



MODERN SLAVERY REPORT

2024

Contents

| | |
|---|---|
| ABOUT | 2 |
| INTRODUCTION | 3 |
| REPORTING ENTITY & DESCRIPTION | 3 |
| ACTIVITIES | 3 |
| SUPPLY CHAIN | 4 |
| RISK ASSESSMENT | 5 |
| RISK RATING: LOW | 5 |
| RISK RATING: LOW | 5 |
| RISK RATING: LOW | 5 |
| MANAGING RISKS RELATED TO EXPOSURE TO MODERN SLAVERY IN THE SUPPLY CHAIN: | 6 |
| POLICIES & GOVERNANCE | 7 |
| COMPANY CODE OF CONDUCT | 7 |
| WHISTLEBLOWER POLICY | 7 |
| SUPPLY CHAIN RISK MANAGEMENT POLICY | 8 |
| SUPPLIER CODE OF CONDUCT | 8 |
| MEASURES TO REMEDIATE THE LOSS INCOME TO VULNERABLE FAMILIES | 8 |
| ASSESSING EFFECTIVENESS | 8 |
| FORWARD-LOOKING INFORMATION | 9 |

About

Pursuant to section 11 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for the financial year ended December 31, 2024, Lithium Chile Inc. herein reports on the steps taken to reduce the risk that modern slavery is used at any step of the production of goods or services in Canada or elsewhere or of goods imported into Canada.

Introduction

Lithium Chile Inc. (TSX-V: LITH) (“Lithium Chile”, or “the Company”), acknowledges the threat posed by modern slavery, which includes practices such as indentured servitude, human trafficking, forced labor, forced marriage, debt bondage, child labor, and deceptive recruitment practices (collectively referred to as “Modern Slavery”). We recognize our responsibility to work alongside other stakeholders to combat Modern Slavery and are committed to assessing and mitigating these risks as guided by relevant regulatory frameworks.

Lithium Chile is dedicated to maintaining a responsible supply chain, partnering with entities that share our commitment to ethical behavior and respect in the workplace. We are committed to upholding human rights in accordance with applicable laws and international standards. Lithium Chile will strive to identify and address the risks of Modern Slavery throughout our supply chain and operations. We are working toward a culture of continuous improvement and collaboration with stakeholders to help uphold these commitments across our operations.

In accordance with the Act, this report addresses the fiscal year ended December 31, 2024 and includes the following entities:

| Reporting Entity | Description |
|---|------------------------------------|
| Lithium Chile Inc. | Parent entity |
| Kairos Inversiones SPA ("Kairos Inversiones") | 99% owned Chilean subsidiary |
| Argentum Lithium S.A. ("Argentum") | 100% owned Argentinian subsidiary |
| ArLi S.A. ("ArLi") | 62.2% owned Argentinian subsidiary |

Activities

Lithium Chile, through its subsidiaries listed above, is focused on the acquisition, advancement, and development of mineral properties in Chile and Argentina. The Company’s registered office is in Calgary, Alberta and its common shares trade on the TSX Venture Exchange under the symbol "LITH". Lithium Chile is dedicated to discovering and developing economic reserves of lithium and other valuable minerals to meet the growing demand for critical components in the renewable energy sector (“Business Objectives”). Hereinafter in this report, Lithium Chile Inc. and the subsidiaries listed above are collectively referred to as Lithium Chile. Activities related to the advancement and development of mineral properties within Chile and Argentina are typically conducted in remote areas of those countries.

Supply Chain

Lithium Chile, a mineral exploration company, sources the majority of its goods and services from suppliers based in Chile and Argentina. While a small number of our suppliers are located internationally, the bulk of them are local to these regions. This local focus allows Lithium Chile to maintain strong relationships with its suppliers and contribute to the regional economy.

Lithium Chile's suppliers encompass a very small and diverse range of service providers and vendors that provide materials and equipment needed to fulfill the Company's Business Objectives. These services include geological surveys, drilling services, camp services, and supervisory services provided by professionals who have experience in such operations. By collaborating closely with local suppliers, Lithium Chile can ensure that its supply chain remains responsive to the unique demands of the mining sector in the areas in which it operates. The following table provides information pertaining to the equipment and services provided by suppliers to Lithium Chile. It should be noted that the list is not exhaustive. However, this report addresses the majority of the goods and services utilized by the Company to fulfil its Business Objectives.

| Supplier Product/Service Type | Supplier Location | Description |
|--|--------------------------|--|
| Mining assays | Chile & Argentina | Evaluation of drilling core or surface samples to determine grades |
| Exploration drilling | Chile & Argentina | Drilling of exploration bore holes, extracting core samples and sending such samples to be evaluated (assayed) |
| Geological, metallurgical, hydrological sampling and testing | Chile & Argentina | Collection of surface samples and fluids and performing specialized geophysical exploration techniques |
| Camp services | Chile & Argentina | Habitation and food services for personnel at remote sites |
| Transportation of Supplies & Equipment | Chile & Argentina | Transportation of equipment and personnel needed to complete the operations described above to remote sites |
| Repair & Maintenance | Chile & Argentina | Maintain equipment used to complete operations in good repair |
| Transportation of Personell | Chile & Argentina | Rental vehicles to facilitate movement of personnel to remote work sites |
| Office Facilities and Supplies | Chile & Argentina | Workspace for supervisory personnel and supplies needed to carry out those activities |

Risk Assessment

1. *Geographic Location of Supply Chain*

Risk Description: There is potential risk associated with the geographic location of Lithium Chile's supply chain, as suppliers primarily operate in Chile and Argentina, where regulatory frameworks is strong but may not be as robust as in Canada. This geographic dispersion could increase the likelihood of exposure to modern slavery practices. Certain regions, especially those with weaker labor regulations or enforcement mechanisms, pose a higher risk of modern slavery within the supply chain.

