LITHIUM CHILE INC.

(formerly Kairos Capital Corporation)

Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2018 and 2017

(Canadian Dollars)

LITHIUM CHILE INC.

(formerly Kairos Capital Corporation)

THIRD QUARTER 2018 FINANCIAL STATEMENTS

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Corporation discloses that its auditors have not reviewed the unaudited condensed interim consolidated financial statements for the period ended September 30, 2018.

NOTICE TO READER OF THE INTERIM FINANCIAL STATEMENTS

The condensed interim consolidated financial statements (the "Interim Statements") of Lithium Chile Inc. comprising the accompanying interim consolidated statements of financial position as at September 30, 2018, the interim consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the three and nine-month periods then ended are the responsibility of the Corporation's management.

These Interim Statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Corporation, MNP LLP. The Statements have been prepared by management and include the selection of appropriate accounting principles, judgements and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

November 26, 2018

signed "Robert L. Gillies"

Robert L. Gillies, Chief Financial Officer

signed "Steve Cochrane"

Steve Cochrane, Chief Executive Officer

LITHIUM CHILE INC.

(formerly Kairos Capital Corporation)

Condensed Interim Consolidated Statements of Financial Position

Unaudited

Canadian Dollars

As at	Notes		September 30, 2018		December 31, 2017
ASSETS					
Current					
Cash and cash equivalents		$	3,438,921	$	6,728,270
Receivables			55,996		20,894
Prepaid expenses			495,186		72,661
			3,990,103		6,821,825
Notes receivable	5		3,661,308		93,200
Mineral properties - exploration and evaluation expenditures	6		3,634,773		3,130,321
Total assets		$	11,286,184	$	10,045,346
LIABILITIES					
Current					
Trade and other payables		$	294,387	$	295,835
Total liabilities			294,387		295,835
SHAREHOLDERS' EQUITY					
Share capital	7(b)		12,680,362		10,061,056
Contributed surplus			2,696,300		1,545,875
Accumulated other comprehensive income			4,740		4,740
Deficit			(4,389,605)		(1,862,160)
Total shareholders' equity			10,991,797		9,749,511
Total liabilities and shareholders' equity		$	11,286,184	$	10,045,346

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LITHIUM CHILE INC.

(formerly Kairos Capital Corporation)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited
Canadian Dollars

			Three Months Ended September 30,				Nine Months Ended September 30,		
	Notes		**2018**		2017		**2018**		2017
REVENUE									
Interest		**$**	**2,177**	$	-	**$**	**41,649**	$	-
EXPENSES									
General and administrative	*8*		**644,032**		77,850		**2,295,684**		155,778
Interest			**-**		3,176		**-**		12,295
Foreign exchange loss (gain)			**15,300**		-		**(10,770)**		-
Share-based compensation	*7(e)*		**55,022**		117,484		**284,180**		585,295
Total expenses			**714,354**	$	198,510		**2,569,094**		753,368
Net loss			**(712,177)**		(198,510)		**(2,527,445)**		(753,368)
Other comprehensive loss									
Foreign exchange translation adjustment			**-**		(4,106)		**-**		7,562
Comprehensive loss for the period		**$**	**(712,177)**	$	(202,616)	**$**	**(2,527,445)**	$	(745,806)
Comprehensive loss per share - Basic and diluted	*7(d)*	**$**	**(0.01)**	$	(0.00)	**$**	**(0.03)**	$	(0.01)
Weighted average number of shares outstanding	*7(d)*		**101,147,592**		79,161,126		**100,256,918**		76,411,991

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LITHIUM CHILE INC.

