LITHIUM CHILE INC.

Condensed Interim Consolidated Financial Statements

Three Months ended March 31, 2022 and 2021

(Canadian Dollars)

LITHIUM CHILE INC.

FIRST QUARTER 2022 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, 2022 and 2021.

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, 2022 and 2021, 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"

Jana L. Lillies, Chief Financial Officer

signed "Steve Cochrane"

Steve Cochrane, Chief Executive Officer

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

As at	Notes		March 31, 2022		December 31, 2021
ASSETS			**Unaudited**		Audited
Current					
Cash and cash equivalents		**$**	**12,828,737**	$	6,934,039
Receivables			**53,058**		41,115
Marketable securities	*4*		**60,000**		47,500
Note receivable	*4*		**869,476**		810,861
Prepaid expenses			**308,869**		380,317
Total current assets			**14,120,140**		8,213,832
Taxes receivable	*5*		**328,689**		302,870
Mineral properties	*6*		**8,359,694**		7,643,448
Total Assets		**$**	**22,808,523**	$	16,160,150
LIABILITIES					
Trade and other payables		**$**	**538,597**	$	767,719
Total liabilities			**538,596**		767,719
SHAREHOLDERS' EQUITY					
Share capital	*7*		**21,049,443**		17,348,967
Contributed surplus			**16,611,335**		11,178,816
Accumulated other comprehensive loss			**(716,358)**		(581,803)
Deficit			**(14,674,494)**		(12,553,549)
Total shareholders' equity			**22,269,926**		15,392,431
Total liabilities and shareholders' equity		**$**	**22,808,523**	$	16,160,150

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)

	Notes	Three Months Ended March 31, 2022	2021
REVENUE			
Interest and other		**$ 14,738**	$ 2,761
			2,761
EXPENSES			
General and administrative	*8*	**2,282,812**	486,039
Foreign exchange loss (gain)	*6*	**(488,566)**	331,542
Accretion of notes receivable	*4*	**(53,683)**	-
Unrealized gain on marketable security	*4*	**(12,500)**	-
Share-based compensation	*7(e)*	**407,621**	-
Total expenses		**2,135,684**	817,581
Net loss		**(2,120,945)**	(814,820)
Other comprehensive loss			
Foreign exchange translation adjustment		**(134,555)**	66,481
NET AND COMPREHENSIVE LOSS		**$ (2,255,500)**	$ (748,339)
Net loss per share - basic and diluted	*7(d)*	**(0.01)**	(0.01)
Weighted average number of shares outstanding	*7(d)*	**150,477,394**	126,931,794

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, 2020		**$ 13,743,986**	**$ 3,722,790**	**$ (901,086)**	**$ (8,051,789)**	**$ 8,513,901**
Issuance of common shares	*7(b)*	4,024,180	-	-	-	4,024,180
Share issue costs	*7(b)*	(283,253)	-	-	-	(283,253)
Fair value of unit warrants	*7(b)*	(161,688)	161,688	-	-	-
Fair value of broker warrants	*7(b)*	(2,265,735)	2,265,735	-	-	-
Exercise of unit warrants	*7(b)*	67,200	-	-	-	67,200
Exercise of broker warrants		1,618,750	-	-	-	1,618,750
Reclass on exercise of unit warrants	*7b)*	627,428	(627,428)	-	-	-
Reclass on exercise of broker warrants		115,181	(115,181)			-
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**
Balance, December 31, 2021		**$ 17,348,967**	**$ 11,178,816**	**$ (581,803)**	**$ (12,553,549)**	**$ 15,392,431**
Issuance of common shares	*7(b)*	7,041,999	-	-	-	7,041,999
Share issue costs	*7(b)*	(46,047)	-	-	-	(46,047)
Fair value of unit warrants	*7(b)*	(5,768,930)	5,768,930	-	-	-
Exercise of unit warrants	*7(b)*	1,314,155	-	-	-	1,314,155
Exercise of broker warrants	*7(b)*	9,016	-	-	-	9,016
Exercise of stock options	*7(b)*	406,250	-	-	-	406,250
Reclass on exercise of broker warrants	*7(b)*	6,341	(6,341)	-	-	-
Reclass on exercise of unit warrants	*7(b)*	737,691	(737,691)	-	-	-
Net and comprehensive loss		-	-	(134,555)	(2,120,945)	(2,255,500)
Share-based compensation	*7(e)*	-	407,621	-	-	407,621
Balance, March 31, 2022		**$ 21,049,442**	**$ 16,611,335**	**$ (716,358)**	**$ (14,674,494)**	**$ 22,269,925**