Risk Rating: Low

Explanation: Lithium Chile's operations in Chile and Argentina, and the utilization of primarily professionals and local service-based suppliers strongly mitigates this risk.

2. *Supplier Practices in High-Risk Industries*

Risk Description: Lithium Chile may source materials or services from industries with a higher likelihood of modern slavery practices, such as construction, or manufacturing. Industries known for labor-intensive processes or where subcontracting is common are at higher risk of modern slavery.

Risk Rating: Low

Explanation: The specialized nature of Lithium Chile's industry and prominent use of professionals, greatly lowers the risk of modern slavery within the supply chain. Mineral exploration in these regions is not considered a high risk sector.

3. *Regional Regulatory Gaps*

Risk Description: Differences in labor laws and enforcement capabilities between Chile, Argentina, and other regions where suppliers might be located can result in gaps that allow modern slavery to persist unnoticed. Variation in labor laws and enforcement across jurisdictions may create loopholes or gaps that enable modern slavery practices.

Risk Rating: Low

Explanation: Lithium Chile's suppliers primarily operate in Chile and Argentina, areas with regulatory framework around employment standards, mining practices and modern slavery practices.

4. *Economic Pressure on Suppliers*

Risk Description: Economic pressures, inflation and competitiveness within the mining industry may lead some suppliers to reduce costs through unethical labor practices, including modern slavery.

Risk Rating: Low

Explanation: Lithium Chile's supply chain is currently comprised primarily of professional services with few labour or low paying jobs. Its presence on government leased lands and close relationships with local indigenous groups are a factor in assessing the risk factor.

5. ***Supply Chain Complexity and Subcontracting***

Risk Description: Lithium Chile’s supply chain may involve complex networks of subcontractors or intermediaries, increasing the difficulty of monitoring and mitigating modern slavery risks.

Risk Rating: Low

Explanation: Lithium Chile’s supply chain primarily consists of direct relationships with local service providers in both Chile and Argentina. The nature of services—such as drilling, camp support, and geological consulting—are typically contracted directly and do not involve complex layers of subcontracting. As a result, the Company does not consider supply chain complexity to present a significant risk of modern slavery at this time.

Managing Risks Related to Exposure to Modern Slavery in the Supply Chain:

Lithium Chile engages in various activities to manage supplier risk as related to the Act. This includes, but is not limited to the following:

- 1. Supplier Due Diligence:** Lithium Chile will conduct due diligence on suppliers, including those located in Canada and abroad, to ensure compliance with ethical standards and alignment with the Company’s code of conduct. This due diligence process includes assessing suppliers’ reputations, conducting site visits where feasible, and reviewing relevant publicly available documentation.
- 2. Implementation of Supplier Code of Conduct:** A clear and comprehensive supplier code of conduct will be enforced by Lithium Chile. This code will explicitly prohibit modern slavery practices and serve as the guiding framework for supplier engagements and contractual agreements, ensuring consistent adherence to ethical labor standards.
- 3. Transparency in Supply Chain Operations:** Lithium Chile maintains transparency in its supply chain operations through regular reporting mechanisms. These mechanisms are employed to track and monitor supplier compliance with labor standards. The Company also fosters direct communication channels with suppliers to facilitate transparency and information sharing.
- 4. First Nations Engagement:** Given that much of Lithium Chile’s operations are on government leased or indigenous lands, the Company actively collaborates with Indigenous communities to ensure mutual respect, understanding, and adherence to cultural values and alignment on shared ethical values. This collaboration extends to support economic development initiatives within these communities.
- 5. Continuous Improvement:** Lithium Chile is committed to continuous improvement in its supply chain management practices. As part of this continuous improvement, in addition to the high ethical standards detailed in the Company’s code of conduct, the Company is committed to mitigating risks related to modern slavery for 2025 and beyond.

After continued evaluation, Lithium Chile has determined that with the current nature of our operations and suppliers, the likelihood of encountering modern slavery within its supply chain is low. We acknowledge that ongoing monitoring and engagement are needed to maintain this risk level.

Policies & Governance

At Lithium Chile, we prioritize the interests of our stakeholders in every decision we undertake. Our Executive Management and the Board of Directors oversee the prudent supervision of our business operations in Chile and Argentina. Our governance framework is fortified by policies and processes that delineate the responsibilities of our Board and Executive Leadership Team.