(formerly Kairos Capital Corporation)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited

Canadian Dollars

	Notes		Share Capital		Contributed Surplus		Accumulated Other Comprehensive Income (loss)		Deficit		Total
Balance, December 31, 2016		$	2,044,686	$	96,700	$	4,740	$	(838,498)	$	1,307,628
Issuance of common shares			5,234,656		-		-		-		5,234,656
Share issue costs			(495,892)		143,730						(352,162)
Share-based compensation			-		585,295		-		-		585,295
Net loss and comprehensive loss			-		-		7,562		(753,368)		(745,806)
Balance, September 30, 2017		$	6,783,450	$	825,725	$	12,302	$	(1,591,866)	$	6,029,611
Balance, December 31, 2017	*7*	**$**	**10,061,056**	**$**	**1,545,875**	**$**	**4,740**	**$**	**(1,862,160)**		**9,749,511**
Issuance of common shares			**3,666,200**		**-**		**-**		**-**		**3,666,200**
Share-based compensation			**-**		**284,180**		**-**		**-**		**284,180**
Share issue costs			**(309,981)**				**-**		**-**		**(309,981)**
Broker warrants exercised			**228,499**		**-**		**-**		**-**		**228,499**
Unit warrants exercised			**93,841**		**-**		**-**		**-**		**93,841**
Stock options exercised			**25,000**		**-**		**-**		**-**		**25,000**
Fair value of unit warrants			**(993,843)**		**993,843**		**-**		**-**		**-**
Fair value of broker warrants			**(245,930)**		**245,930**		**-**		**-**		**-**
Reclass on exercise of warrants			**156,565**		**(156,565)**		**-**		**-**		**-**
Distribution of investment in Kairos Metals Corp.			**(1,045)**		**-**		**-**		**-**		**(1,045)**
Excess of carrying value over sale price of mineral properties	*4*		**-**		**(216,963)**		**-**		**-**		**(216,963)**
Net loss and comprehensive loss			**-**		**-**		**-**		**(2,527,445)**		**(2,527,445)**
Balance, September 30, 2018		**$**	**12,680,362**	**$**	**2,696,300**	**$**	**4,740**	**$**	**(4,389,605)**	**$**	**10,991,797**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

LITHIUM CHILE INC.

(formerly Kairos Capital Corporation)

Condensed Interim Consolidated Statements of Cash Flows

Unaudited

Canadian Dollars

	Notes		Nine Months Ended September 30, 2018		2017
Cash provided by (used for):					
OPERATING ACTIVITIES					
Comprehensive loss for the period		$	**(2,527,445)**	$	(745,806)
Add (deduct) items not affecting cash flow:					
Share-based compensation			**284,180**		585,295
Recovery of transaction costs	4		**(66,000)**		-
Foreign exchange gain			**10,770**		-
Foreign exchange translation adjustment			**-**		(7,562)
Interest income			**(1,408)**		-
Receivables			**(35,102)**		-
Trade and other payables			**(53,227)**		(10,834)
Prepaid expenses			**(422,525)**		-
Cash flow used in operating activities			**(2,810,757)**		(178,907)
CASH FLOWS USED IN INVESTING ACTIVITIES					
Investment in subsidiary			**(1,045)**		-
Loan to Kairos Metals (US$1,100,000)	4		**(1,425,930)**		
Exploration and evaluation expenditures			**(2,806,956)**		(618,696)
Working capital related to investing activities			**51,780**		(37,110)
Cash flow used in investing activities			**(4,182,151)**		(655,806)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of debentures			-		400,000
Issuance of common shares	7(b)		**4,013,540**		5,234,656
Share issue costs			**(309,981)**		(352,162)
Repayment to director			**-**		(349,338)
Cash flow provided by financing activities			**3,703,559**		4,133,156
Increase (decrease) in cash			**(3,289,349)**		3,298,443
Cash, beginning of the period			**6,728,270**		126,894
Cash and cash equivalents, end of the period		$	**3,438,921**	$	3,425,337
Cash and cash equivalents is comprised of:					
Cash		$	**924,266**	$	3,425,338
Term deposits			**2,514,655**		-
		$	**3,438,921**	$	3,425,338
Interest paid during the period		$	**-**	$	12,295
Interest received in the period		$	**40,241**	$	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Business Activities

Lithium Chile Inc. (the "Corporation" or "Lithium") was incorporated as Kairos Capital Corporation by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on October 18, 2010. The Corporation changed its name to Lithium Chile Inc. by Certificate of Amendment on December 12, 2017. The registered office is located at 900, 903 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 0P7.

