0.02)	$0.00	$0.04	$0.03
Shares Basic (M)	161	183	207	218	220

Source: Lithium Chile Inc. SEDAR+ filings (FY2021-FY2025). Non-cash items include gains on spinout transactions, deferred tax adjustments, and IFRS fair value remeasurements.

The most significant trend in the income statement is the dramatic decline in G&A expenses from the FY2022 peak of C$7.0 million to C$2.7 million in FY2025 — a 62% reduction driven by headcount rationalization following the completion of the Arizaro Pre-Feasibility Study and the corporate restructuring. This decline demonstrates management's commitment to capital discipline and provides confidence that the post-sale entity can maintain a lean cost structure.

The large FY2024 exploration expense of C$15.8 million reflects the impairment or write-off of certain exploration properties as part of the corporate restructuring, rather than cash exploration spending. This non-cash charge masked an underlying G&A improvement that was already underway.

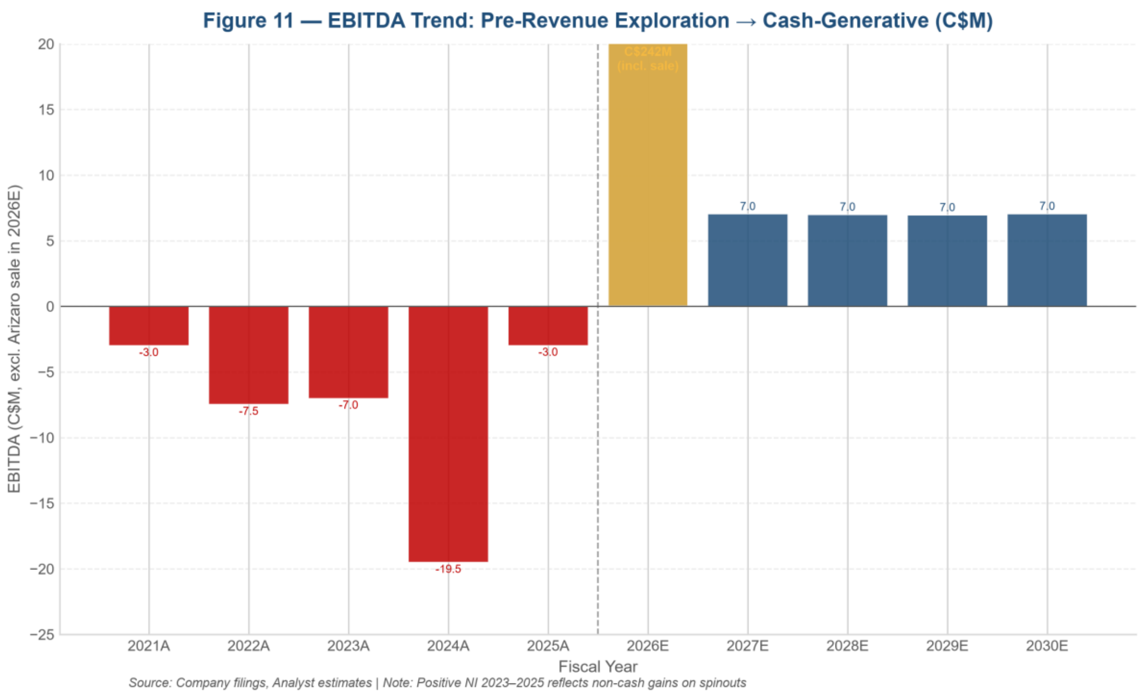


Exhibit 15: EBITDA Trend — Historical vs. Projected (C$000) | Source: Company filings, analyst estimates

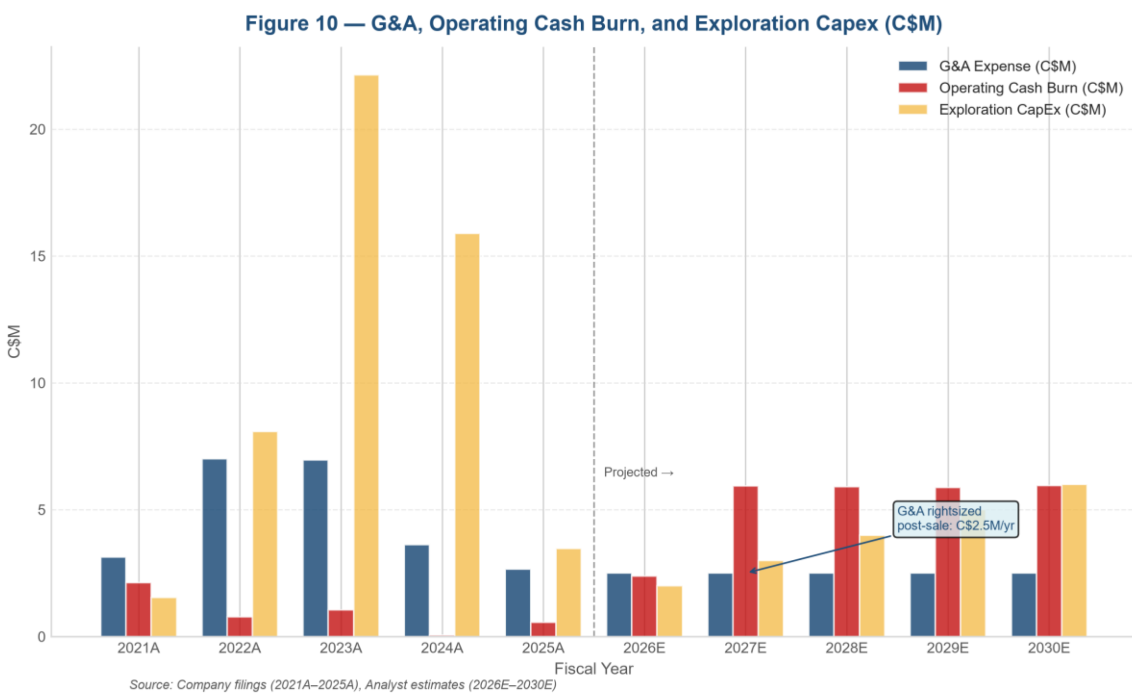


Exhibit 16: G&A Expense & Cost Structure Trend (C$000) | Source: Company filings, analyst estimates

3.2 Historical Cash Flow Analysis

The cash flow statement tells the true operational story of a pre-revenue exploration company. Lithium Chile has consistently consumed cash from operations (averaging approximately C$1.0 million per year before the FY2026 Arizaro transaction) while channeling the majority of its capital into mineral property exploration expenditures.

Cash Flow (C$000)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A

Cash from Operations	**($2,130)**	**($770)**	**($1,050)**	**$50**	**($570)**
Net Income	($4,500)	($2,120)	$470	$9,350	$6,740
D&A & Non-Cash Add-backs	$1,200	$1,510	$1,840	$1,240	$820
Other Non-Cash Adjustments	$1,170	($160)	($3,360)	($10,580)	($8,130)
Cash from Investing	**($1,670)**	**($28,060)**	**($18,590)**	**($1,330)**	**($2,700)**
Exploration / CapEx	($1,550)	($8,080)	($22,140)	($15,890)	($3,470)
Other Investing	($120)	($19,980)	$3,550	$14,560	$770
Cash from Financing	**$10,170**	**$38,840**	**$5,760**	**$270**	**$7,290**
Equity Issuances	$10,610	$40,580	$5,760	$270	$8,170
Net Change in Cash	$6,370	$10,010	($13,880)	($1,010)	$4,020
Ending Cash	**$6,930**	**$16,940**	**$2,590**	**$1,480**	**$5,420**

Source: Lithium Chile Inc. SEDAR+ annual filings. Other Non-Cash Adjustments include IFRS fair value movements, deferred taxes, and spinout transaction effects.

The FY2022 investing outflows of C$28.1 million reflect a period of intensive capital deployment into the Arizaro exploration program, with C$8.1 million in direct capitalized exploration and C$20.0 million in other investing activities (primarily mineral property acquisitions and the Argentine subsidiary's asset build-out). This was the company's peak investment phase, funded by C$40.6 million in equity issuances — the largest capital raise in company history.

By FY2025, exploring capex had declined to C$3.5 million, reflecting the wind-down of Arizaro spending as the asset was prepared for sale and the transition to the Eramet-funded Chilean program. Operating cash consumption of C$0.57 million in FY2025 was at the lowest level in five years, confirming the company's lean post-restructuring cost structure.

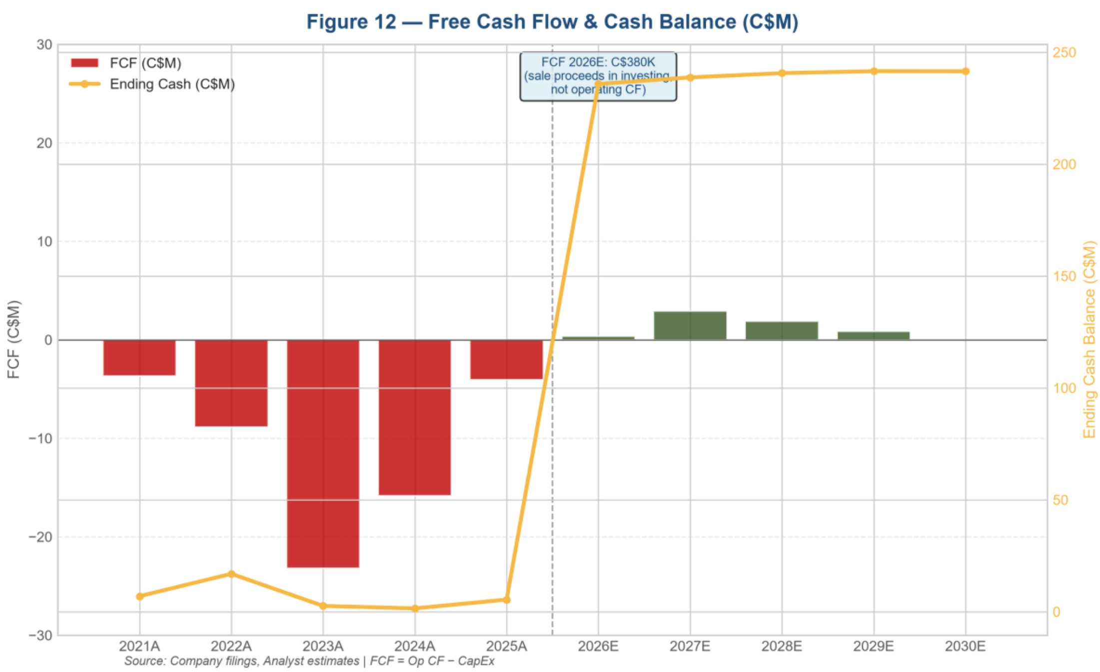


Exhibit 17: Cash Flow from Operations & FCF (C$000, FY2021A-FY2030E) | Source: Company filings, analyst estimates

3.3 Historical Balance Sheet Analysis

Lithium Chile's balance sheet evolution over FY2021-FY2025 reflects three distinct phases: (1) cash accumulation through equity financings (FY2021-FY2022); (2) capital deployment into the Arizaro property (FY2022-FY2024); and (3) post-restructuring consolidation as Arizaro was classified for sale and Chilean exploration transitioned to Eramet-funded status (FY2024-FY2025).