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

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

	Notes	Three Months ended March 31, 2022	2021
Cash provided by (used in)			
OPERATING			
Net and comprehensive loss		**$ (2,255,500)**	$ (814,820)
Add (deduct) items not affecting cash flow:			
Foreign exchange translation adjustment		**134,555**	(66,481)
Share-based compensation	*7(e)*	**407,621**	-
Accretion of notes receivable	*4*	**(53,683)**	-
(Gain) on marketable security	*4*	**(12,500)**	-
Interest income and other		**(4,932)**	(2,451)
Unrealized foreign exchange loss	*6*	**(483,215)**	331,542
Change in non-cash working capital	*9*	**(195,436)**	8,215
Cash flow used in operating activities		**(2,463,090)**	(543,995)
INVESTING			
Paid exploration and evaluation expenditures	*6*	**(482,823)**	(130,741)
Working capital related to investing activities	*9*	**115,238**	12,128
Cash flow used in investing activities		**(367,585)**	(142,245)
FINANCING			
Issuance of common shares	*7(b)*	**7,041,999**	4,024,180
Share issue costs	*7(b)*	**(46,047)**	(283,253)
Exercised Unit and broker warrants	*7(b)*	**1,323,171**	1,685,950
Exercised stock options	*7(e)*	**406,250**	99,757
Note receivable - payment		**-**	92,187
Cash flow provided by financing activities		**8,725,373**	5,619,088
Increase in cash and cash equivalents		**5,894,698**	429,893
Cash and cash equivalents, beginning of year		**6,934,039**	138,445
Cash and cash equivalents, end of period		**$ 12,828,737**	$ 5,501,188
Cash and cash equivalents is comprised of:			
Cash		**$ 8,795,522**	$ 198,737
Term deposits		**4,033,215**	5,302,451
		$ 12,828,737	$ 5,501,188

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 Argentina 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. COVID-19 continues to result in significant economic uncertainty and governments worldwide are once again 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.

Other than minor delays for certain Chilean government processes and work-from-home regulations for Chilean employees that were mandated earlier in the pandemic, the Corporation has not been impacted significantly.

2. Basis of Presentation

a) Statement of compliance

These Interim Statements, including required comparative information, have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC") in effect at January 1, 2021.

These Interim Statements and the policies applied herein, were authorized for issue by the Board of Directors on May 30, 2022.

b) Basis of measurement

The Interim 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 Interim Statements are presented in Canadian dollars, which is the Corporation's functional currency. The functional currency of the Corporation's 99% owned subsidiary, Compañia Minera Kairos Chile Limitada ("Minera Kairos") is the Chilean Peso. The functional currency of the Corporation's 100% owned subsidiary, Argentum Lithium S.A. ("Argentum") is the Argentinian Peso.

The Argentinian economy was designated as hyperinflationary since July 1, 2018. As a result, application of IAS 29 *Financial Reporting in Hyperinflationary Economies* ("IAS 29") has been applied to Argentum whose functional currency is the Argentinian Peso. The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date.
- Adjustment of the statement of operations for inflation during the reporting period.
- The statement of operations is translated at the period end foreign exchange rate instead of an average rate.

Adjustment of the statement of operations to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

Certain comparative figures have been changed to conform with the current year presentation.

2. Basis of Presentation *(continued)*

c) Consolidation

The consolidated financial statements include the accounts of the Corporation, Minera Kairos and Argentum (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, which is a limited liability partnership of which the Corporation owns 99%, was incorporated in Chile on April 4, 2014 and whose principal business is the acquisition and development of mineral properties. The Corporation owns 100% of Argentum which was incorporated in Argentina on July 7, 2021 and whose 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.

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 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 suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date.

2. Basis of Presentation *(continued)*

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.

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.

Warrants

The recognition of expenses associated with warrants issued by the Corporation requires estimates of the fair value of warrants issued. Determining most of the inputs to the valuation model requires assumptions which include share trading volatility and the expected life of the warrants.

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, 2021. These Interim Statement have been prepared following the same accounting policies as described in note 3 of the Audited Statements for the year ended December 31, 2021.