The Corporation's principal business is the acquisition and development of mining properties in Chile and its common shares trade on the TSX Venture Exchange under the symbol "LITH".

2. Basis of Presentation

a) Statement of compliance

These Interim Statements, including required comparative information, have been prepared in accordance have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable to interim financial statements (IAS 34).

The disclosures provided in these Interim Statements are incremental to those included with the annual consolidated financial statements ("Audited Statements"). Certain information and disclosures included in the notes to the Audited Statements are condensed herein or are disclosed on an annual basis only. Accordingly, these Interim Statements should be read in conjunction with the Audited Statements for the year ended December 31, 2017.

These financial statements, and the policies applied herein, were authorized for issue by the Board of Directors on November 26, 2018.

b) Basis of presentation

The consolidated financial statements have been prepared under the historical cost method except for share-based transactions and certain financial instruments which are measured at fair value.

The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency. The functional currency of Minera Kairos is the Chilean Peso.

c) Consolidation

The consolidated financial statements include the accounts of the Corporation, Kairos Metals Corp. and Minera Kairos Chile Limitada, which is a limited liability partnership of which the Corporation owns 99% (hereafter referred to as the "Corporation"). The Corporation has consolidated the assets, liabilities and expenses of its subsidiaries after the elimination of inter-company transactions and balances. Minera Kairos Chile Limitada was incorporated in Chile on April 4, 2014 whose business is the acquisition and development of mineral properties. Kairos Metals Corp. was incorporated on January 15, 2018 and was inactive until its date of sale (note 4).

d) Use of judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are outlined in the Company's financial statements for the year ended December 31, 2017.

3. Significant Accounting Policies

These Interim Statements should be read in conjunction with the Audited Statements and accompanying notes for the year ended December 31, 2017. These Interim Statements have been prepared following the same accounting policies as described in note 4 of the Company's Audited Statements for the year ended December 31, 2017 except as noted below:

Common control transactions

Transactions between entities that are subject to common control require that the assets be transferred at their carrying value. Any difference between the proceeds received and the carrying amount of the assets transferred is recognized in contributed surplus.

IFRS 9 – Financial Instruments

Effective January 1, 2018, the Corporation adopted *IFRS 9 – Financial Instruments* ("IFRS 9") which supersedes *IAS 39 – Financial instruments: recognition and measurement ("IAS 39").* The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classifications: amortized cost and fair value. Under IFRS 9, where the fair value option is applied to financial liabilities, any change in fair value resulting from an entity' own credit risk is recoded through other comprehensive income (loss) rather than net income (loss). The new standard also introduces a credit loss model for evaluating impairment of financial assets. There is no significant effect on the carrying value of other financial instruments under IFRS 9 related to this new requirement.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ('FVTOCI") and fair value through profit and loss ("FVTPL"). The IFRS 9 accounting model for financial liabilities is broadly the same as that in IAS 39 meaning that most financial liabilities will continue to be measured at amortized cost.

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" ("ECL") model for determining impairment or recognition of credit losses on financial assets measured at amortized cost ("AC") or at FVTOCI. There is no impact to the Corporation as credit losses have been non-existent as the customers have had strong credit.

Below is a summary indicating the classification and measurement bases of the Corporation's financial instruments as at January 1, 2018, as a result of adopting IFRS 9 along with a comparison to IAS 39.