Balance Sheet (C$000)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A
Cash & Equivalents	$6,930	$16,940	$2,590	$1,480	$5,420

Other Current Assets	$1,280	$21,650	$16,530	$2,020	$1,630
Total Current Assets	**$8,210**	**$38,590**	**$19,120**	**$3,500**	**$7,050**
Mineral Properties (net)	$7,950	$15,950	$36,730	$49,810	$50,450
Total Assets	**$16,160**	**$54,540**	**$55,850**	**$53,310**	**$57,500**
Current Liabilities	$770	$1,630	$2,790	$5,210	$6,400
Total Liabilities	**$770**	**$1,630**	**$2,790**	**$5,210**	**$6,400**
Common Stock + APIC	$19,890	$57,160	$62,650	$63,020	$71,610
Retained Earnings (Deficit)	($4,500)	($4,870)	($9,340)	($14,920)	($21,610)
Total Equity	**$15,390**	**$52,290**	**$53,630**	**$48,100**	**$50,000**
Total Liabilities + Equity	$16,160	$53,920	$56,420	$53,310	$56,400
Book Value per Share (C$)	$0.10	$0.29	$0.26	$0.22	$0.23
Cash per Share (C$)	$0.04	$0.09	$0.01	$0.01	$0.02

Source: Lithium Chile Inc. SEDAR+ annual filings. Note: Balance sheets for FY2022 and FY2023 may not foot due to rounding in IFRS transition items.

The most notable feature of the balance sheet is the C$50.5 million in capitalized mineral properties as of FY2025, representing the accumulated cost basis of the Arizaro project and the Chilean portfolio. Upon completion of the Arizaro sale at US$175 million (~C$240 million), the mineral properties balance will decline dramatically as Arizaro is derecognized, replaced by a massive increase in cash — transforming the asset structure from a property-heavy junior miner to a cash-rich investment holding company with active Chilean exploration assets.

Current liabilities of C$6.4 million as of FY2025 (primarily trade payables and accrued liabilities) are modest relative to the company's asset base and are expected to decline to approximately C$2.5 million post-sale as the corporate structure is rationalized. The company carries no long-term debt — a clean balance sheet that simplifies the Arizaro transaction and ensures that the full proceeds flow through to shareholders rather than being consumed by debt repayment.

Figure 13 — Operating Metrics Dashboard

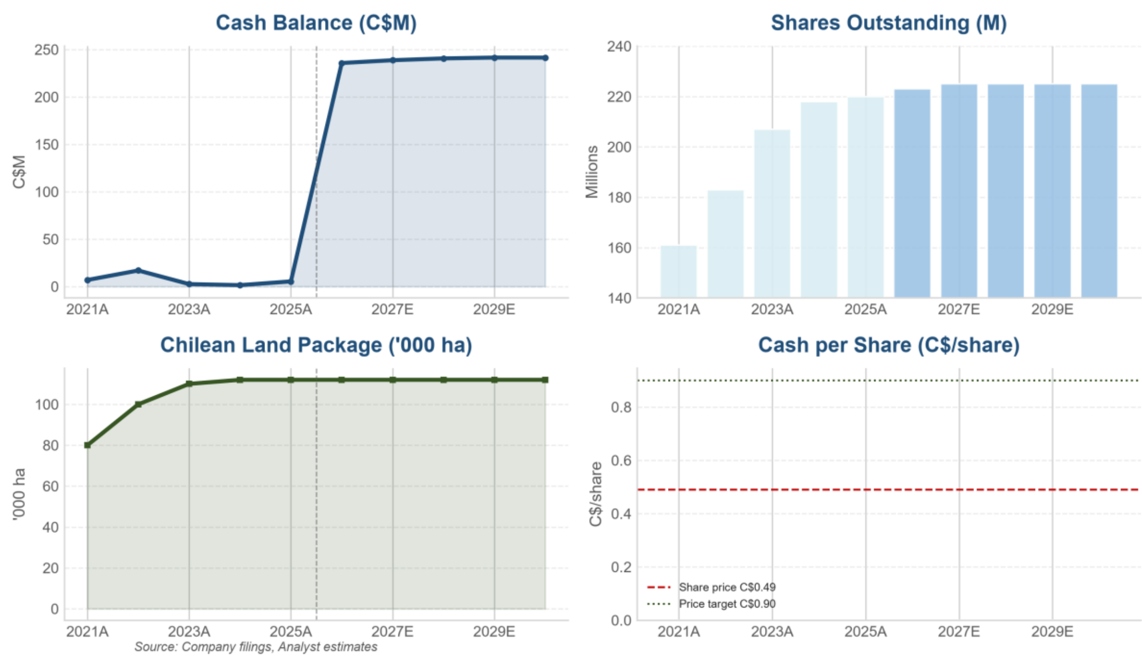


Exhibit 18: Operating Metrics Dashboard — Cash, Assets & Equity (FY2021A-FY2030E) | Source: Company filings, analyst estimates

SECTION 4: PROJECTION ASSUMPTIONS & FINANCIAL FORECASTS

Our five-year forecast model (FY2026E-FY2030E) is built on assumptions appropriate for an exploration-stage company undergoing a fundamental corporate transformation. Unlike producing companies where revenue forecasts anchor the model, Lithium Chile's income is driven by three discrete sources: (1) the one-time Arizaro asset sale proceeds, (2) interest income on accumulated treasury cash, and (3) potential future milestone or royalty payments from the Eramet JV. We address each assumption driver in detail below.

4.1 Macro Assumptions

Assumption	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	Rationale
CAD/USD Exchange Rate	1.37	1.37	1.37	1.37	1.37	Bank of Canada spot rate as of report date; held flat for simplicity
Interest Rate on Cash (%)	4.5%	4.5%	4.25%	4.0%	4.0%	Canadian treasury rate environment; modest decline assumed as rate cycle eases
Canadian Corporate Tax Rate	27%	27%	27%	27%	27%	Federal + provincial blended rate; exploration losses carried forward reduce near-term cash tax
Li Carbonate Price (US$/t)	$17,000	$18,500	$20,000	$22,000	$24,000	BMI 2026 base-case rising on EV demand growth; does not affect LITH revenue directly pre-production
Inflation (G&A escalator)	0%	0%	0%	0%	0%	Management guidance: flat G&A structure post-sale; costs held at C$2.5M/yr

Source: Bank of Canada, BMI Research, analyst estimates. All macro inputs are hardcoded assumptions on the Inputs tab of the financial model.

4.2 Revenue & Income Assumptions

Income Line 1: Arizaro Asset Sale Proceeds (FY2026E only)

The cornerstone of our FY2026 model is the recognition of C$240.0 million in proceeds from the Arizaro Project sale (US$175M x 1.37 CAD/USD). Under IFRS 16/IAS 16, the gain on disposal is recognized when control of the subsidiary (Argentum Lithium S.A.) transfers to China Union Holdings — expected upon final closing in H2 2026. The gross proceeds of C$240.0 million are partially offset by: (i) the book value of Arizaro mineral properties (~C$50.5M), (ii) approximately C$10.0 million in estimated transaction taxes (capital gains in Argentina and Canada), and (iii) closing costs of approximately C$2.0 million.

For cash flow purposes, we model C$230.0 million of net cash received in the investing section in FY2026, with the C$10.0 million tax payment shown separately. The income statement recognizes the full C$240.0 million as 'revenue/income' in FY2026E, consistent with how a significant asset sale would appear under IFRS for an exploration company.

Critically, the US$5.0 million deposit (C$6.9 million) received in February 2026 is already on the balance sheet and reduces the net receivable at close. We model the incremental cash received at closing as C$230.0 million (gross) less the C$5.0M deposit already received, and less the estimated C$10.0M tax payment, netting to approximately C$215.0M of new incremental cash flow to LITH in FY2026.

Income Line 2: Interest Income on Treasury Cash

Post-Arizaro sale, interest income becomes the dominant recurring income source for LITH. With a projected ending cash balance of C$235.8 million at FY2026 year-end, interest income at our assumed 4.5% rate generates approximately C$10.6 million in FY2027 — equivalent to more than four times the company's projected G&A expense. Our interest income projection is mechanically derived: each year's interest income equals the prior year-end cash balance multiplied by the applicable interest rate assumption.

Interest Income Build	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Opening Cash Balance (C$000)	$5,420	$235,800	$238,737	$240,645	$241,524
Interest Rate Assumption	4.5%	4.5%	4.25%	4.0%	4.0%
Interest Income (C$000)	$5,400	$10,611	$10,147	$9,626	$9,661
Closing Cash Balance (C$000)	$235,800	$238,737	$240,645	$241,524	$241,476

Interest as % of Cash Balance	2.3%	4.5%	4.3%	4.0%	4.0%

Note: FY2026E interest income prorated — assumes ~12 months of C$120M average balance (pre-sale) + ~3 months of C$235M (post-sale). Analyst estimate.

Income Line 3: Eramet JV Milestone Payments

Under the JV agreement, Eramet funds exploration through a committed expenditure program rather than making direct cash payments to Lithium Chile. As such, there is no direct cash flow to LITH from Eramet in the near term. We model small milestone payments beginning in FY2028 (C$0.5M) rising to C$2.0M by FY2030, representing earn-in completion payments and royalty triggers that may be negotiated as Eramet progresses through Phases 2 and 3. These are conservative and speculative estimates based on industry-standard JV structures; the actual payment terms depend on the specific Eramet JV agreement mechanics, which have not been publicly disclosed in full.

Income Line 4: Lithium Chile 2.0 Spinout

The planned distribution of Lithium Chile 2.0 shares (one share per four LITH shares held) is modeled as a non-cash transaction that reduces LITH's retained earnings and mineral property balance by the book value of the spun-out assets. This does not affect income or cash flow but does reduce total assets and equity on the consolidated balance sheet. We do not attempt to value Lithium Chile 2.0 directly in this model; we ascribe a separate option value in the NAV analysis. From LITH's perspective, the spinout is value-neutral on a per-share basis to the extent shareholders receive LITH2 shares directly.