We are committed to upholding the highest standards of corporate governance to maintain the trust and confidence of our stakeholders. The following policies directly support this commitment:

Company Code of Conduct

Lithium Chile's code of conduct outlines the ethical principles and standards expected of all stakeholders, emphasizing compliance with laws and regulations, fair treatment, transparency, and accountability. It promotes integrity, honesty, and responsible decision-making across all business activities, ensuring the protection of the Company's reputation and interests. The code covers a wide range of areas, including safety, non-discrimination, conflicts of interest, confidentiality, financial transparency, and compliance with securities laws. It provides clear guidelines for reporting and addressing any violations or concerns through a structured complaints procedure and fostering a culture of accountability. By articulating clear expectations and procedures for ethical conduct, Lithium Chile's code of conduct establishes a framework for maintaining trust, fostering a positive corporate culture, and mitigating risks associated with unethical behavior including exposure to modern slavery practices. Through its guidelines and reporting mechanisms, the code not only serves to prevent misconduct but also enables prompt and thorough investigation and resolution of any breaches. Its emphasis on transparency, accountability, and compliance with legal and regulatory requirements helps to safeguard the Company's reputation, build stakeholder trust, and promote sustainable business practices, contributing to long-term success and value creation. The Company's Code of Conduct is being updated to include the provisions of this report. A copy of this report has been provided to all employees of the Company.

Whistleblower Policy

Lithium Chile has implemented a whistleblower policy that aims to safeguard the integrity of the Company by providing a confidential and anonymous process for employees to report concerns regarding workplace, auditing, accounting, and financial reporting matters. The policy outlines procedures for receiving, investigating, and resolving complaints, emphasizing confidentiality and protection against discrimination, retaliation, or harassment for whistleblowers and participants in investigations. It ensures timely and impartial investigations conducted by the Audit Committee, which may involve independent experts if necessary, and mandates retention of records for five years. By fostering a culture of transparency, accountability, and protection for whistleblowers, the policy effectively deters misconduct and promotes the Company's commitment to ethical standards and regulatory compliance. The Company's whistleblower policy is being amended to include the reporting of matters addressed in this report on a confidential basis as well.

Supply Chain Risk Management Policy

Lithium Chile's supply chain risk management policy reflects the Company's commitment to promoting ethical business practices and responsible supplier relationships. The policy provides general guidance to employees on identifying and managing potential risks, including those related to modern slavery. While still in the early stages of implementation, the policy outlines the importance of due diligence and responsible sourcing practices. As the Company grows, this framework will continue to evolve to better support risk awareness and ethical conduct within the supply chain.

Supplier Code of Conduct

Lithium Chile's supplier code of conduct outlines the Company's expectations regarding standards of ethical behavior, legal compliance, and respect for human rights. It encourages suppliers to operate responsibly with regard to labor practices, health and safety, and environmental considerations. The code highlights the importance of avoiding practices such as forced labor, child labor, and human trafficking, and reinforces adherence to applicable labor laws. While not all elements are yet fully implemented across the supply chain, the code is intended to serve as a foundation for improved oversight and accountability over time. Suppliers will be asked to acknowledge their understanding of these expectations and confirm their commitment as part of ongoing business relationships.

Measures to Remediate the Loss Income to Vulnerable Families

Following our risk assessment of our operations and supply chain, no instances of Modern Slavery were identified in our operations or supply chain, therefore no measures were taken to remediate any losses.

Assessing Effectiveness

Lithium Chile has implemented a framework to reduce the risk of modern slavery within our supply chain. This framework is designed to record and resolve any reported cases to maintain ethical standards. As of the current date, we have not encountered any cases of exposure to modern slavery that require formal evaluation. However, we will continuously monitor and address any emerging risks to uphold integrity and ethical conduct throughout our operations and supply chains.

Report Updates

This 2024 report represents the Company's second annual submission under the Act. The Company will continue to monitor risk levels and update its practices accordingly in future reports.

Attestation

This report is available for public access on the Company's website at <https://lithiumchile.ca/>.

In fulfillment of statutory obligations, particularly as outlined in relevant sections, I confirm that I have thoroughly reviewed the contents of this report concerning Lithium Chile Inc. With diligent examination, I affirm that the information presented herein is accurate, comprehensive, and compliant with the legislative requirements for the reporting period specified.

Dated as of the 31st day of May, 2025

signed "Steve Cochrane"

Steve Cochrane
President, CEO

signed "Jose de Castro Alem"

Jose de Castro Alem
VP Lithium Operations

We have the authority to bind Lithium Chile Inc.

Forward-Looking Information

Certain information contained in this document, including Management's assessment of the Company's future plans and operations, may constitute forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to differ materially from those expressed or implied by such forward looking information. The Company believes the expectations reflected in this forward-looking information are based on reasonable assumptions, but no assurance can be given that these expectations will prove to be correct, and the forward-looking information included in this document should not be unduly relied upon. These statements speak only as of the date of this document. Lithium Chile does not undertake to update any forward-looking statements herein, except as required by applicable securities laws. All forward-looking statements contained in this document are expressly qualified by this cautionary statement.