	IAS 39		**IFRS 9**	
Financial Instrument	**Classification**	**Measurement**	**Classification**	**Measurement**
Assets				
Cash	FVTPL	Fair value	Amortized cost	Amortized cost
Other receivables	Loans and receivables	Amortized cost	Amortized cost	Amortized cost
Liabilities				
Trade and other payables	Other financial liabilities	Amortized cost	Amortized cost	Amortized cost

Future Accounting Standards

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019. The Corporation is still assessing this standard.

4. Corporate Reorganization

On January 15, 2018, the Corporation incorporated a wholly-owned subsidiary, Kairos Metals Corp. ("Kairos Metals") pursuant to the provisions of the *Business Corporations Act* (Alberta).

At a meeting of the shareholders of the Corporation on April 27, 2018, the Lithium Shareholders approved a proposed plan of arrangement (the "Arrangement") under Section 193 of the *Business Corporations Act* (Alberta) involving, among other things, the distribution of common shares (the "Kairos Metals Shares") of Kairos Metals, to the Lithium shareholders on the basis of one (1) Kairos Metals Share for every (4) Lithium Shares.

On May 8, 2018, the Arrangement was approved by the Court of Queen's Bench and on May 15, 2018 the Arrangement was accepted by the TSX Venture Exchange.

In addition, the following transactions have occurred and are part of a series of transactions related to the Arrangement:

- Kairos Metals acquired 100% of the outstanding interest in Compañía Minera San Lorenzo Limitada ("San Lorenzo") from Compañía Minera Kairos Chile Limitada ("Minera Kairos"), a wholly-owned subsidiary of the Corporation for the sum of $1.00. San Lorenzo owned no assets, including no mineral claims, on the date of ownership transfer nor had San Lorenzo carried on any business activities prior to the date of the ownership transfer.
- Mineras Kairos transferred its interests in its copper, gold and silver properties ("CGS claims") in Chile to San Lorenzo at their carrying cost of US$1.6 million in exchange for a Promissory Note as described below.
- Lithium loaned Kairos Metals US$1.1 million cash. In exchange the Kairos issued a promissory note to Lithium in the amount of US $1,150,000 to reflect the US$1.1 million loan proceeds and costs of the Arrangement in the agreed amount of US$50,000 (C$66,000) as provided for in the Arrangement Agreement.
- The promissory notes issued to Mineras Kairos for the transfer of the CGS claims and to Lithium for the loan proceeds bears interest at 2.0% per annum and will mature two years from the date of issuance.
- Pursuant to the terms of the Plan of Arrangement, the Corporation issued immediately prior to the Effective Time of the Arrangement Kairos Metals Shares such that the number issued and outstanding at the Effective Time is equal to one-quarter (¼) of the number of the then issued and outstanding Lithium Shares such that Lithium Shareholders received exactly one (1) Kairos Share for every four (4) Lithium Shares held by such Lithium Shareholder at the Effective Time.

The distribution of the investment in Kairos Metals being $1,045 in total, is recorded as reduction in the stated capital of the Corporation.

The sale of the CGS claims form the Corporation's subsidiary, Mineras Kairos, to San Lorenzo, a subsidiary of Kairos Metals. for US$1.6 million is considered a common control transaction for accounting purposes. As such, $216,963 being the excess of the carrying value of the CGS claims of C$2,280,963 over the purchase price of C$2,064,000 (US$1,600,000) is charged to contributed surplus.

5. Notes Receivable

Notes receivable are comprised of the following:

	September 30, 2018	December 31, 2017
Due from an officer	$ 94,608	$ 93,200
Note receivable from Kairos Metals	1,483,500	-
Note receivable from San Lorenzo	2,083,200	-
Balance, end of period	$ 3,661,308	$ 93,200

Due from an officer

Pursuant to an employment agreement entered into during 2017, the Corporation loaned an officer $93,200 to purchase 233,000 shares of the Corporation. The loan bears interest at 2% per annum is repayable in annual instalments of 5% of the principal sum each January 1st commencing January 1, 2019 plus interest and is due in full October 30, 2022. The amount due at September 30, 2018 includes accrued interest.