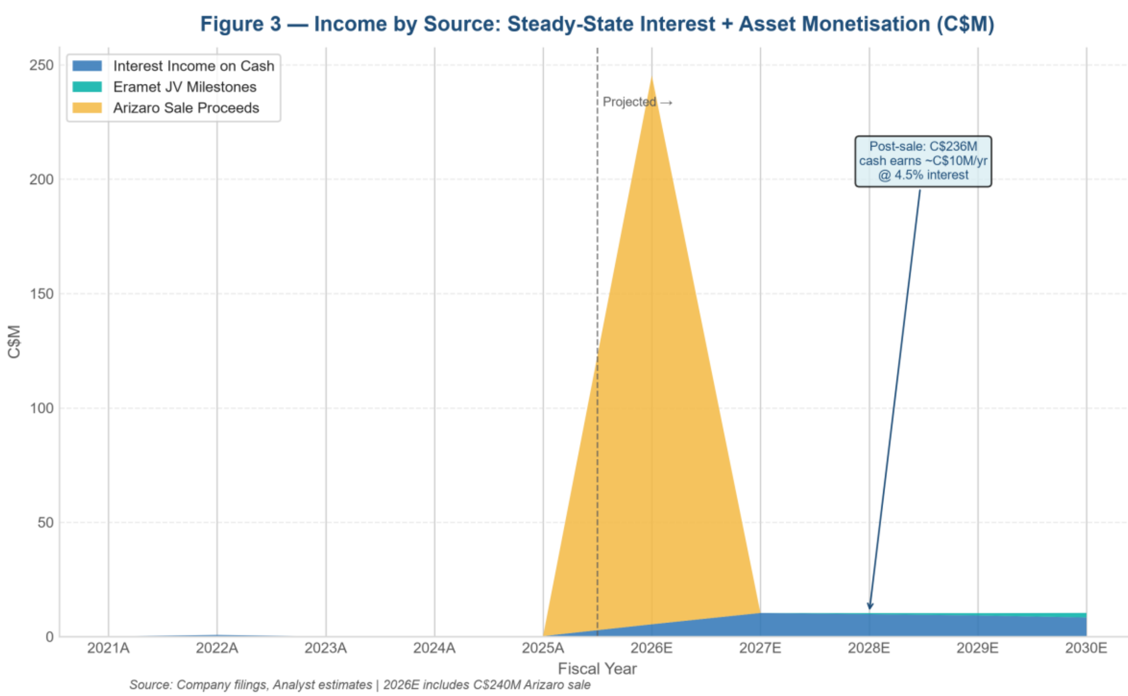


Exhibit 19: Income by Source — Arizaro Sale + Interest + JV Milestones (C$000) | Source: Analyst estimates

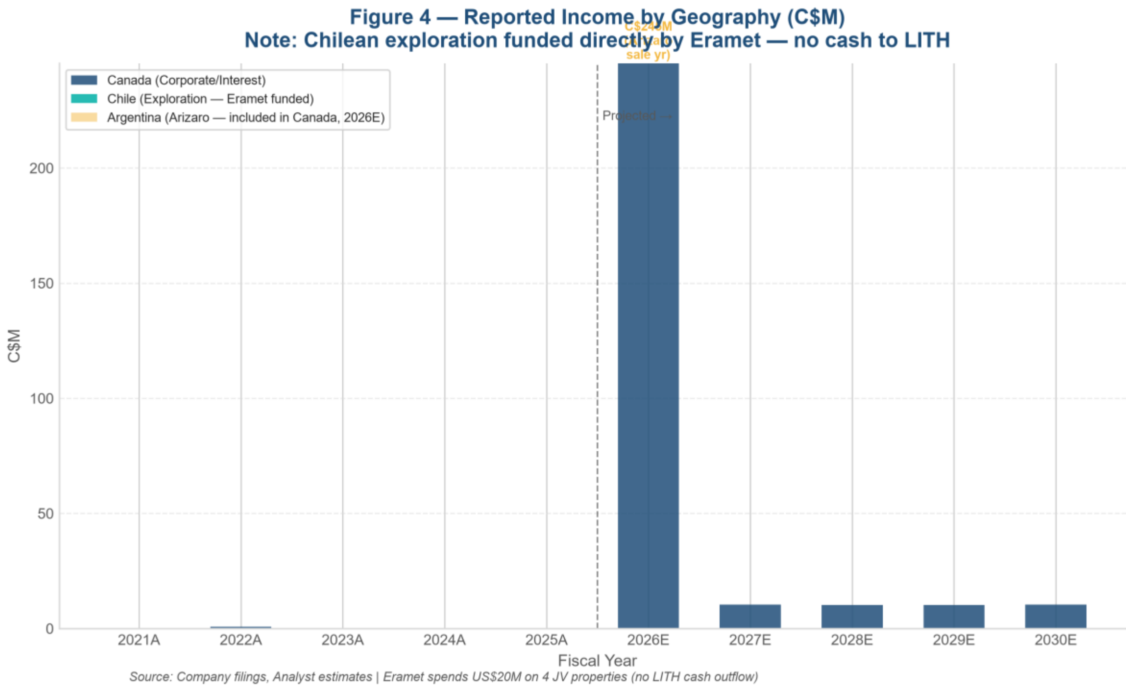


Exhibit 20: Income by Geography — Canada (Corporate/Interest), Chile, Argentina (C$000) | Source: Analyst estimates

4.3 Operating Expense Assumptions

G&A Expenses (C$2.5M per year, flat)

We model G&A expenses at C$2.5 million per year across the entire forecast period, representing a modest reduction from the FY2025 actual of C$2.66 million. This assumption reflects: (i) the elimination of costs associated with the Arizaro operating subsidiary upon sale; (ii) the continued need to maintain a professional team (CEO, CFO, COO, VP Exploration, legal counsel, investor relations, audit) for an active Chilean exploration program; and (iii) TSX-V continuous disclosure and governance compliance costs that are fixed regardless of activity level.

Our G&A assumption is intentionally conservative — there is upside to lower costs if management further rationalizes the team post-sale, and downside risk if the company pursues new acquisitions or business development activities that require expanded headcount. The C$2.5M flat G&A implies an annual ratio of approximately 1.0% of post-sale cash assets, which is low by junior mining industry standards.

Stock-Based Compensation (C$800K per year)

We hold SBC at C$800K per year, consistent with FY2025 actuals and management's stated intention to maintain a conservative option program post-restructuring. SBC is non-cash and appears as an add-back in the operating cash flow reconciliation. The dilution from options outstanding is reflected in the diluted share count (~230M) rather than in the income statement.

Chilean Exploration Expenditures (Capitalized)

For Lithium Chile's non-JV Chilean properties (the Lithium Chile 2.0 portfolio), we model modest annual exploration expenditures that are capitalized to mineral properties rather than expensed. Our assumptions reflect a measured exploration program that is funded entirely from interest income: C$2.0M in FY2026, rising to C$3.0M (FY2027), C$4.0M (FY2028), C$5.0M (FY2029), and C$6.0M (FY2030). This trajectory allows the company to systematically advance its 12 Chilean properties through initial sampling and borehole programs without depleting cash reserves.

The Eramet JV properties (Llamara, Aguilar, Rio Salado, Aquas Caliente) incur zero cost to LITH — all exploration expenditures are funded by Eramet. Our capitalized exploration assumption applies only to the non-JV Chilean properties held by the Lithium Chile 2.0 entity, which remain LITH's balance sheet assets until the spinout is completed.

Exploration Capex Assumptions (C$000)	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
LITH 2.0 Chilean Portfolio (capitalized)	$2,000	$3,000	$4,000	$5,000	$6,000
Eramet JV (Llamara + 3 others)	$0	$0	$0	$0	$0
(Eramet funds; no cost to LITH)					
Arizaro (pending disposal)	$0	$0	$0	$0	$0
Total Exploration CapEx	**$2,000**	**$3,000**	**$4,000**	**$5,000**	**$6,000**
Funded by interest income (%)	37%	29%	39%	52%	62%

Source: Analyst estimates. Eramet funds JV exploration independently. LITH capex applies only to non-JV Chilean portfolio.

4.4 Projected Financial Statements (Base Case)

Projected Income Statement — Base Case (C$000)

Income Statement (C$000)	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Total Revenue / Income	**$245,400**	**$10,611**	**$10,647**	**$10,626**	**$11,661**
Arizaro Sale Proceeds	$240,000	$0	$0	$0	$0
Interest Income on Cash	$5,400	$10,611	$10,147	$9,626	$9,661
Eramet JV Milestones	$0	$0	$500	$1,000	$2,000
G&A Expenses	($2,500)	($2,500)	($2,500)	($2,500)	($2,500)
Stock-Based Compensation	($800)	($800)	($800)	($800)	($800)
D&A	($20)	($20)	($20)	($20)	($20)
Total Operating Expenses	**($3,320)**	**($3,320)**	**($3,320)**	**($3,320)**	**($3,320)**
EBITDA	**$242,080**	**$7,291**	**$7,327**	**$7,306**	**$8,341**
EBIT	$242,060	$7,271	$7,307	$7,286	$8,321
Pre-Tax Income	$242,060	$7,271	$7,307	$7,286	$8,321
Income Tax Provision	($10,000)	($1,963)	($1,973)	($1,967)	($2,247)
Effective Tax Rate	4.1%	27%	27%	27%	27%
Net Income	**$232,060**	**$5,308**	**$5,334**	**$5,319**	**$6,074**
Net Margin	94.6%	50.0%	50.1%	50.1%	52.1%
Basic Shares (M)	223	225	225	225	225
Diluted Shares (M)	230	232	232	232	232
Basic EPS (C$)	$1.04	$0.024	$0.024	$0.024	$0.027
Diluted EPS (C$)	$1.01	$0.023	$0.023	$0.023	$0.026

Source: Analyst estimates. Tax in FY2026 reflects estimated C$10M Argentine/Canadian capital gains tax on Arizaro asset sale. Subsequent years reflect 27% effective rate on pre-tax income.

