LITHIUM CHILE INC.

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2021 and 2020

(Canadian Dollars)

LITHIUM CHILE INC.

FIRST QUARTER 2021 CONDENSED INTERIM CONSOLIDATED 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 March 31, 2021 and 2020.

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 March 31, 2021 and 2020, the interim consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the three 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 Interim 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.

signed "Jana L. Lillies"
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Jana L. Lillies, Chief Financial Officer

signed "Steve Cochrane"
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Steve Cochrane, Chief Executive Officer

LITHIUM CHILE INC.
Condensed Interim Consolidated Statements of Financial Position
(Canadian Dollars)

	Notes	As at March 31, 2021	December 31, 2020
		Unaudited	*Audited*
ASSETS			
Current			
Cash		**$ 5,501,188**	$ 568,339
Receivables		**20,851**	10,104
Notes and other receivables	*4*	**1,000,000**	1,000,000
Prepaid expenses		**274,509**	212,187
Total current assets			1,790,630
Taxes receivable		**210,657**	219,842
Notes and other receivables	*4*	**-**	91,876
Mineral properties	*5*	**6,781,665**	6,843,653
Total Assets		**$ 13,788,870**	$ 8,946,001
LIABILITIES			
Trade and other payables		**$ 498,471**	$ 432,100
Due to related party		**12,128**	-
Total liabilities		**510,599**	432,100
SHAREHOLDERS' EQUITY			
Share capital	*6*	**17,571,882**	13,743,986
Contributed surplus		**5,407,604**	3,722,790
Accumulated other comprehensive loss		**(834,606)**	(901,087)
Deficit		**(8,866,609)**	(8,051,789)
Total shareholders' equity		**13,278,271**	8,513,901
Total liabilities and shareholders' equity		**$ 13,788,869**	$ 8,946,001
General information	*1*		
Subsequent events	*14*		

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

LITHIUM CHILE INC.
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
Unaudited
(Canadian Dollars)

For the Three Months Ended	Notes		2021		2020
			March 31,		
REVENUE					
Interest		**$**	**2,761**	$	449
					449
EXPENSES					
General and administrative	*7*		**486,039**		60,136
Foreign exchange loss			**331,542**		-
Total expenses			**817,581**		60,136
Net loss			**(814,820)**		(59,687)
Other comprehensive loss					
Foreign exchange translation adjustment			**66,481**		16,223
NET AND COMPREHENSIVE LOSS		**$**	**(748,339)**	$	(43,464)
Net loss per share - basic and diluted	*6(d)*		**(0.01)**		(0.00)
Weighted average number of shares outstanding	*6(d)*		**126,931,794**		101,941,935

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

LITHIUM CHILE INC.
Condensed Interim Consolidated Statement of Changes in Equity
Unaudited
(Canadian Dollars)

	Notes		Share Capital		Contributed Surplus		Accumulated Other Comprehensive Income		Deficit		Total Equity
Balance, December 31, 2019		$	13,060,338	$	2,832,159	$	(801,825)	$	(7,502,802)	$	7,587,870
Net loss and comprehensive loss							16,233		(59,687)		(43,464)
Balance, March 31, 2020		$	13,060,338	$	2,832,159	$	(785,602)		(7,562,488)		7,544,407
Balance, December 31, 2020		**$**	**13,743,986**	**$**	**3,722,790**	**$**	**(901,086)**	**$**	**(8,051,789)**	**$**	**8,513,901**
Issuance of common shares			**4,024,180**		**-**		**-**		**-**		**4,024,180**
Share issue costs			**(283,253)**		**-**		**-**		**-**		**(283,253)**
Fair value of broker warrants			**(161,688)**		**161,688**		**-**		**-**		**-**
Fair value of unit warrants			**(2,265,735)**		**2,265,735**		**-**		**-**		**-**
Exercise of broker warrants			**67,200**		**-**		**-**		**-**		**67,200**
Exercise of unit warrants			**1,618,750**		**-**						**1,618,750**
Exercise of stock options			**85,833**		**-**						**85,833**
Reclassification on exercise of broker warrants			**115,181**		**(115,181)**		**-**		**-**		**-**
Reclassification on exercise of unit warrants			**627,428**		**(627,428)**						**-**
Net and comprehensive loss			**-**		**-**		**(66,480)**		**(814,819)**		**(748,339)**
Balance, March 31, 2021		**$**	**17,571,882**	**$**	**5,407,604**	**$**	**(834,606)**	**$**	**(8,866,608)**	**$**	**13,278,271**