The shares are held as security for the note receivable and shall be released on a proportionate basis following each annual loan repayment.

Notes receivable

The note receivable from Kairos Metals of $1,483,500 (US$1,150,000) and San Lorenzo $2,083,200 (US$1,600,000) are due two years form the date of issuance, bear interest at 2% per annum and are unsecured.

6. Mineral properties - exploration and evaluation expenditures

The Corporation's exploration and evaluation expenditures relate to mineral properties in Chile and are as follows:

Balance December 31, 2016	$ 2,084,765
Additions to copper/gold/silver claims	265,834
Additions to lithium claims	779,722
Balance December 31, 2017	3,130,321
Additions to copper/gold/silver claims	118,385
Additions to lithium claims	2,667,030
Transfer of copper/gold/silver claims (note 4)	(2,280,963)
Balance September 30, 2018	**$ 3,634,773**

Mineral Disposition

During the second quarter of 2018, the Corporation transferred its interests in its copper, gold and silver properties ("CGS claims") in Chile as described in note 4 at their carrying cost of C$2,280,963.

Mineral Property Description

As at September 30, 2018, the Corporation held a lithium property portfolio in Chile comprising approximately 155,800 hectares of exploration claims.

Mineral Property Expenditure Commitments

The Mineral Properties do not require any minimum work or expenditure commitments. The Corporation is obligated to make annual tax payments of US$1.50/hectare to the Chilean government in relation to exploration concessions.

7. Share Capital

a) Authorized:

Unlimited number of common voting shares and preferred shares without nominal or par value.

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued since the Corporation's inception.

b) Issued Common Shares

Issued share capital is as follows.

	#	$
Balance December 31, 2016	68,750,000	2,044,686
Shares issued for cash	27,710,000	9,520,600
Shares issued on exercise of warrants	280,250	70,063
Reclass on exercise of warrants	-	31,777
Fair value of unit warrants	-	(571,192)
Share issue costs:		
Expenditures	-	(690,267)
Fair value of broker's warrants	-	(344,611)
Balance December 31, 2017	96,740,250	10,061,056

b)

	#	$
Shares issued for cash	3,666,200	3,666,200
Shares issued on exercise of warrants	675,804	322,340
Share issued on exercise of stock options	100,000	25,000
Reclass on exercise of warrants	-	156,565
Fair value of unit warrants	-	(993,843)
Distribution of investment in Kairos Metals		(1,045)
Share issue costs:		
Expenditures	-	(309,981)
Fair value of broker's warrants		(245,930)
Balance September 30, 2018	**101,182,254**	**12,680,362**

During the nine months ended September 30, 2018, share capital changed as follows:

(i) In February and March 2018, the Corporation closed a private placement of common shares in three tranches for units of the Corporation at a price of $1.00 per unit ("Units") and is comprised of one Common Share and one half (1/2) of one common share purchase warrant (a "Warrant") of the Corporation. Each whole Warrant entitles the holder to purchase one full Common Share at a price of $1.50 per share, expiring two years from the date of issuance.

- Tranche one was comprised of 2,812,200 Units of the Corporation gross proceeds of $2,812,200.
- Tranche two was comprised of 720,000 Units of the Corporation for gross proceeds of $720,000.
- Tranche three was comprised of 134,000 Units of the Corporation for gross proceeds of $134,000.

Share issue costs of $540,112 include finders' fees totaling $247,534, legal and regulatory fees of $46,648 and $245,930 being the fair value of the brokers' warrants. Each broker warrant entitles the holder to purchase one full Common Share at a price of $1.00 per share, expiring eighteen months from the date of issuance.

(ii) A total of 505,637 brokers' warrants were exercised for proceeds of $206,650.

(iii) A total of 167,667 Unit warrants were exercised for proceeds of $115,690.