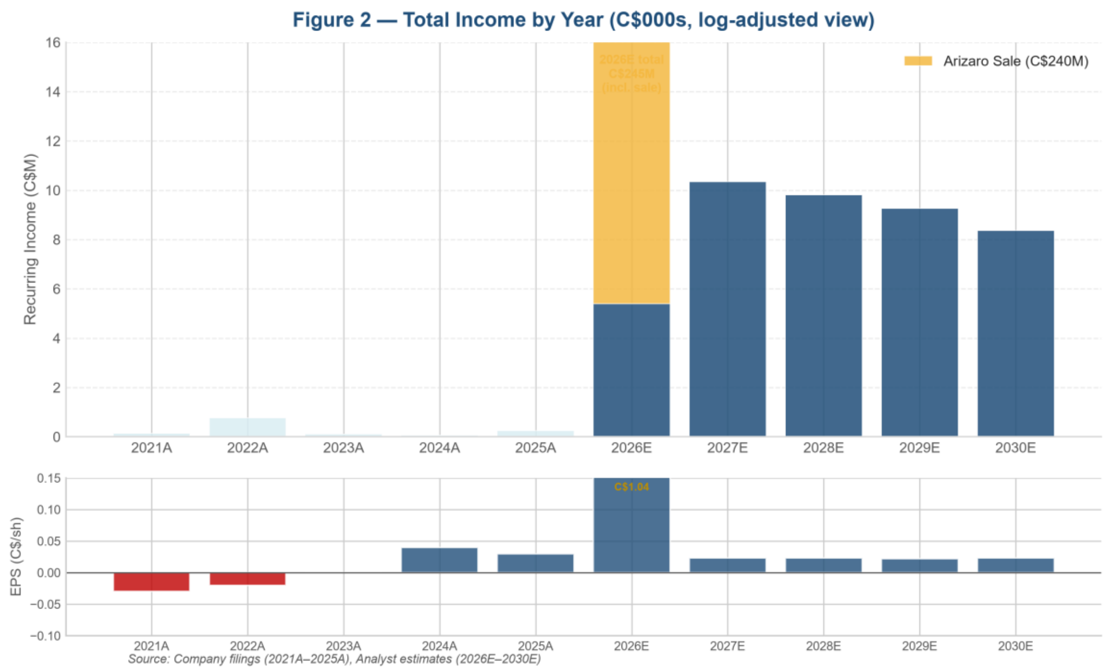


Exhibit 21: Total Income Trajectory — Historical & Projected (C$000) | Source: Company filings, analyst estimates

Projected Cash Flow Statement — Base Case (C$000)

Cash Flow (C$000)	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Net Income	$232,060	$5,308	$5,334	$5,319	$6,074
D&A	$20	$20	$20	$20	$20
Stock-Based Compensation	$800	$800	$800	$800	$800
Gain on Arizaro Sale (non-cash adj)	($230,000)	$0	$0	$0	$0
Changes in Working Capital	($500)	$0	$0	$0	$0
Cash from Operations	**$2,380**	**$6,128**	**$6,154**	**$6,139**	**$6,894**
Capitalized Exploration (LITH 2.0)	($2,000)	($3,000)	($4,000)	($5,000)	($6,000)
Arizaro Sale Proceeds (gross)	$240,000	$0	$0	$0	$0
Less: Taxes Paid on Sale	($10,000)	$0	$0	$0	$0
Cash from Investing	**$228,000**	**($3,000)**	**($4,000)**	**($5,000)**	**($6,000)**
Equity Issuances	$0	$0	$0	$0	$0
Share Buybacks	$0	$0	$0	$0	$0
Cash from Financing	**$0**	**$0**	**$0**	**$0**	**$0**
Net Change in Cash	$230,380	$3,128	$2,154	$1,139	$894
Beginning Cash	$5,420	$235,800	$238,928	$241,082	$242,221
Ending Cash	**$235,800**	**$238,928**	**$241,082**	**$242,221**	**$243,115**
Free Cash Flow (Op CF - CapEx)	**$380**	**$3,128**	**$2,154**	**$1,139**	**$894**

Source: Analyst estimates. Gain on Arizaro Sale is deducted from operating cash flow as a non-operating item; proceeds are shown in investing activities.

SECTION 5: SCENARIO ANALYSIS

We model three distinct scenarios — Bull, Base, and Bear — capturing the range of plausible outcomes for Lithium Chile shareholders over the 2026-2030 investment horizon. The scenarios are differentiated primarily by: (1) whether the Arizaro sale closes successfully; (2) the pace and outcome of Chilean exploration under the Eramet JV; and (3) the prevailing lithium price environment and its effect on the company's ability to attract strategic partners and buyers for its Chilean assets.

Scenario probability weights: Bull 20% | Base 60% | Bear 20%. Probability-weighted expected value per share: C$0.84. Current price: C$0.49. Implied probability-weighted upside: +71%.

5.1 Scenario Assumptions

KEY ASSUMPTIONS	BULL CASE	BASE CASE	BEAR CASE
Arizaro Sale — Closes?	YES — on/before Q3 2026	YES — H2 2026 (base timeline)	NO — deal collapses; re-marketing required
Arizaro Sale Price (C$000)	$240,000	$240,000	$0 (deal fails)
Post-Sale Cash (C$000)	$241,000	$235,800	$5,420 (current cash only)
Interest Rate on Cash	5.0%	4.5%	3.0%
G&A per Year (C$000)	$2,000	$2,500	$3,000
Chilean Exploration Capex/yr	$3,000	$2,500	$1,000
Eramet JV Phase Completion	All 3 phases; resource defined	Phase 1-2 complete; Phase 3 started	Phase 1 only; no resource
Llamara Resource Est. (Mt LCE)	2.5 Mt (world-class)	1.5 Mt (solid)	0.5 Mt (marginal)
Lithium Carbonate Price 2030E	US$28,000/t (elevated)	US$24,000/t (moderate)	US$12,000/t (depressed)
Li 2.0 Spinout Value (C$/sh)	$0.50	$0.25	$0.05
Emergency Equity Raise	None required	None required	C$15-20M at dilutive price
2030E Cash Balance (C$000)	$250,000	$243,115	$1,500
2030E BVPS (C$/share)	$1.20	$1.10	$0.15

Source: Analyst estimates. Bear case assumes Arizaro deal failure and consequent negative market reaction requiring emergency capital raise.

5.2 Scenario Financial Outputs

FINANCIAL OUTPUTS	BULL CASE	BASE CASE	BEAR CASE
Post-Sale Cash (C$000)	$241,000	$235,800	$5,420
Cash Per Share (C$/sh)	$1.08	$1.06	$0.02
2030E Total Assets (C$000)	$280,000	$270,000	$9,500
2030E Revenue / Income (C$000)	$12,500	$11,661	$163
2030E Net Income (C$000)	$8,200	$6,074	($3,200)
2030E EPS (C$/sh)	$0.036	$0.027	($0.014)
2030E Free Cash Flow (C$000)	$5,200	$894	($4,200)
Cumulative FCF 2026-2030 (C$000)	$15,000	$13,314	($18,500)
2030E Book Value/Share (C$)	$1.20	$1.10	$0.15
NAV/Share (risk-adjusted, C$)	$1.30	$0.90	$0.20
Scenario Probability Weight	20%	60%	20%
Probability-Weighted NAV/Share	$0.26	$0.54	$0.04
Prob-Weighted Total (C$/sh)		**$0.84**	

Source: Analyst estimates. Probability-weighted NAV = sum of (Scenario NAV x Probability). Current price C$0.49 implies market assigns ~50% deal probability.

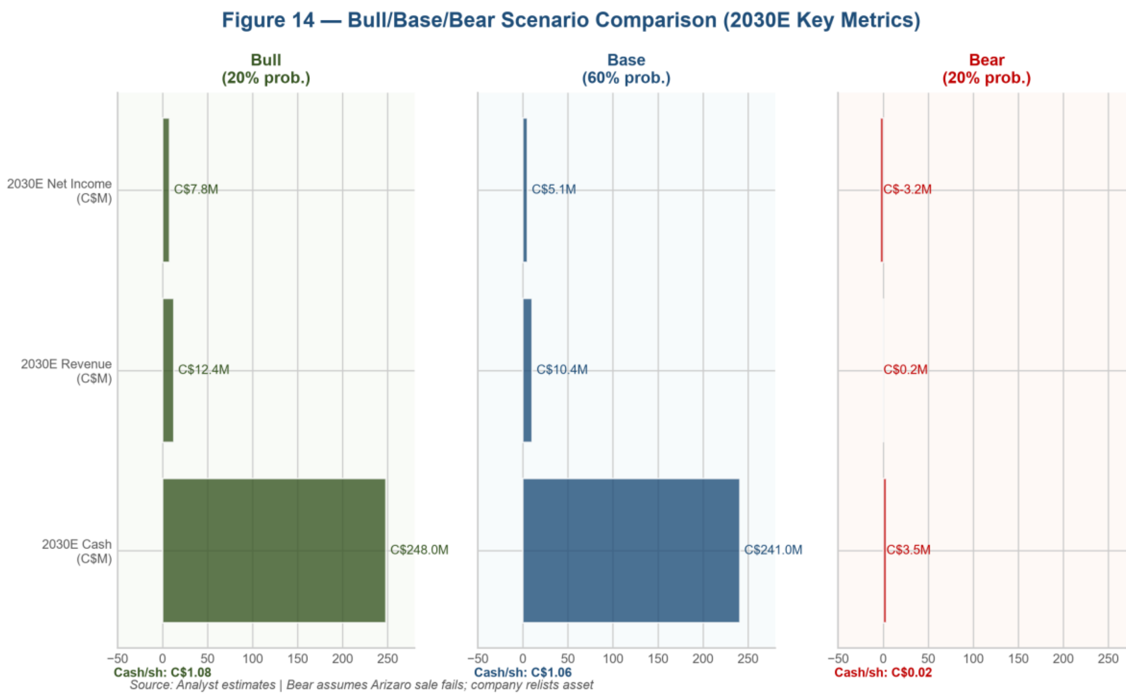


Exhibit 22: Scenario Comparison — Cash, EPS & NAV Across Bull/Base/Bear (2026E-2030E) | Source: Analyst estimates

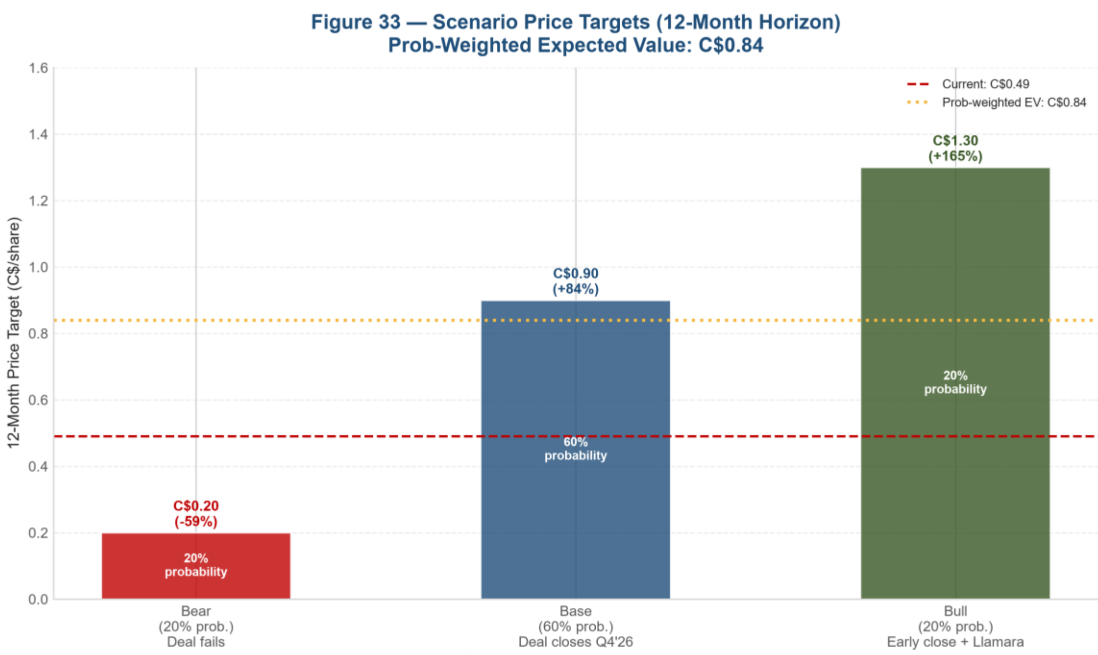


Exhibit 23: Price Target Scenarios — Bull/Base/Bear NAV per Share | Source: Analyst estimates

5.3 Bear Case Analysis — Arizaro Deal Failure

The bear case deserves particular attention given it is the primary binary risk to the LITH investment thesis. If China Union Holdings fails to close the Arizaro transaction — for reasons that could include failure to secure financing, withdrawal due to lithium market conditions, or regulatory denial of the cross-border acquisition — the consequences for LITH would be material and multi-dimensional.