4. Note Receivable

Note receivable is comprised of the following:

	March 31, 2022	December 31, 2021
Note receivable from San Lorenzo Gold Corp. ("San Lorenzo")	**$ 869,476**	$ 810,861

4. Note Receivable (continued)

On June 30, 2021, the repayment date of the note receivable from San Lorenzo was extended to November 30, 2022. An extension fee was paid to the Corporation in the form of 500,000 common shares of San Lorenzo which is recorded as marketable securities on the Consolidated Statements of Financial Position.

The closing price of the San Lorenzo common shares on December 31, 2021 was $0.095 and on March 31, 2022 the closing price was $0.12. Consequently, an unrealized gain on the marketable securities of $12,500 was recorded on the Consolidated Statements of Loss and Comprehensive Loss.

The extension fee was credited to the note receivable and will be accreted over the remaining term of the note.

At the time the note receivable was extended, the coupon interest rate of 2% was less than the estimated market interest rate of 20% for corporations with similar credit profiles. As a result, a fair value adjustment was recorded and charged to contributed surplus and will be accreted over the term of the note.

		Due from San Lorenzo
Balance December 31, 2020	$	1,000,000
Fair market value adjustment		(236,471)
Extension fee		(72,500)
Accretion of fair market value adjustment		83,998
Accretion of extension fee		25,752
Interest receivable		10,082
Balance, December 31, 2021		**810,861**
Accretion of fair market value adjustment		41,086
Accretion of extension fee		12,597
Interest receivable		4,932
Balance, March 31, 2022	**$**	**869,476**

5. Taxes Receivable

Taxes receivable is comprised of Chilean IVA and Argentinian VAT and that will be applied against future revenues.

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, 2020	$	6,843,653
Argentinian acquisition		124,617
Additions to lithium claims		1,548,287
Foreign exchange effect		(973,109)
Option cancelled		100,000
Balance, December 31, 2021		7,643,448
Additions to gold, silver and copper claims		73,775
Additions to lithium claims		249,150
Inflation effect		44,660
Foreign exchange effect		348,660
Balance, March 31, 2022	**$**	**8,359,693**

Mineral Property Description

As at March 31, 2022, the Corporation held a lithium property portfolio consisting of 69,200 hectares covering sections of 10 salars and 2 laguna complexes and 23,300 hectares in Argentina. The Corporation also owns a copper-gold property portfolio in Chile comprising approximately 20,429 hectares of exploration claims.

On March 31, 2022, the Corporation announced that it had entered into an arm's-length definitive option agreement with Monumental Minerals Corp. ("Monumental") to earn up to 75% of the 5,200 hectare Salar de Laguna Blanca project. Monumental will make cash payments to the Corporation totalling CAD$1,500,000 over the next 3 years.

6. Mineral Properties - Exploration and Evaluation Expenditures *(continued)*

Mineral Property Expenditures and Commitments

The Corporation paid US$100,000 toward earning a 60% interest in the Salar de Arizaro, Argentina prospect over a term of three years in stages. The first stage involved the drilling and production testing of a well at a cost of approximately US$675,000, and includes payments to the vendors totaling US$300,000. Subsequent to the period, the Corporation exercised its option to proceed to the second stage involving further property expenditures totaling US$6,000,000 over 2.5 years which will earn the Corporation a 60% interest in the entire project.

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. Claim costs paid in the three months ended March 31, 2022 were approximately CAD$204,821 (2021 – CAD$29,759).

There is no financial commitment extending past the current year in which a claim is held. Claims are acquired and paid throughout the year, therefore the number of claims held fluctuates throughout the year. The transition from an exploration claim to an exploitation claim, also creates a variation in claim costs.

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, 2020	117,284,955	13,743,986
Shares issued for cash	21,294,888	8,177,870
Shares issued for services	386,877	144,000
Exercise of broker warrants	965,617	149,413
Exercise of unit warrants	7,804,500	2,057,700
Exercise of stock options	658,333	85,833
Reclass on exercise of broker warrants	-	162,077
Reclass on exercise of unit warrants	-	664,507
Share issue costs:		
Expenditures	-	(536,277)
Fair value of unit warrants	-	(6,919,234)
Fair value of broker's warrants	-	(380,908)
Balance, December 31, 2021	**148,395,170**	**17,348,967**
Shares issued for cash	10,059,999	7,041,999
Exercise of broker warrants	32,200	9,016
Exercise of unit warrants	2,190,258	1,314,155
Exercise of stock options	1,625,000	406,250
Reclass on exercise of broker warrants	-	6,341
Reclass on exercise of unit warrants	-	737,691
Share issue costs:	-	
Expenditures	-	(46,047)
Fair value of unit warrants	-	(5,768,930)
Balance, March 31, 2022	**162,302,627**	**21,049,443**