(iv) A total of 100,000 stock options were exercised for proceeds of $25,000.

c) Warrants

The details of the broker warrants are as follows at September 30, 2018:

Date of Issuance	**March, 2017**	**September, 2017**	**November, 2017**	**March, 2018**	**Total**
# of broker warrants issued	282,750	677,565	513,891	249,634	1,723,840
# of broker warrants exercised	(282,750)	(442,820)	(62,817)	-	(788,387)
Balance, September 30, 2018	**-**	**234,745**	**451,074**	**249,634**	**935,453**
Exercise price of broker warrants	$ 0.25	$ 0.40	$ 0.46	$ 1.00	

At September 30, 2018 there are 4,202,104 Unit warrants outstanding as follows:

Date of Issuance	**November, 2017**	**March, 2018**	**Total**
# of Unit warrants issued	2,536,671	1,833,100	4,369,771
# of Unit warrants exercised	(167,667)	-	(167,667)
Balance, September 30, 2018	**2,369,004**	**1,833,100**	**4,202,104**
Exercise price of Unit warrants	$ 0.69	$ 1.50	

The fair value of the warrants has been estimated at the date of grant using the Black-Scholes option pricing model on the following assumptions:

	Nine months ended September 30, 2018		Year Ended December 31, 2017	
	Broker Warrants	**Unit Warrants**	**Broker Warrants**	**Unit Warrants**
Dividend yield	0%	0%	0%	0%
Expected volatility	133%	133%	120%	120%
Risk-free interest rate	1.25%	1.25%	0.75% – 1.53%	1.41%
Forfeiture rate	0%	0%	0%	0%
Fair value per warrant	$ 0.99	$ 0.51	$ 0.11 – 0.28	$ 0.28

d) Loss per share

The basic and diluted loss per share as calculated is based on the weighted average number of shares outstanding during the year as follows:

	Three Months ended September 30,		Nine months ended September30,	
	2018	2017	**2018**	2017
Weighted average number of common shares				
Issued and outstanding at beginning of period	**101,142,712**	78,850,000	**96,740,250**	68,750,000
Effect of share issuance	**4,880**	311,126	**3,516,668**	7,661,991
Weighted average number of common shares –basic and diluted	**101,147,592**	79,161,126	**100,256,918**	76,411,991

e) Stock Option Plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of TSX Venture (the “Stock Option Plan”) for the benefit of directors, officers, employees and other key personnel of the Corporation. A maximum of 10% of the issued and outstanding Common Shares of the Corporation are reserved for issuance pursuant to the exercise of stock options to be granted to directors, officers, employees and other key personnel of the Corporation. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) and for consultants shall not exceed two percent (2%) of the issued and outstanding common shares. The Stock Option Plan provides that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by TSX Venture. Stock options granted under the Stock Option Plan may not be exercisable for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the option.

A summary of the stock option plan and changes during the periods then ended is as follows:

	September 30, 2018		December 31, 2017	
	# of Stock Options	**Weighted Average Price**	**# of Stock Options**	**Weighted Average Price**
Balance, beginning of period	4,150,000	$ 0.24	1,025,000	$ 0.10
Granted	900,000	$ 1.05	3,125,000	$ 0.29
Exercised	(100,000)	$ 0.25	-	-
Balance end of period	4,950,000	$ 0.31	4,150,000	$ 0.24

A summary of the stock options outstanding is as follows:

As at September 30, 2018

Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date
525,000	$0.10	2.4	525,000	February 18, 2021
500,000	$0.10	0.1	500,000	November 1, 2018
2,425,000	$0.25	3.4	1,725,000	February 17, 2022
600,000	$0.45	3.9	200,000	August 22, 2022
900,000	$1.05	4.4	300,000	February 20, 2023
4,950,000		**3.2**	**3,250,000**	

The Corporation accounts for its share-based compensation using the fair value method for all stock options.