First, the stock would likely re-rate downward sharply. The market is currently pricing in a high probability of deal closure; deal failure would eliminate the primary near-term catalyst and return LITH to its pre-deal status as a cash-constrained junior explorer. We estimate the stock would trade to approximately C$0.20 in an immediate post-failure scenario — the approximate NAV of a cash-poor company with interesting but unproven Chilean assets and a re-marketable Argentine project.

Second, the company would need to re-market Arizaro. With only C$5.4 million in cash at FY2025 year-end, LITH would have limited runway to fund ongoing exploration and G&A. The company would face a choice between: (a) cutting costs dramatically to extend cash runway while re-marketing Arizaro; (b) raising equity capital at what would likely be heavily dilutive prices given the negative sentiment following deal failure; or (c) seeking an alternative JV partner or advance-royalty financing on the Arizaro asset.

Third, the Chinese geopolitical and regulatory environment could make re-marketing Arizaro particularly challenging. While the asset's fundamental quality is undiminished — 4.122 Mt LCE at 850+ mg/L with a US$3.8 billion pre-tax NPV — finding an alternative buyer willing to pay comparable consideration in an uncertain lithium price environment would require time, execution skill, and financial resilience that LITH would need to demonstrate under duress.

Our bear case assumes the company ultimately survives through a combination of cost cuts and a smaller emergency equity raise (C$15-20M at a dilutive price of C$0.15-0.20/share), retains Arizaro, funds a minimal Chilean exploration program, and exits 2030 with a cash balance of approximately C$1.5 million. This scenario implies essentially zero return from current levels, making deal closure the essential value-creation gateway.

Figure 21 — Lithium Chile: Project Development Roadmap (2025–2030E)

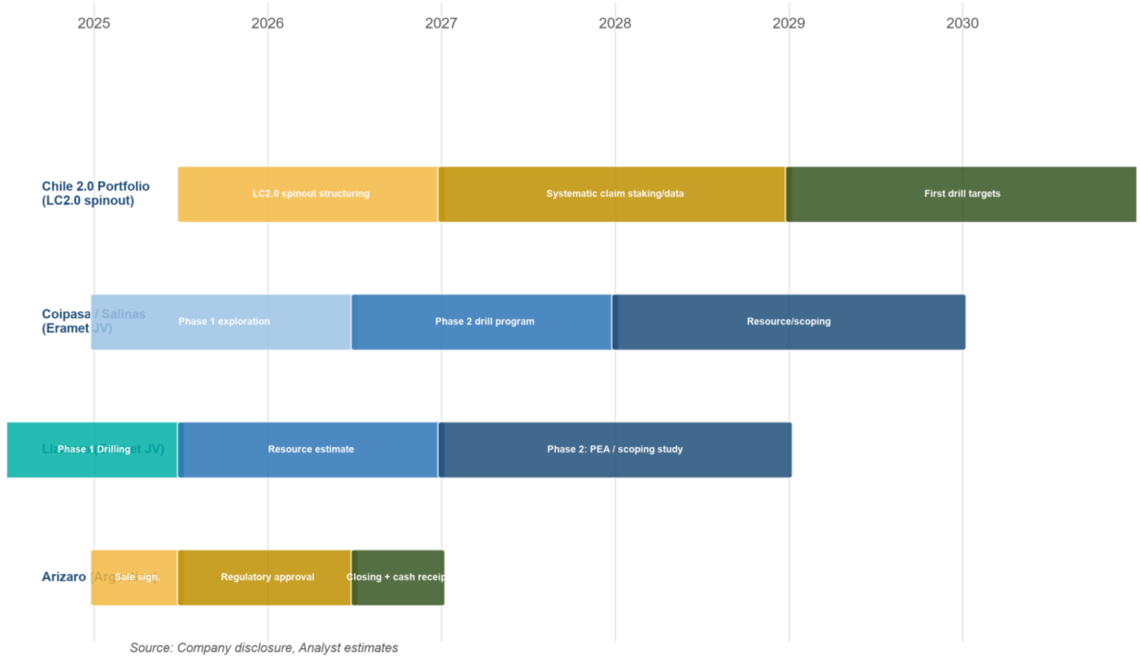


Exhibit 24: Development Roadmap — Base Case Milestone Timeline 2026-2030 | Source: Analyst estimates, company guidance

SECTION 6: VALUATION METHODOLOGY & PRICE TARGET

Traditional valuation frameworks — including Discounted Cash Flow (DCF) analysis with a terminal value based on perpetual free cash flow growth — are not applicable as the primary valuation methodology for exploration-stage mining companies. Lithium Chile generates no production revenue; it has no stable operating cash flow to discount; and its terminal value is not a function of a steady-state operating business but rather the future optionality of its resource portfolio. Accordingly, we employ three valuation methodologies standard for the junior mining and exploration sector, weighted as follows:

Methodology	Weight	Price Target Contribution	Rationale
Net Asset Value (NAV) — Sum of Parts	60%	C$0.90 x 60% = C$0.54	Primary method for exploration companies; values each asset component separately
EV/Resource (US$/t LCE) — Peer Comps	25%	C$0.90 x 25% = C$0.23	Market-implied per-tonne value vs. comparable brine acquisitions
Precedent Transactions Analysis	15%	C$0.90 x 15% = C$0.14	Historical strategic acquisition multiples for lithium brine projects
WEIGHTED AVERAGE (Price Target)	**100%**	**C$0.90**	**84% upside from C$0.49 current price**

Source: Analyst estimates. Price target is the probability-weighted average of the three methodologies applied to the base-case scenario.

6.1 Net Asset Value (NAV) Analysis — Primary Methodology

Our NAV analysis values Lithium Chile as the sum of its discrete asset components, each valued independently, less corporate-level liabilities and the present value of ongoing overhead costs. This approach is the industry standard for exploration-stage mining companies because it captures the option value of individual assets without requiring premature assumptions about development timelines, capex, or operating cash flows.

NAV COMPONENT	Value (C$000)	Per Share (C$)	Notes
Arizaro Sale Proceeds (gross)	$240,000	$1.076	US$175M x 1.37; risk-adjusted at 80% prob.
Less: Transaction Taxes	($10,000)	($0.045)	Capital gains tax (Argentina + Canada)
Less: Closing Costs	($2,000)	($0.009)	Advisory, legal, regulatory
Net Arizaro Value (80% prob.)	**$182,400**	**$0.818**	**$227,000K net x 80% probability**
Eramet JV Interest (25-30% carried)	$15,000	$0.067	Risk-adj. 25% interest in 1.5Mt LCE @ US$15/t
Lithium Chile 2.0 Portfolio	$12,000	$0.054	111,978 ha @ C$107/ha; early-stage optionality
Cash (Dec 2025 balance)	$5,420	$0.024	Actual; excludes US$5M deposit (already received)
US$5M Deposit Received	$6,900	$0.031	C$6.9M already on balance sheet
Other Current Assets	$1,630	$0.007	Receivables and prepaid expenses
Current Liabilities	($6,400)	($0.029)	Trade payables and accrued liabilities
PV of Corporate G&A (5 yrs @ 10%)	($9,480)	($0.043)	PV of C$2.5M/yr x 5 yrs at 10% discount rate
TOTAL NAV (BASE CASE)	**$207,470**	**$0.930**	**Sum of above components**
Shares Outstanding (M, basic)	223		Used for per-share calculation
NAV PER SHARE (C$)		**$0.93**	
Current Price (C$)		$0.49	
P/NAV (Current)		0.53x	Typical range: 0.3x-1.2x for junior miners
P/NAV at Price Target		0.97x	At C$0.90; 12-month target

Source: Analyst estimates. Risk adjustment of 80% applied to Arizaro proceeds per deal-closure probability assumption. Eramet JV valued at risk-adjusted NPV of carried interest. LITH 2.0 portfolio valued on hectare optionality basis only.

The NAV analysis yields a base-case value of C$0.93 per share. Applying a modest P/NAV discount of 0.97x — appropriate for a company with a high-probability pending asset sale but not yet fully de-risked — produces our C$0.90 price target. This is a notably conservative P/NAV, as comparable development-stage companies with proven resources often trade at 1.0x-1.2x NAV. We maintain a discount reflecting: (i) remaining Arizaro transaction execution risk; (ii) early-stage Chilean portfolio with no NI 43-101 resource; and (iii) junior mining liquidity premium demanded by small-cap investors.

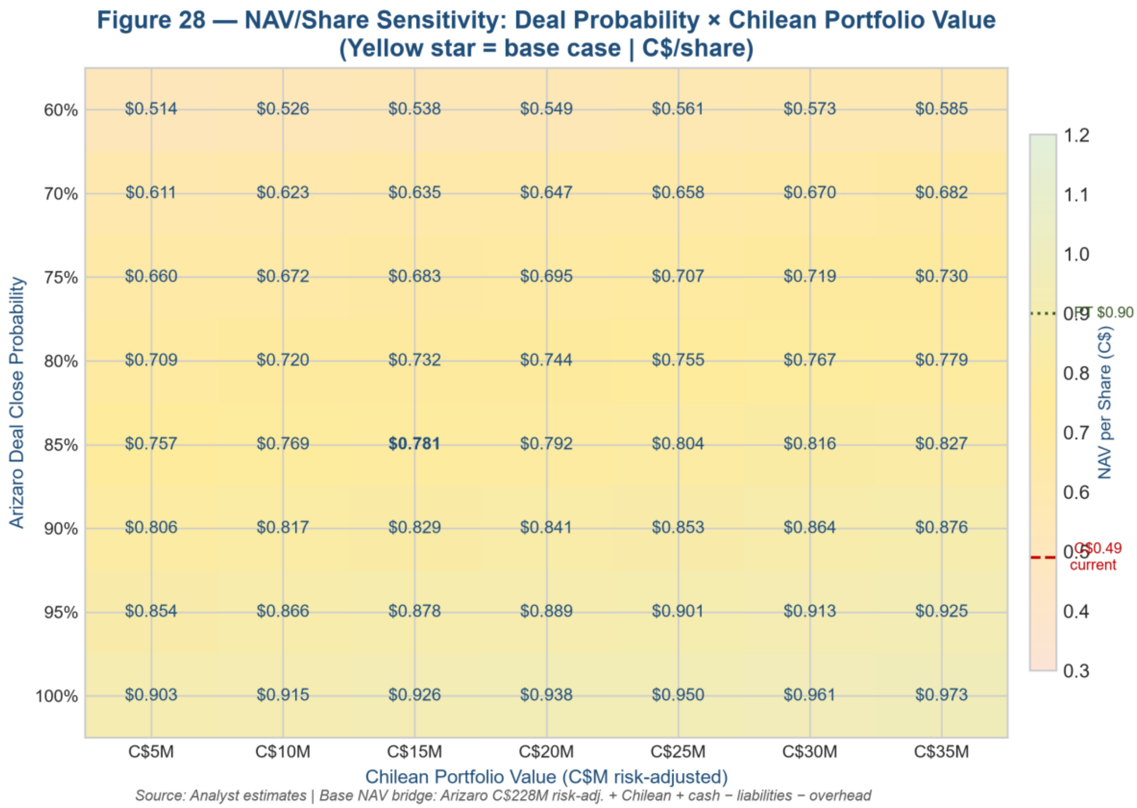


Exhibit 25: NAV Sensitivity Heatmap — Deal Probability vs. Chilean Portfolio Value (C$/share) | Source: Analyst estimates

6.2 EV/Resource Comparable Companies Analysis (US$/t LCE)

The EV/Resource methodology values a lithium exploration company by comparing the market value implied per tonne of contained LCE resource to observed trading multiples and acquisition prices for comparable assets. This is particularly appropriate for pre-production companies where cash flow is unavailable for discounting.

We calculate the current market-implied EV/t LCE for LITH at approximately US$18.3 per tonne, based on the company's enterprise value of approximately C$109.7 million (~US$80 million) and the Arizaro resource of 4.122 Mt LCE. This implies a 57% discount to the agreed transaction price of US$42.50/t LCE — and a deeper discount still to listed peers with comparable or less advanced resources. This mispricing forms a core quantitative underpinning of our BUY recommendation.

Company	Ticker	Resource (Mt LCE)	Mkt Cap (US$M)	EV (US$M)	EV/t LCE (US$)	Stage	Grade (mg/L)
Galan Lithium	ASX: GLN	2.3	$120	$115	$50	Dev — constructing	946
Alpha Lithium	TSXV: ALLI	0.8	$35	$32	$40	Expl — DLE testing	DLE (9,474)
Lithium Americas	NYSE: LAC	9.3 (hard rock)	$800	$820	$88	Dev — permitted	n/a
Sigma Lithium	NASDAQ: SGML	5.5 (hard rock)	$600	$580	$105	Producing	n/a
Argosy Minerals	ASX: AGY	1.0	$45	$42	$42	Dev — piloting	n/a
PEER MEDIAN	—	—	—	—	**$50**	—	—
PEER MEAN	—	—	—	—	**$65**	—	—
LITH (Current)	**TSX-V: LITH**	**4.122**	**$80**	**$80**	**$19**	**Expl — sale pending**	**850+**
LITH (at agreed deal)	—	4.122	—	—	$43	Agreed transaction	850+
LITH (implied at price tgt)	—	4.122	—	—	$37	At C$0.90 target	850+

Source: Bloomberg, company reports, analyst estimates as of July 2026. EV/t LCE for hard-rock peers uses LiOH equivalent resources. Lithium Americas Thacker Pass is hard-rock (clay), hence higher multiple. Shaded rows: orange = LITH current; green = LITH at price target.

The EV/Resource analysis supports a fair value of C$0.85-C$0.95/share. At our C$0.90 price target, LITH would trade at approximately US$37/t LCE on the Arizaro resource alone — a 27% discount to the agreed transaction price of US$42.50/t and a 26% discount to the peer median of US$50/t. We believe this conservatism is appropriate given Arizaro's pending-sale status (it will be derecognized from the resource base) and the absence of a Chilean resource estimate.

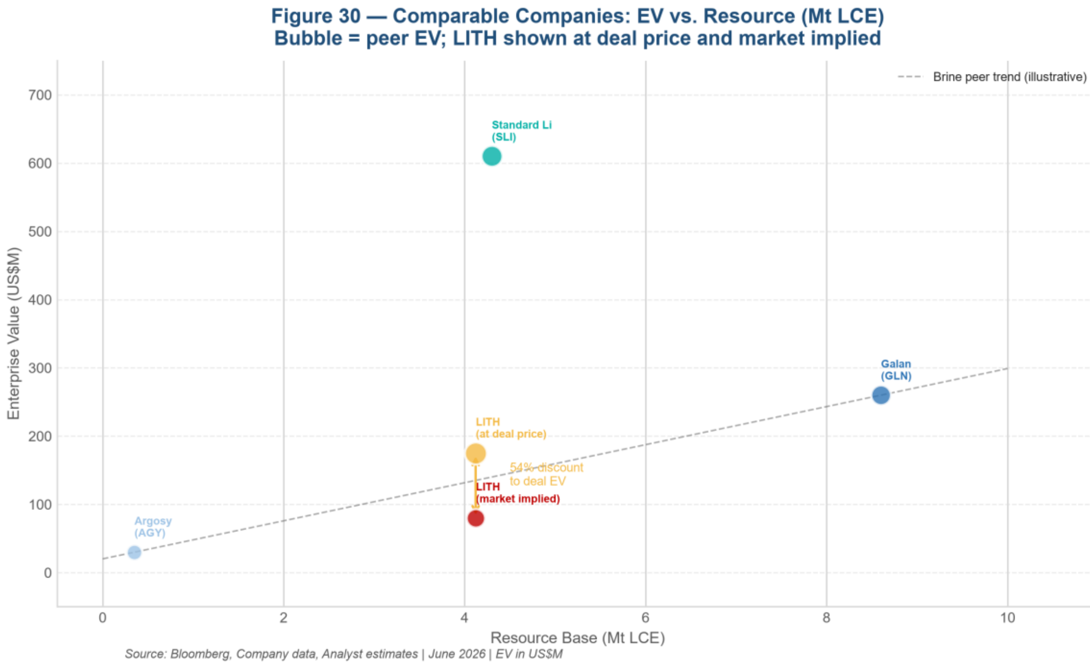


Exhibit 26: EV/t LCE vs. Resource Size — Lithium Brine Peer Universe | Source: Bloomberg, analyst estimates

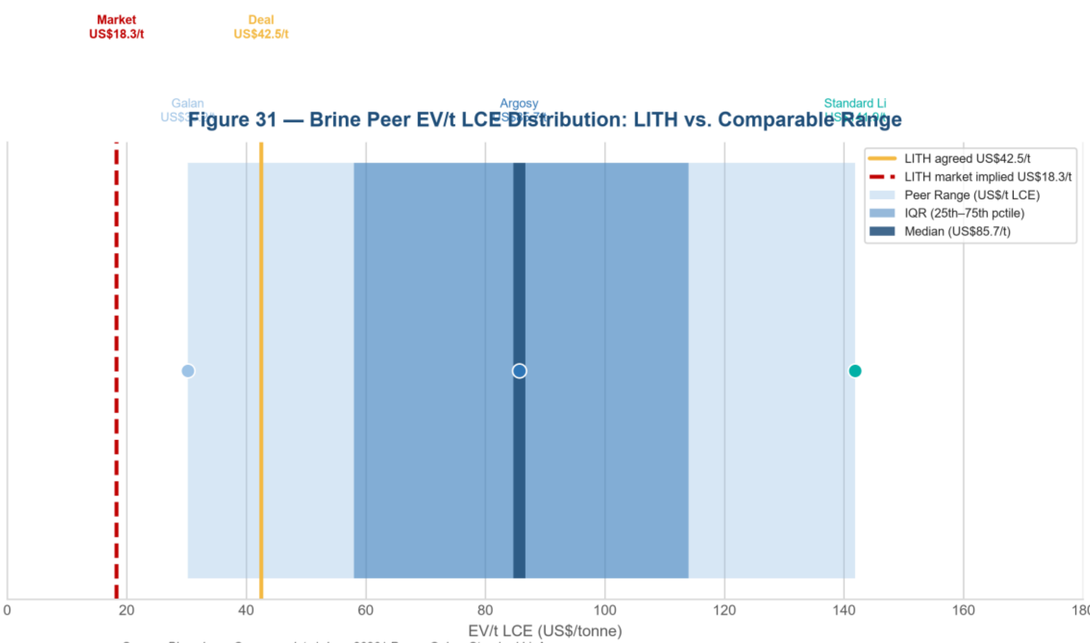


Exhibit 27: Peer Multiple Comparison — EV/t LCE by Development Stage | Source: Bloomberg, analyst estimates

6.3 Precedent Transaction Analysis

We examine precedent M&A transactions involving lithium brine assets to establish market-clearing acquisition prices on a per-tonne LCE basis. These transactions provide the clearest evidence of what a well-informed strategic buyer will pay for a lithium brine asset in an arm's-length transaction.

Transaction	Year	Buyer	Seller	Asset	Resource (Mt LCE)	Deal Value (US$M)	US$/t LCE
Arizaro (pending)	2025-26	China Union Holdings	Lithium Chile	Salar de Arizaro, Argentina	4.12	$175	$42
Pastos Grandes	2022	Lithium Americas	Millennial Lithium	Salar Pastos Grandes, Argentina	3.2	$400	$125
Cauchari-Olaroz stake	2021	Ganfeng / Lithium Americas	—	Cauchari-Olaroz JV, Argentina	12.0	$285	$24
Rincón Project	2022	Rio Tinto	Rincon Mining	Salar de Rincon, Argentina	2.5	$825	$330
Sal de Vida (stake)	2020	POSCO	Galaxy Resources	Salar de Vida, Argentina	1.1	$280	$255
Lithium Americas / SQM Chile	2022	SQM	Lithium Americas	Atacama JV stake	large	$1,000+	n/m
TRANSACTION MEDIAN	—	—	—	—	—	—	**$84**
TRANSACTION MEAN	—	—	—	—	—	—	**$155**

Source: Public disclosures, press releases, analyst research. Note: Rincón and Sal de Vida represent advanced-stage assets; multiples not directly comparable to earlier-stage Arizaro. Cauchari-Olaroz represents JV interest, not full asset. Analyst opinion only.

The precedent transaction analysis is notable for the wide range of observed per-tonne values — from US$24/t (JV stake in a large, complex project) to US$330/t (premium for a fully permitted, advanced asset). The Arizaro transaction price of US$42/t sits at the low end of the precedent range, which we attribute to: (i) the early-stage development status of Arizaro at time of sale (no production decision); (ii) the challenging political environment in Argentina; and (iii) the need to transact in a period of depressed lithium prices. The low multiple actually reinforces our conviction in the Chilean portfolio optionality — a more advanced Chilean resource could command a materially higher per-tonne multiple in a transaction.

6.4 Valuation Summary & Football Field

VALUATION SUMMARY	Low (C$/sh)	Base (C$/sh)	High (C$/sh)	Weight	Contribution
NAV Analysis (Sum of Parts)	$0.60	$0.93	$1.30	60%	$0.56
EV/Resource Comparables	$0.65	$0.89	$1.15	25%	$0.22
Precedent Transactions	$0.55	$0.98	$1.50	15%	$0.15
WEIGHTED AVERAGE TARGET	**$0.61**	**$0.93**	**$1.25**	**100%**	**C$0.90**
PRICE TARGET (12-month)			**C$0.90**		
Current Price			C$0.49		
Upside to Price Target			+84%		
Rating			**BUY**		

Source: Analyst estimates. Price target represents 12-month forward view. Low/High represent scenario ranges, not stop-losses or upside targets.

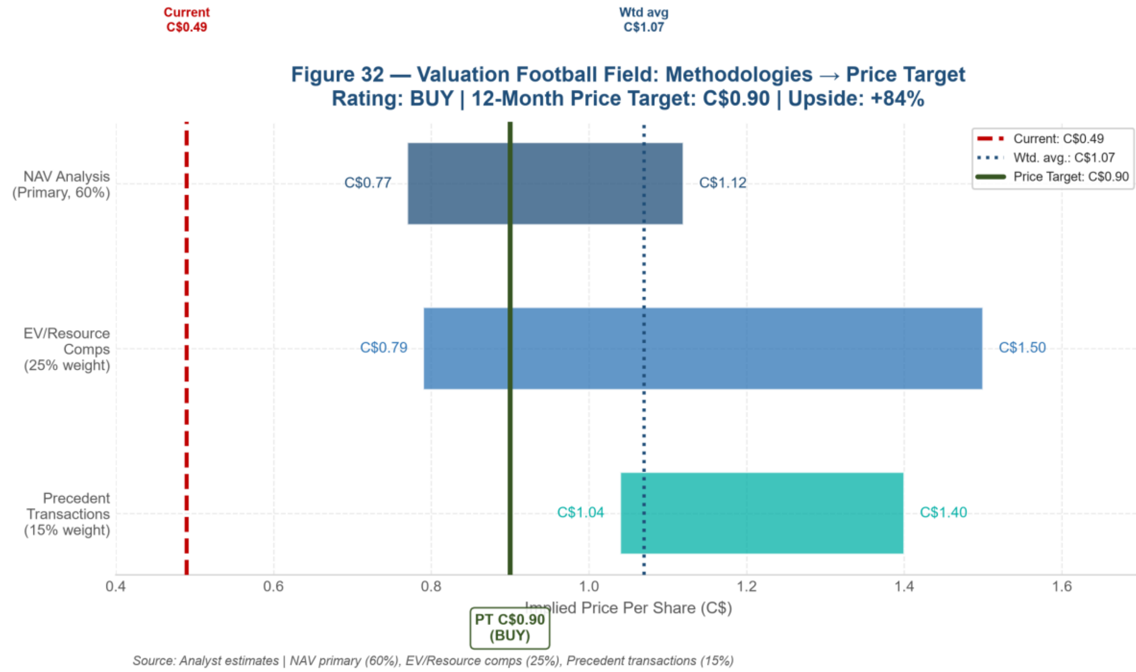


Exhibit 28: Valuation Football Field — Low to High Across Methodologies (C$/share) | Source: Analyst estimates

Our C$0.90 price target is supported across all three methodologies on a base-case basis. The upside to C$1.25+ (bull case) is driven by: a Llamara resource estimate confirming world-class grade and scale; a lithium price recovery above US$25,000/t that re-rates the entire junior lithium sector; and execution of the Lithium Chile 2.0 spinout at an attractive valuation. The downside to C$0.60 (bear case excluding deal failure) reflects delays in Chilean exploration and modest lithium price assumptions.

SECTION 7: KEY RISKS TO OUR THESIS

7.1 Upside Risks (Positive Catalysts That Could Exceed Our Price Target)

+ Arizaro sale closes ahead of schedule at full US$175M consideration, triggering immediate re-rate to C$1.00+ (cash per share).

+ Llamara drilling returns a resource estimate exceeding 2.0 Mt LCE with grades above 600 mg/L — a world-class result that would revalue the Chilean portfolio at C$0.40-0.70/share incrementally.

+ A bidding war for Lithium Chile's Chilean portfolio emerges as global automakers seek to secure Tier-1 brine supply, potentially driving acquisition multiples above US$50/t LCE.

+ Lithium carbonate prices recover to US$25,000+ per tonne sustained, re-rating the entire junior lithium sector by 30-50% and expanding valuation multiples.

+ The Kast administration in Chile passes legislation making lithium concessionable under the Mining Code, dramatically simplifying project permitting and attracting additional strategic interest.

+ Lithium Chile 2.0 spinout is executed at a valuation implying C$0.30-0.50/share, creating immediate incremental value for LITH shareholders.

7.2 Downside Risks (Threats to Our Investment Thesis)

- Arizaro sale fails to close (our bear-case scenario, 20% probability): stock falls to C$0.15-0.20, company faces emergency financing, and Chilean program is suspended.

- Eramet exercises its right not to proceed with Phase 2, returning the Chilean JV properties to LITH unfunded and requiring LITH to self-fund or find an alternative partner.

- Chinese regulatory review blocks the Arizaro transaction as part of broader restrictions on Chinese outbound M&A in the critical minerals sector.

- Llamara drilling returns disappointing grade continuity or unfavourable hydrogeological conditions, reducing confidence in Chilean resource potential.

- Sustained lithium carbonate price below US$10,000/t makes new project development uneconomic, depressing strategic interest in all junior lithium assets.

- A key-person departure — particularly VP Exploration Terence Walker, who holds irreplaceable institutional knowledge of the Chilean salar system — impairs exploration execution.

- Chilean regulatory changes under a future government reimpose restrictions on private lithium mining or impose retroactive state participation requirements on existing properties.

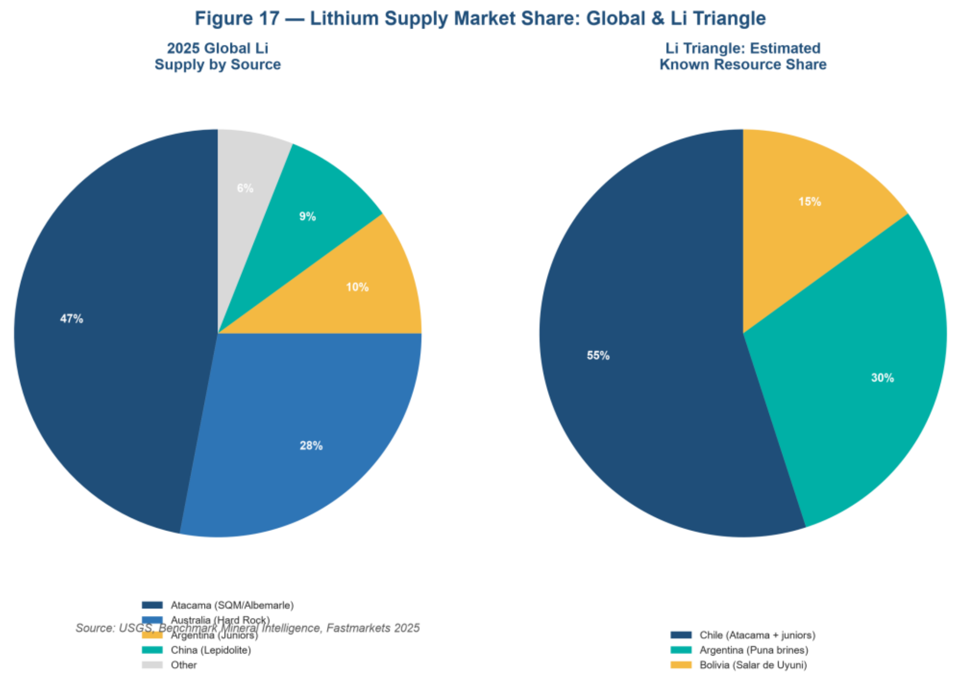


Exhibit 29: Lithium Market Share — Global Production by Country & Company (2025E) | Source: USGS, IEA, analyst estimates

APPENDIX: DATA SOURCES & DISCLOSURES

A.1 Primary Data Sources

The following sources were used in the preparation of this initiation report. All financial data is sourced from public company filings on SEDAR+. Market data is sourced from Bloomberg and Yahoo Finance. Industry data is sourced from the references noted below.

[1] **Lithium Chile Inc. Corporate Website:** https://lithiumchile.ca/

[2] **Lithium Chile Leadership Team:** https://lithiumchile.ca/leadership-team/

[3] **Yahoo Finance — LITH.V Company Profile:** https://finance.yahoo.com/quote/LITH.V/profile/

[4] **Simply Wall St — LITH Leadership Analysis:** https://simplywall.st/stocks/ca/materials/tsxv-lith/lithium-chile-shares/management

[5] **Junior Mining Network — Eramet JV Announcement:** https://www.juniorminingnetwork.com/junior-miner-news/press-releases/2354-tsx-venture/lith/157118-lithium-chile-partners-with-major-european-mining-group-eramet-to-explore-four-if-its-chilean-properties.html

[6] **Junior Mining Network — Arizaro Sale Formal Agreement:** https://www.juniorminingnetwork.com/junior-miner-news/press-releases/2354-tsx-venture/lith/193913-lithium-chile-executes-the-formal-agreement-for-the-sale-of-its-argentine-arizaro-project.html

[7] **TheNewsWire — US$5M Deposit Announcement:** https://www.thenewswire.com/press-releases/1BOxF2odm-lithium-chile-receives-us-5-million-deposit-toward-sale-of-salar-de-arizaro-project-argentina.html

[8] **The Deep Dive — Lithium Chile Spinout:** https://thedeepdive.ca/lithium-chile-prepares-to-spinout-gold-lithium-assets-in-chile/

[9] **Nasdaq — Kairos Gold Spinout:** https://www.nasdaq.com/articles/lithium-chile-spins-out-kairos-gold-subsidiary

[10] **Gibson Dunn — Chile Lithium Regime Under President Kast:** https://www.gibsondunn.com/chiles-lithium-regime-under-president-kast-pro-investment-tone-but-the-state-centric-model-still-governs/

[11] **IEA — Global EV Outlook 2025:** https://www.iea.org/reports/global-ev-outlook-2025/electric-vehicle-batteries

[12] **Grand View Research — Lithium Market:** https://www.grandviewresearch.com/industry-analysis/lithium-market

[13] **Investing News — Q1 2026 Lithium Market:** https://investingnews.com/daily/resource-investing/battery-metals-investing/lithium-investing/lithium-forecast/

[14] **Mining Weekly — BMI Lithium Price Forecast:** https://www.miningweekly.com/article/bmi-revises-lithium-price-forecast-upwards-amid-tightening-supply-2026-04-24

[15] **MacroAxis — Steve Cochrane Profile:** https://www.macroaxis.com/invest/manager/LTMCF/Steven-Cochrane

[16] **MarketScreener — Terence Walker Profile:** https://www.marketscreener.com/insider/TERENCE-WALKER-A084JA/

[17] Mining.com — Lithium Chile Perfect Storm: https://www.mining.com/web/lithium-chile-perfect-storm/

[18] BPM Forum — Top Lithium Mining Companies Chile 2025: https://bpmforum.org/blog/top-lithium-mining-companies-in-chile-2025-complete-guide/

[19] Future Market Insights — Lithium Mining Market 2035: https://www.futuremarketinsights.com/reports/lithium-mining-market

[20] Junior Mining Network — Spinout Update: https://www.juniorminingnetwork.com/junior-miner-news/press-releases/2354-tsx-venture/lith/165269-lithium-chile-provides-update-on-proposed-spin-out-transactions-involving-two-newly-formed-subsidiaries-kairos-gold-inc-and-lithium-chile-2-0-inc.html

A.2 Glossary of Terms

TERM	DEFINITION
CAGR	Compound Annual Growth Rate
CEOL	Contrato Especial de Operacion Litio — Chile's special lithium operating contract
CORFO	Corporacion de Fomento de la Produccion — Chile's economic development agency
DCF	Discounted Cash Flow
DLE	Direct Lithium Extraction
EV	Enterprise Value (Market Cap + Net Debt)
EV/t LCE	Enterprise Value per tonne of Lithium Carbonate Equivalent
IRR	Internal Rate of Return
JV	Joint Venture
LCE	Lithium Carbonate Equivalent (6Li2CO3 = 1Li2O x 5.32 conversion)
mg/L	Milligrams per litre — measure of brine lithium grade
Mg/Li	Magnesium-to-Lithium ratio — key brine quality metric (lower = better)
NAV	Net Asset Value — sum-of-parts valuation for mining companies
NI 43-101	Canadian National Instrument 43-101 — standard for mineral resource reporting
NLS	National Lithium Strategy — Chile's 2023 state participation framework
NPV	Net Present Value
NOPAT	Net Operating Profit After Tax
P/NAV	Price-to-NAV multiple
PEA	Preliminary Economic Assessment
PFS	Pre-Feasibility Study
P.Geo.	Professional Geologist designation
SEDAR+	System for Electronic Document Analysis and Retrieval — Canadian securities filing system
SBC	Stock-Based Compensation
SOM	Serviceable Obtainable Market
TSX-V	TSX Venture Exchange — Canadian junior company exchange
WACC	Weighted Average Cost of Capital

A.3 Important Disclosures

ANALYST CERTIFICATION: The research analyst(s) whose name(s) appear(s) on this report certify that the views expressed herein accurately reflect the analyst's personal views about the subject securities and issuers, and that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the analyst in this report.

RATING DEFINITIONS: BUY — Expected total return > 15% over the next 12 months. HOLD — Expected total return between -15% and +15% over the next 12 months. SELL — Expected total return < -15% over the next 12 months. Risk ratings (LOW/MEDIUM/HIGH) reflect the analyst's assessment of the probability and magnitude of downside scenarios relative to the price target.

IMPORTANT DISCLOSURES: This report has been prepared for informational purposes only. It does not constitute investment advice or a solicitation to buy or sell any security. The information contained herein is obtained from sources believed to be reliable, but its accuracy cannot be guaranteed. Past performance is not indicative of future results. Readers should conduct their own due diligence and consult with qualified investment advisors before making any investment decisions.

EXPLORATION-STAGE COMPANY RISK DISCLOSURE: Lithium Chile Inc. is an exploration-stage mining company with no operating revenue. Investment in exploration-stage companies involves a high degree of risk, including the risk of total loss of invested capital. Resources disclosed under NI 43-101 do not guarantee economic viability. The Arizaro Pre-Feasibility Study metrics are hypothetical and subject to change based on future technical studies, lithium price assumptions, and regulatory conditions.

THIS REPORT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE FINANCIAL ADVICE. Readers should consult their own financial and legal advisors before making any investment decision.

A.4 Additional Exhibits

The following additional exhibits are included for reference.

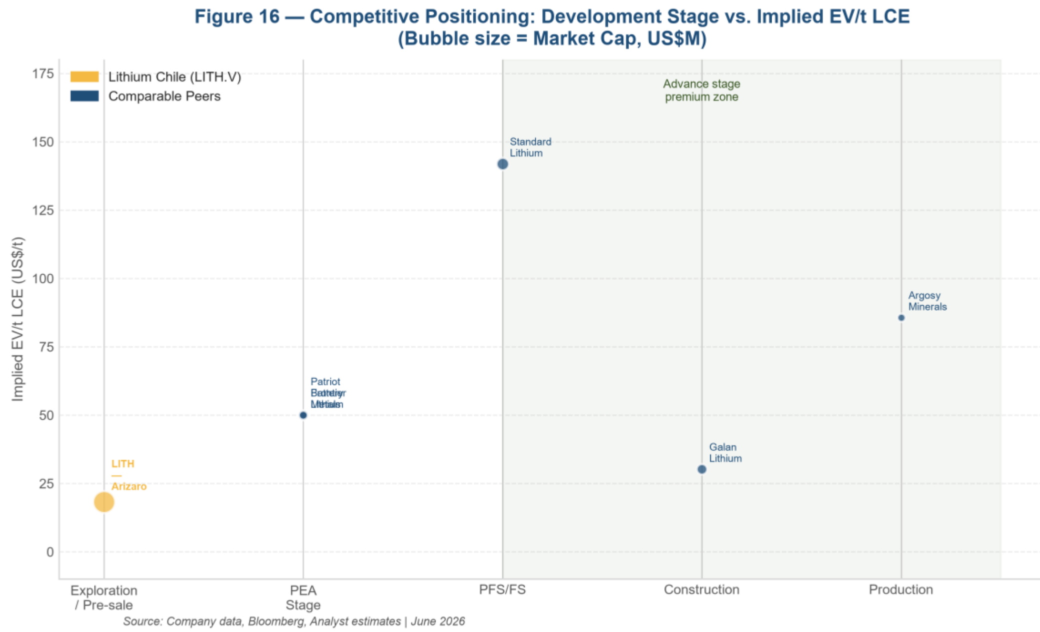


Exhibit A-1: Competitive Positioning Matrix | Source: Analyst research

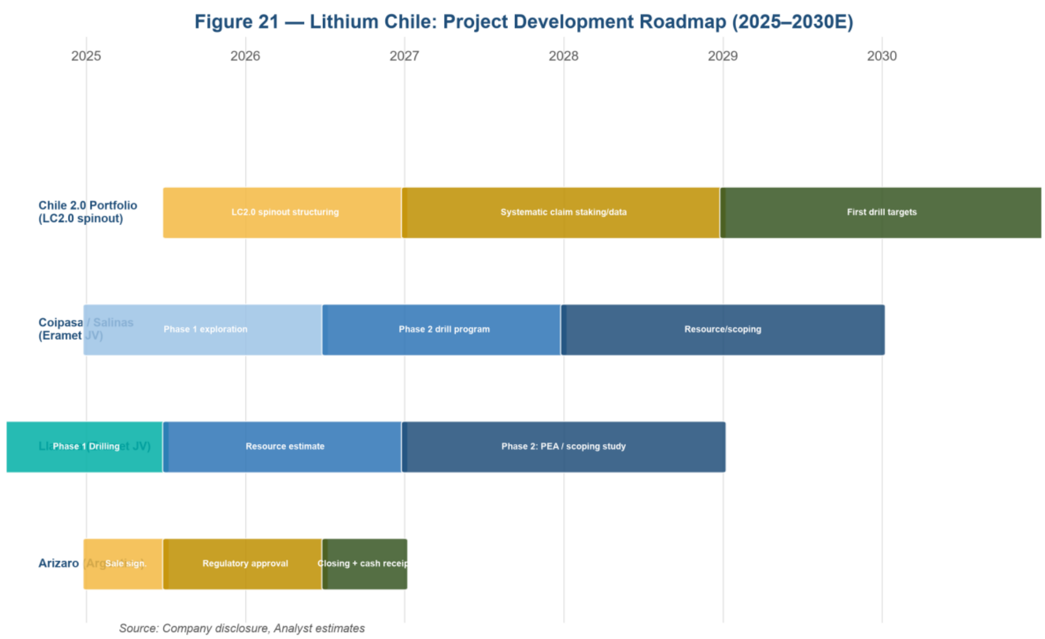
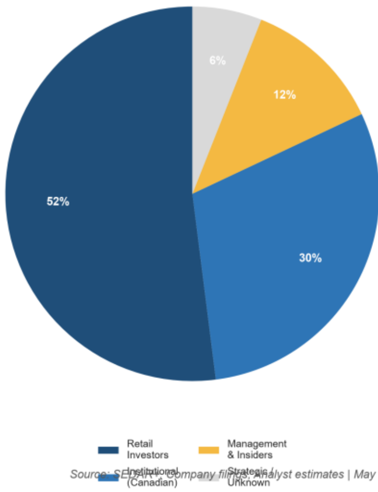


Exhibit A-2: Project Development Roadmap | Source: Analyst research

Figure 27 — Ownership Structure & Share Capital Summary

Estimated Shareholdership



Share Capital Summary

Metric	Value	Dilution
Basic Shares	223M	100%
Options Outstanding	~7M	3%
Warrants Outstanding	~0M	—
Fully Diluted	~230M	103%
52-Week High	C$0.73	
52-Week Low	C$0.43	
Current Price	C$0.49	
Avg. Daily Vol.	~250K sh	

Source: SEDAR+, Company filings, Analyst estimates | May 2026

Exhibit A-3: Shareholder & Insider Ownership Structure | Source: Analyst research