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

LITHIUM CHILE INC.
Condensed Interim Consolidated Statement of Cash Flows
Unaudited
(Canadian Dollars)

	Note		Three Months ended March 31, 2021		2020
Cash provided by (used in)					
OPERATING					
Net loss		**$**	**(814,820)**	$	(43,464)
Add (deduct) items not affecting cash flow:					
Foreign exchange translation adjustment			**(66,481)**		(16,223)
Interest income			**(2,451)**		(449)
Foreign exchange loss	***5***		**331,542**		-
Receivables			**(10,748)**		1,172
Trade and other payables			**81,285**		11,620
Prepaid expenses			**(62,322)**		16,498
Cash flow used in operating activities			**(543,995)**		(29,948)
INVESTING					
Paid exploration and evaluation expenditures	***6***		**(130,741)**		(505,106)
Working capital related to investing activities			**(23,632)**		413,185
Due to related			**12,128**		-
Cash flow used in investing activities			**(142,245)**		(91,921)
FINANCING					
Issuance of common shares, net of share issuance costs	***7***		**4,024,180**		-
Share issue costs			**(283,253)**		-
Repayment of loan receivable			**92,187**		
Exercised warrants			**1,685,950**		-
Exercised stock options			**99,757**		-
Cash flow provided by (used in) financing activities			**5,619,088**		-
Decrease in cash and cash equivalents			**429,893**		(121,869)
Cash and cash equivalents and term deposits, beginning of year			**138,445**		138,445
Cash and cash equivalents, end of year		**$**	**5,501,188**	$	138,445
Cash and cash equivalents is comprised of:					
Cash		**$**	**198,737**	$	16,576
Term deposits			**5,302,451**		-
		$	**5,501,188**	$	16,576

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".

COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks as well as the impact on the Corporation.

2. Basis of Presentation

a) Statement of compliance

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, 2020.

These financial statements, and the policies applied herein, were authorized for issue by the Board of Directors on May 28, 2021.

b) Basis of measurement

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.

These Interim Statements are presented in Canadian dollars, which is the Corporation's functional currency. The functional currency of the Corporation's 99% owned subsidiary, Compañía Minera Kairos Chile Limitada ("Minera Kairos"), is the Chilean Peso.

c) Consolidation

These Interim Statements include the accounts of the Corporation and Minera Kairos (hereafter referred to as the "Corporation"), which is a limited liability partnership of which the Corporation owns 99%. The Corporation has consolidated the assets, liabilities and expenses of its subsidiary after the elimination of inter-company transactions and balances. The subsidiary was incorporated in Chile on April 4, 2014 and the principal business is the acquisition and development of mineral properties.

d) Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

2. Basis of Presentation *(continued)*

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments that management has made in the process of applying the Corporation's accounting policies and that have a significant effect on the amounts recognized in the condensed interim consolidated financial statements.

Property Title

Although the Corporation takes steps to verify title exploration and evaluation assets in which it has an interest, however, these procedures do not guarantee the Corporation's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Taxes

The Corporation applies judgment in determining the total provision for current and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain due to interpretations of complex tax regulations, changes in tax laws, and the amounts and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded.

Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

Mineral Properties

The application of the Corporation's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Exploration and evaluation assets are reviewed for changes in facts and circumstances which would suggest that the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Corporation's review considers the following:

- The period for which the Corporation has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and,
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Recoverability of Notes Receivable

The Corporation expects to receive the face value of the note receivable by its maturity date. Should there be a significant increase in credit risk associated with the note receivable, the amount the Corporation expects to receive could be significantly reduced.

2. Basis of Presentation *(continued)*

Estimates

Share-Based Compensation

The recognition of expenses associated with the Corporation's stock option plan requires estimates of the fair value of stock options granted. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the options.

Deferred Taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Corporation operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Corporation is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and theses taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

3. Summary of Significant Accounting Policies

These Interim Statements should be read in conjunction with the Audited Statements and accompanying notes for the year ended December 31, 2020. These Interim Statements have been prepared following the same accounting policies as described in note 3 of the Audited Statements for the year ended December 31, 2020.

