



Shareholder Update

20th May 2021

LITHIUM CHILE: ANNOUNCEMENT OF BINDING AGREEMENT ON SALAR DE ARIZARO, ARGENTINA AND COMPANY / CHILE UPDATE – MAY 2021

On Monday, Lithium Chile announced a very exciting addition to its Lithium Portfolio. This new property gives the company location diversification and an expedited timetable to feasibility and production.

Yet again, with Covid restrictions causing restrictions and delays in Chile, this dynamic and flexible management team have risen to the challenge and secured a property which comes fully permitted, no indigenous claims, with exceptional sample grading (highs of 951 mg/l – compared average Argentinian grades of 560mg/l) and an identified lithium bearing target. They have negotiated a deal which did not use any shares – looking out for their shareholders and ensuring no dilution - and minimal expenditure to complete the pumping well stage.

Lithium Chile are already in discussions to get their drilling platforms and construction company (part of the Galli Group – who are the other party in the agreement) on the property as soon as the legal due diligence is completed. This could be as little as 30 days from now. They would start immediately to drill and run the pumping well – taking results continuously – completing their 90 day testing period by October/November.

This promises to be a hugely exciting time for Lithium Chile. With almost constant press releases and results over the next 6 months.

Chile is still very much part of their focus and even during lockdown they have not stood still. On Coipasa, they are actively lobbying to get their court award granted as quickly as possible and once lockdown was eased in their areas, they were straight out to Laguna Blanca and Carmona – taking over 400 samples – which should be due back in the next couple of weeks. Look out for press releases not only on Lithium – but also on their copper, gold and cesium results.

Yesterday we had a chance to ask Steve Cochrane, CEO of Lithium Chile, for more details on their Argentina press release but also where Lithium Chile is on their Chile projects and comment on the Chilean Covid crisis and the elections – both recent and the general election due in November.

[Interim Update from Steve Cochrane, Lithium Chile's CEO | Ocean Wall](#)

TRANSFORMATIONAL PROJECT FOR LITHIUM CHILE

- ✓ Geographical Diversification of Lithium Portfolio – still within the bountiful Lithium Triangle – one of the only junior mining companies with active programs in 2 lithium triangle countries
- ✓ Accelerated timetable to feasibility and production

Why is it important for Lithium Chile to have country diversification?

Why is Argentina a good place to have a lithium property?

Why is Salar De Arizaro such an excellent property?

- 7 mining tenements - ***substantial, dominant, central land position of 23,300 hectares on largest – and the last undeveloped - Salar in Argentina***
- Adjacent to Lithium heavyweights Eramine Sudamerica and LITICA property
- Located in the Salta Province – placed 4th in the world by the Fraser Institute's 2019 Investment Attractiveness Index. Extremely well managed
- Larger Surface Area than the entire Salar de Pastos Grande where Millennial Lithium's project is located. Concession is larger than Litica's interest on Salar de Pozuelos
- Location has railway links to Chilean Ports, airstrip at Mansfield, Water at Chascha sur and potential for solar PV
- Exploration trenches/pits and 3 drill holes completed – approx. 950m in total – results show exploration potential for deep brines
- Re-sampling showed positive pressure from brine bodies at depth, very good lithium grades and excellent chemistry; very low B/Li and SO₄/Li; relatively high Mg/Li but very good K/Mg. Consistent results over 6 re-sampling exercises. ***850 mg/l lithium grades already established from a three-hole drill program conducted in 2019***
- Geophysical reports and Geochemical testing completed – both studies encourage exploration of lithium-rich brines in the aquifer system
- Exploration Environmental Impact Study presented and approved in the Mining Secretary of the province of Salta
- Permits granted for advanced exploration and initial exploitation works – permits include construction of concentration ponds
- Expert Lithium and Mining Management – José de Castro and Galli Group
- Outstanding opportunity to earn up to an 80% interest
- Potential to have an accelerated timetable to production feasibility – within 12 months.

CHILE WILL RUN ALONGSIDE ARGENTINA – AND OUR PROPERTIES THERE ARE STILL A KEY FOCUS

Despite Chile running a highly successful vaccination programme – currently nearly 44% of their adult population is fully vaccinated and 60% have received at least one dose of the vaccine - this was not quick enough to curtail the second wave of the pandemic and currently they are about two weeks passed the peak, are currently under lockdown rules and their borders remain closed.

Constitutional Convention Elections: Independent and opposition candidates have won a key two-thirds of seats in the body that will write a new constitution in Chile with parties on the left wanting greater state control of mineral and natural resources. What will happen, in reality, may be confused and disjointed as although the winning candidates support a progressive policy – they are fragmented and often squabble between them. The General Election in Chile will take place on 21st November 2021.

Laguna Blanca: Further exploration undertaken to extend the 4km² of Cesium Enriched Salt Deposits has taken place and over 100 additional samples are being analysed. In addition, 40 litres of brine have been sent to Summit Nanotech to run through their pilot. A check sample was also taken from this sample and sent to ALS Labs for analysis. Results due back shortly. Watch for Press Release.

Los Morros: In February, a TEM survey was conducted on the property. This identified a large, 13 km² high conductivity anomaly underlying 75% of the property. Further analysis underway to determine if a reconnaissance drill program is warranted. Samples from the existing ‘water’ wells have been collected and sent for analysis. There are no Indigenous surface claims on this property which will expedite the permitting process.

Coipasa: Chilean courts are still closed – still awaiting compensation award to be given before drilling can commence. Lithium Chile have recently proactively recruited a courts expert to help expedite their award through the courts.

Atacama: Further testing of existing ‘water’ wells to be undertaken shortly.

Carmona: Lithium Chile’s ‘Battery Metal’ Property – continuing analysis of Copper, Cobalt and Gold samples. An IP geophysical survey over the southern anomaly being planned. Further sampling of Central and Northern anomalies planned. Over 400 samples taken and results should be returned shortly. Watch for Press Release.

Lithium Chile and Summit Nanotech signed a definitive agreement in March for their joint pilot project in Chile which is expected to be deployed for field testing in Q4 2021. Two sites have been identified and drilling permits have been applied for in those locations. Lithium Chile is also now looking at obtaining appropriate permits to allow the pilot project move to their Salar de Arizaro in Argentina so they have the option of sites.