7. Share Capital *(continued)*

Three months ended March 31, 2022:

i) During the three months ended March 31, 2021, the Corporation closed a private placement of 10,059,999 units of the Corporation at a price of $0.70 per unit (the "Units") for gross proceeds of $7,041,999. 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 $0.85 for 2 years from the date of issuance of the Warrants.

Share issue costs include legal fees of $46,047 and a reduction in share capital results from the fair value of the Unit warrants totaling $5,768,930.

ii) During the three months ended March 31, 2022, the following changes to share capital also occurred:

- 32,200 broker warrants were exercised at $0.28 for proceeds of $9,016;
- 2,190,258 unit warrants were exercised at $0.60 for proceeds of $1,314,155; and
- 1,625,000 stock options were exercised at $0.25 for proceeds of $406,250.

Three months ended March 31, 2021:

i) During the three months ended March 31, 2021, the Corporation closed a private placement of 14,372,071 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. A reduction in share capital results from 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.

c) Warrants

In connection with the private placement closed during the first quarter of 2021, 892,689 broker warrants were issued exercisable at a price of $0.28, for 18 months from the date of issuance. At March 31, 2022, the broker warrants outstanding are as follows and have an average remaining term to expiry of 5 months:

Date of Issuance	**February, 2021**
Exercise price of broker warrants	$ 0.28
# of broker warrants issued	892,689
# of broker warrants exercised	(325,817)
# of broker warrants expired	-
Balance, March 31, 2022	**566,872**

At March 31, 2022 the Unit warrants outstanding are as follows and have an average remaining term to expiry of 18 months:

Date of Issuance	**January, 2022**	**November, 2021**	**February, 2021**
Exercise price of Unit warrants	$ 0.85	$ 0.75	$ 0.60
# of Unit warrants issued	10,059,999	6,922,817	14,372,071
# of Unit warrants exercised	-	-	(2,494,758)
Balance, March 31, 2022	**10,059,999**	**6,922,817**	**11,877,313**

.

7. Share Capital *(continued)*

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:

	Broker Warrants		Unit Warrants	
	February, 2021	**January, 2022**	**February, 2021**	**October, 2021**
Dividend yield	0%	0%	0%	0%
Expected volatility	117%	1028	106%	112%
Risk-free interest rate	0.23%	1.28%	0.23%	0.86
Forfeiture rate	0%	0%	0%	0%
Share price – on issuance	$ 0.61	$ 0.95	$ 0.61	$ 0.58
Exercise price	$ 0.28	$ 0.85	$ 0.60	$ 0.75
Term	18 months	24 months	24 months	24 months
Fair value per warrant	$ 0.4267	$ 0.5735	$ 0.3368	$ 0.3003

d) Loss per share

The basic 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,	
	2022	2021
Weighted average number of common shares		
Issued and outstanding at beginning of year	**148,395,170**	117,284,955
Effect of share issuance	**2,082,224**	9,646,839
Weighted average number of common shares – basic and diluted	**150,477,394**	126,931,794

All warrants, broker warrants and stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive due to the loss position of the Corporation.

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, 2022		December 31, 2021	
	# of Stock Options	**Weighted Average Price**	**# of Stock Options**	**Weighted Average Price**
Balance, beginning of year	6,875,000	$ 0.48	4,683,333	$ 0.43
Granted	900,000	$ 0.89	3,550,000	$ 0.56
Forfeited or expired	(450,000)	$ 0.25	(700,000)	$ 0.88
Exercised	(1,625,000)	$ 0.25	(658,333)	$ 0.13
Balance end of period	**5,700,000**	**$ 0.63**	**6,875,000**	**$ 0.48**

7. Share Capital *(continued)*

A summary of the stock options outstanding is as follows:

As at March 31, 2022

Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date
600,000	$0.45	0.4	600,000	August 22, 2022
350,000	$1.05	0.9	350,000	February 20, 2023
300,000	$0.52	1.8	300,000	January 7, 2024
2,100,000	$0.51	8.9	1,400,000	March 5, 2031
400,000	$0.47	9.5	133,333	September 17, 2031
750,000	$0.68	4.6	250,000	November 5, 2026
300,000	$0.74	4.7	100,000	December 20, 2026
150,000	$0.95	4.8	50,000	January 28, 2027
750,000	$0.88	4.9	250,000	February 22, 2027
5,700,000	**$0.63**	**5.8**	**3,433,333**	

As at December 31, 2021

Options Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (years)	Exercisable Options	Expiry Date
2,075,000	$0.25	0.2	2,075,000	February 17, 2022
600,000	$0.45	0.6	600,000	August 22, 2022
350,000	$1.05	1.1	350,000	February 20, 2023
300,000	$0.52	2.0	300,000	January 7, 2024
2,100,000	$0.51	9.2	700,000	March 5, 2031
400,000	$0.47	9.7	133,333	September 17, 2031
750,000	$0.68	5.0	250,000	November 5, 2026
300,000	$0.74	5.0	100,000	December 20, 2026
6,875,000	**$0.48**	**4.4**	**4,508,333**	

Three Months Ended March 31, 2022:

- 150,000 stock options were granted to a consulting company at an exercise price of $0.95, exercisable for five years;
- 750,000 stock options were granted to officers and consultants of the Corporation at an exercise price of $0.88, exercisable for five years; and
- 1,625,000 stock options were exercised at $0.25 for proceeds of $406,250 and the remaining 450,000 options expired

Three Months Ended March 31, 2021:

- 525,000 stock options were exercised at $0.10 for proceeds of $52,500;
- 133,333 stock options were exercised at $0.25 for proceeds of $33,333; and
- 700,000 options were forfeited at the end of the one-year period following the resignation of two directors or officers.

7. Share Capital *(continued)*

The fair value of stock options issued in 2022 was estimated at the date of grant using the Black-Scholes option pricing model using the following assumptions:

		January 2022		February 2022
Dividend yield		0%		0%
Expected volatility		112%		111%
Risk-free interest rate		1.65%		1.72%
Forfeiture rate		nil		nil
Term		5 years		5years
Exercise price	$	0.95	$	0.88
Share price on issuance	$	0.95	$	0.88
Fair value per option	$	0.6755	$	0.7002

The fair value of stock options issued in 2021 was estimated at the date of grant using the Black-Scholes option pricing model using the following assumptions:

		March 2021		September 2021		November 2021		November 2021		December 2021
Dividend yield		0%		0%		0%		0%		0%
Expected volatility		133%		112%		108%		152%		149%
Risk-free interest rate		1.50%		1.29%		1.04%		1.56%		1.83%
Forfeiture rate		nil		nil		nil		nil		nil
Term		10 years		10 years		1 years		5 years		5 years
Exercise price	$	0.51	$	0.47	$	0.68	$	0.68	$	0.74
Share price on issuance	$	0.51	$	0.47	$	0.68	$	0.68	$	0.74
Fair value per option	$	0.4586	$	0.4171	$	0.2816	$	0.6213	$	0.6798

8. General and Administrative Expenses by Nature

	Three months ended March 31,			
		2022		2021
Business development	**$**	**1,395,700**	$	128,065
Wages and employee benefits		**577,333**		248,888
Office		**139,554**		39,207
Travel and entertainment		**58,846**		2,356
Professional fees		**58,823**		25,856
Consulting fees		**49,288**		38,281
Rent		**3,267**		3,386
	$	**2,282,812**	$	486,039

9. Supplemental Cash Flow Information

Three months ended March 31,		**2022**		2021
Trade and other receivables	**$**	**(37,762)**	$	(10,748)
Prepaid expenses and deposits		**71,448**		(63,322)
Trade and other payables		**(229,122)**		81,285
Change in non-cash working capital	**$**	**(195,436)**	$	8,215

		2022		2021
Trade and other payables		115,238		(23,632)
Working capital related to investing activities	**$**	**115,238**	$	(23,632)

10. Related Party Transactions

a) During the three months ended March 31, 2022 and 2021, the Corporation incurred expenses or revenue included in the Consolidated Statements of Loss and Comprehensive Loss, as follows:

Three months ended March 31,		**2022**		2021
Administrative and accounting services provided by, and bonus awarded to, the Chief Financial Officer	**$**	**37,500**	$	6,500
Consulting services provided by, and bonus awarded to, the Manager of Lithium Operations in Argentina		**217,316**		31,781
Rent and office expenses charged by a company in Canada with common directors and officers		**3,210**		3,225
Rent and office expenses charged by a company in Chile with common directors and officers		**1,232**		1,333
Loan interest earned from a director		**-**		311
Promissory note interest earned from a company related by a common director	**$**	**4,932**	$	-

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,		**2022**		2021
Due to the Chief Financial Officer for administrative and accounting services (included in trade and other payables)	**$**	**2,500**	$	2,000
Face value of note receivable owed by a corporation related by common director and officers *(note 4)*		**1,000,000**		1,000,000
Due to the Manager of Lithium Operations in Argentina		**12,561**		**-**
Consulting services provided by the VP Exploration in Chile (included in Mineral Properties)		**18,724**		18,917
Due to the VP Exploration in Chile for consulting services (included in trade and other payables)		**6,241**		66,006
Due to a related company in Canada for rent and office expenses		**-**		3,225
Promissory note interest due from a company related by a common director		**15,014**		-

There is no consulting contract in place or an agreed upon fixed monthly amount for the consulting fees paid to the CFO in Canada for services provided.

There is no contract for the consulting fees paid to the officer in Chile for services provided for the agreed upon fixed amount of US$5,000 per month. The fees are paid to a company in Chile controlled by the officer.

There is no contract for the consulting fees paid to the officer in Argentina for services provided for the agreed upon fixed amount of US$10,000 per month. The fees are paid to a company in Argentina controlled by the officer.

11. 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, the U.S./Chilean Peso exchange rate and the U.S./Argentinian Peso for services and geological costs that are denominated in Pesos 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., US/Chilean Peso or U.S./Argentinian Peso would not have a material impact of the Corporation's loss during the year. Cash held in Chilean and Argentinian financial institutions at any given time are nominal.

11. Financial Instruments *(continued)*

b) 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.

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 March 31, 2022, the Corporation had a working capital balance of $12,712,067 (December 31, 2021 - $6,635,252) however, the Corporation may require additional working capital to fund capital operations over the next 12 months.

Subsequent to the three months ended March 31, 2022, the Corporation closed a private placement for gross proceeds of $27,911,000 and received proceeds of $3,642,862 from the exercise of warrants (see subsequent events Note 14).

d) Interest Rate Risk

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

12. 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.

13. 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 key categories on a geographic basis.

	Canada	Chile	Argentina	Total
Non-current assets	$ -	$ 7,134,250	$ 1,225,444	**$ 8,359,694**
Liabilities – short term	254,356	281,239	3,001	**538,596**
Revenue – Interest and other	141,009	-	-	**141,009**
Expenses	2,651,501	21,985	(34,267)	**2,639,219**
Foreign exchange translation	$ (449,886)	$ 2,829	$ -	**$ (447,057)**

14. Subsequent Events

i) On April 21, 2022 Chengxin Lithium Group Co., Ltd. ("Chengxin") exercised all of its 4,285,720 warrants for gross proceeds to the Corporation of $3,642,862.

ii) Monumental Minerals Corp. ("Monumental") issued 3,401,874 common shares of Monumental to Lithium Chile to exercise the option to acquire the 75% interest in the Laguna Blanca Project, and Monumental must make certain staged cash payments to Lithium Chile and incur exploration expenditures on the Laguna Blanca Project to fully earn its interest, all as more fully described in the Corporation's as described in the March 31, 2022 press release.

14. Subsequent Events *(continued)*

iii) On April 25, 2022, the Corporation exercised its option to proceed to the second stage of development of the Arizaro project by making the second US$300,000 payment to the vendors. The second stage involves further property expenditures totaling US$6,000,000 over 2.5 years which will earn the Corporation a 60% interest in the entire project.

iv) On May 16, 2022, the Corporation completed a non-brokered private placement of 29,380,000 common shares of Corporation ("Offered Shares") at a price of $0.95 per common share, for aggregate gross proceeds of $27,911,000 (the "Offering"). The Offering was completed entirely by a wholly owned subsidiary of Chengxin.

Following the Offering, and with its recent participation in the non-brokered private placement described above, Chengxin owns 19.86% of the Corporation's issued and outstanding shares.