4. Notes and Other Receivables

Notes and other receivables are comprised of the following:

	March 31, 2021	December 31, 2020
Note receivable from an officer (a)	**$ -**	$ 88,540
Note receivable from Kairos Metals (b)	**1,000,000**	1,000,000
Interest receivable	**-**	3,336
Balance, end of period	**$ 1,000,000**	$ 1,091,876

The notes receivable are allocated as follows:

	March 31, 2021	December 31, 2020
Current	**1,000,000**	1,000,000
Long-term	**-**	91,876
Total	**1,000,000**	1,091,876

a) Note receivable 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 note bears interest at 2% per annum is repayable in annual instalments of 5% of the principal sum each January 1st commencing January 1, 2020 plus interest and is due in full October 30, 2022.

The shares were held as security for the note receivable to be released on a proportionate basis following each annual loan repayment. The loan was repaid in full, with interest, during the three months ended March 31, 2021 and the shares were released.

b) Notes receivable

During the three months ended March 31, 2020, an agreement was entered into that resulted in certain properties being transferred to the Corporation (the "Retransfer Agreement"). As a result of the Retransfer Agreement, the values and terms of the notes receivable were adjusted as follows:

4. Notes and Other Receivables

- The Kairos Metals note receivable was written down from US$1,150,000 to CAD$1,000,000 with the repayment term extended from May 16, 2020 to November 30, 2021 and is unsecured.
- The San Lorenzo note receivable was adjusted from US$1,600,000 to the net estimated recoverable amount of CAD$1,057,638, being the carrying value of the properties to be re-transferred. The properties were re-transferred to the Corporation during the second quarter of 2020.

The Retransfer agreement was approved by TSX during the three months ended March 31, 2020 and was completed in the subsequent quarter of 2020.

		Kairos Metals		San Lorenzo
Balance December 31, 2019	**$**	**1,000,000**	**$**	**1,057,638**
Retransfer of properties		-		(1,057,638)
Balance, December 31, 2020 and March 31, 2021	**$**	**1,000,000**	**$**	**-**

The fair value adjustment and related accretion of the Kairos Metals note receivable was charged to operations in the consolidated Statements of Loss and Comprehensive Loss. The San Lorenzo note receivable was issued on the transfer of the properties and is considered a common control transaction and as such, the difference between the carrying value of the properties and note receivable was charged to contributed surplus.

5. 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, 2019	$	5,014,228
Additions to lithium claims		675,972
Re-transfer of copper/gold/silver claims (note 4)		1,056,320
Additions to copper/gold/silver claims		236,817
Option payments		(100,000)
Foreign exchange effect		(39,684)
Balance, December 31, 2020		**6,843,653**
Additions to mineral claims		175,030
Foreign exchange effect		(237,018)
Balance, March 31, 2021	**$**	**6,781,665**

Mineral Property Description

As at March 31, 2021, the Corporation Lithium Chile holds a lithium property portfolio consisting of 71,900 hectares covering sections of 10 salars and two laguna complexes in Chile and 23,300 hectares in Argentina.

Lithium Chile also owns 5 properties that are prospective for gold, silver and copper.

Mineral Property Expenditure

The Mineral Properties do not require any minimum work or expenditure commitments. The Corporation is obligated to make annual tax payments of approximately US$1.50/hectare to the Chilean government in relation to exploration concessions and approximately US$7.50 in relation to exploitation claims.

6. 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.

6. Share Capital *(continued)*

b) Issued Common Shares

Issued share capital is as follows.

	#	$
Balance, December 31, 2019	**101,875,168**	**13,060,338**
Shares issued for cash	15,000,000	1,500,000
Exercise of broker warrants	343,120	34,311
Reclassification on exercise of warrants	-	59,523
Fair value of unit warrants	-	(626,373)
Share issue costs:		
Expenditures	-	(123,385)
Fair value of broker's warrants	-	(160,428)
Balance, December 31, 2020	**117,284,955**	**13,743,986**
Shares issued for cash	14,372,071	4,024,180
Exercise of broker warrants	672,000	67,200
Exercise of unit warrants	6,475,000	1,618,750
Exercise of stock options	658,333	85,833
Reclassification on exercise of broker warrants	-	115,181
Reclassification on exercise of unit warrants	-	627,428
Fair value of unit warrants	-	(626,373)
Share issue costs:	-	
Expenditures	-	(283,253)
Fair value of broker's warrants	-	(161,688)
Fair value of unit warrants	-	(2,265,735)
Balance, March 31, 2021	**139,462,359**	**17,571,882**

Three Months ended March 31, 2021:

i) During the three months ended March 31, 2021 the Corporation closed a private placement of units of the Corporation at a price of $0.28 per unit (the "Units") for gross proceeds of $4,024,180. Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant") of the Corporation. Each whole Warrant entitles the holder to purchase one full common share of the Corporation at a price of $0.60 for 2 years from the date of issuance of the Warrants.

Share issue costs of $283,253 include finders' fees totaling $249,942 and legal fees of $33,311. Share issuance costs also include the fair value of the brokers' warrants and Unit warrants totaling $2,427,423.

ii) During the three months ended March 31, 2021 the following changes to share capital also occurred:

- 672,000 broker warrants were exercised at $0.10 for proceeds of $67,200;
- 6,475,000 unit warrants were exercised at $0.25 for proceeds of $1,618,750;
- 525,000 stock options were exercised at $0.10 for proceeds of $52,500; and
- 133,333 stock options were exercised at $0.25 for proceeds of $33,333.

Three Months ended March 31, 2020:

i) During the three months ended March 31, 2020, 66,667 common shares were issued on the exercise stock options for proceeds of $16,667.

6. Share Capital *(continued)*

c) Warrants

The broker warrants issued in 2021 expire 1.5 years from the date of issuance. At March 31, 2021 the broker warrants outstanding are as follows and have an average remaining term to expiry of 1.4 years:

Date of Issuance	**March, 2021**	**June, 2020**
Exercise price of broker warrants	$ 0.28	$ 0.10
# of broker warrants issued	892,689	1,026,000
# of broker warrants exercised	-	(1,015,120)
# of broker warrants expired	-	-
Balance, March 31, 2021	**892,689**	**10,880**

The Unit warrants issued in 2021 expire 2 years from the date of issuance. At March 31, 2021 the Unit warrants outstanding are as follows and have an average remaining term to expiry of 1.8 years:

Date of Issuance	**March, 2021**	**June, 2020**
Exercise price of Unit warrants	$ 0.28	$ 0.25
# of Unit warrants issued	14,372,071	7,500,000
# of Unit warrants exercised	-	6,475,000
# of Unit warrants expired	-	-
Balance, March 31, 2021	**14,372,071**	**1,025,000**

The fair value of the 2021 warrants has been estimated at the date of grant using the Black-Scholes option pricing model on the following assumptions:

	Three months ended March 31, 2021	
	Broker Warrants	**Unit Warrants**
Dividend yield	0%	0%
Expected volatility	130.31%	130.31%
Risk-free interest rate	0.22%	0.23%
Forfeiture rate	0%	0%
Share price – on issuance	$ 0.67	$ 0.67
Exercise price	$ 0.28	$ 0.60
Term	18 months	24 months
Fair value per warrant	$ 0.1811	$ 0.1576

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 March 31,	
	2020	2020
Weighted average number of common shares		
Issued and outstanding at beginning of year	**117,284,955**	101,941,835
Effect of share issuance	**9,646,839**	-
Weighted average number of common shares – basic and diluted	**126,931,794**	101,941,835

6. Share Capital *(continued)*

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:

	March 31, 2021			December 31, 2020		
	# of Stock Options		Weighted Average Price	# of Stock Options		Weighted Average Price
Balance, beginning of year	4,683,333	$	0.43	5,083,333	$	0.36
Granted	-	$	-	-	$	-
Forfeited	(550,000)	$	(1.05)	(400,000)	$	0.52
Exercised	(658,333)	$	(0.13)	-	$	-
Balance end of year	3,475,000	$	0.39	4,683,333	$	0.43

During the three months ended March 31, 2021, 525,000 stock options were exercised at $0.10 for proceeds of $52,500; and 133,333 stock options were exercised at $0.25 for proceeds of $33,333. Also during the period, 550,000 options were forfeited at the end of the one-year period following the resignation of a director.

A summary of the stock options outstanding is as follows:

As at March 31, 2021

Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date
2,225,000	$0.25	0.9	2,225,000	February 17, 2022
600,000	$0.45	1.3	600,000	August 22, 2022
350,000	$1.05	1.9	350,000	February 20, 2023
300,000	$0.52	2.8	300,000	January 7, 2024
3,475,000	**$0.39**	**1.25**	**3,475,000**	

As at December 31, 2020

Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date
525,000	$0.10	1.1	525,000	February 18, 2021
2,358,333	$0.25	2.1	2,358,333	February 17, 2022
600,000	$0.45	2.6	600,000	August 22, 2022
900,000	$1.05	3.1	900,000	February 20, 2023
300,000	$0.52	4.1	300,000	January 7, 2024
4,683,333	**$0.43**	**2.5**	**4,683,333**	

7. General and Administrative Expenses by Nature

	Three months ended March 31, 2021	2020
Wages and employee benefits	**$ 248,888**	$ 21,090
Business development	**128,065**	-
Office	**39,207**	23,097
Consulting fees	**38,281**	3,600
Professional fees	**25,856**	4,089
Rent	**3,386**	7,671
Travel and entertainment	**2,356**	589
	$ 486,039	$ 60,136

8. Related Party Transactions

a) During the three months ended March 31, 2021 and 2020, the Corporation incurred expenses or revenue included in the Consolidated Statements of Loss and Comprehensive Loss, as follows:

Three months ended March 31,	2021	2020
Administrative and accounting services provided by officers	**$ 6,500**	$ 3,600
Rent and office expenses charged by a company with common directors and officers	**3,225**	-
Shared rent, office expenses and consulting fees in Chile charged by a company with common directors and officers	**37,577**	-
Loan interest earned from a director	**$ 311**	$ 449

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

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

As at March 31,	2021	2020
Due to officers for administrative and accounting services (included in trade and other payables)	**$ 2,000**	$ 3,600
Consulting services provided by an officer in Chile (included in Mineral Properties)	**18,917**	45,630
Due to an officer in Chile for consulting services (included in trade and other payables	**66,006**	41,037
Due to a related company for rent and office expenses	**3,225**	-
Due to a related party for shared expenses in Chile	**12,128**	-
Due from an officer including accrued interest (included in notes receivable)	**$ -**	$ 90,505

9. 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 except as discussed in note 4, Notes and Other Receivables.

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 US/Chilean Peso would not have a material impact of the Corporation's loss during the year.

b) Interest Rate Risk

The Corporation believes it has negligible interest rate risk due to its cash balances and the notes receivable bear interest at a fixed rate.

9. Financial Instruments *(continued)*

c) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation believes it has negligible credit risk due to its non-operating status and the nature of the receivables. The note receivable of $1,000,000 is due from a mining exploration company and as such, involve a high degree of risk. There is minimal credit risk associated with the Corporation's cash balance as it is held with major Canadian financial institutions.

d) 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 March 31, 2021, the Corporation had a positive working capital balance of $5,285,949 (March 31, 2020 - $325,278 deficit).

10. 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 except for mineral tax payments to the Chilean government. 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.

11. Segmented information

The Corporation reports its financial results as one reportable segment as this is how the financial information is reviewed by the chief decision makers of the Corporation.

The following table provides information regarding the location of the Corporation's non-current assets on a geographic basis.

		2020		2019
Canada	**$**	**-**	$	1,090,505
Chile		**6,992,322**		5,519,335
	$	**6,992,332**	$	6,576,974

12. Subsequent Events

Subsequent to the three months ended March 31, 2021 the Corporation announced that it has entered into a binding letter of intent ("LOI") with SMG S.R.L. of Jujuy, Argentina. The LOI enables Lithium Chile to earn up to an 80% interest in the 233 Sq. Km. Salar De Arizaro located in Salta Province, Argentina.

The LOI contemplates that Lithium Chile may earn a 60% interest in the Arizaro prospect over a term of up to three years in stages. The first stage involves the drilling and production testing of a well to be completed within six months from entering into formal agreements at an estimated cost of up to US $800,000 and includes payments to the vendors totaling US $300,000. After analysis of the production test, the Corporation will have a 180-day period to exercise its option to proceed to the second stage involving further property expenditures totaling US $6,000,000 over 2.5 years after which the Corporation will have earned a 60% interest in the entire project.

Subsequent to the three months ended March 31, 2021, a total of 37,500 warrants were exercised for gross proceeds of $9,375.