On February 20, 2018 the Corporation issued 900,000 stock options, at an exercise price of $1.05 to a director and a consultant, of which 300,000 stock options vest equally as to one-third each year commencing on the date of grant. The stock options expire on February 20, 2023 and had a fair value of $246,000 on the date of issuance. The fair value of stock options issued in the year has been estimated at the date of grant using the Black-Scholes option pricing model using the following assumptions:

Dividend yield		0%
Expected volatility		133%
Risk-free interest rate		1.94%
Forfeiture rate		nil
Fair value per option	$	0.82

8. Expenses by nature

	Three Months ended September 30,				Nine months ended September 30,			
		2018		2017		**2018**		2017
Wages and employee benefits	**$**	**45,322**	$	23,000	**$**	**139,863**	$	25,500
Professional fees		**54,454**		18,164		**147,940**		41,566
Consulting fees		**58,271**		-		**142,602**		-
Rent		**19,991**		2,250		**34,599**		2,250
Office		**97,590**		4,842		**227,526**		50,797
Travel and entertainment		**66,489**		29,594		**298,011**		35,665
Business development		**301,915**		-		**1,305,143**		-
	$	**644,032**	$	77,850	**$**	**2,295,684**	$	155,778

9. Related Party Transactions

a) During the nine months ended September 30, 2018 and 2017, the Corporation incurred expenses included in the Consolidated Statements of Loss and Comprehensive Loss, as follows:

Nine months ended September 30,		2018		2017
Administrative and accounting services provided by officers	$	68,500	$	2,500
Fees paid to directors or a firm controlled by a director		45,000		-
Interest expense on amounts due to a director		-		3,763
Fees billed by a law firm of which a former director was a partner		-		43,239
Rent and office expenses charged by a company with common directors and officers		9,650		-
Debenture interest incurred, due to a company related by a common director	$	-	$	8,532

The above transactions were in the normal course of operations and were recorded at fair value.

b) The related party amounts included in the Consolidated Statements of Financial Position, are as follows:

As at September 30,		2018		2017
Due officers for administrative and accounting services (included in trade and other payables)	$	8,500	$	2,500
Due to a law firm of which a former director was a partner (included in trade and other payables)		-		10,618
Consulting services provided by an officer (included in Mineral Properties on the consolidated statements of financial position - 2018 - US$135,000; 2017 - US$109,917)		172,841		137,899
Due to an officer for consulting services (included in trade and other payables)		27,705		10,815
Due from an officer (included in notes receivable)	$	94,608	$	-

10. Financial Instruments

The Corporation is exposed to minimal credit risk, liquidity and interest rate risks. The Corporation manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There are no differences in the carrying values and fair values of the Corporation's financial instruments due to the short-term maturities and current interest rates.

a) Foreign exchange risk

The Corporation is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate and in the U.S./Chilean Peso exchange rate for services and geological costs that are denominated in Chilean Peso and converted to U.S. dollars or directly influenced by U.S. dollar (USD) benchmark prices. A hypothetical change of 10% to the foreign exchange rate between Canadian/U.S. and U.S/Chilean Peso would not have a material impact of the Corporation's loss during the year. At September 30, 2018, the Corporation had 9,014,303 Chilean pesos (CLP) and USD$20,970/CAD$27,052 (2017 – CLP98,219,493/CAD$191,461) on deposit at a Chilean financial institution.

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligation. The Corporation believes it has negligible credit risk due to its non-operating status and the nature of the receivables

c) Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities when due. As at September 30, 2018 the Corporation had a working capital balance of $3,695,716, which is sufficient to fund operations over the next 12 months.

d) Interest Rate Risk

The Corporation believes it has negligible interest rate risk due to its cash balances and fixed rate interest-bearing notes receivable.

11. Management of Capital

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Corporation’s objective when managing capital is to safeguard the Corporation’s ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders.