Date: May 27, 2025

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of the operations of Lithium Ionic Corp. (individually or collectively with its subsidiaries, as applicable, "**Lithium Ionic**" or the "**Company**"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the three months ended March 31, 2025. This MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three months ended March 31, 2025 as well as the audited annual consolidated financial statements and MD&A for the year ended December 31, 2024. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Please refer to Note 3 of the annual audited consolidated financial statements as at and for the year ended December 31, 2024 for disclosure of the Company's material accounting policies.

Additional information about the Company may be found on SEDAR+ at www.sedarplus.ca.

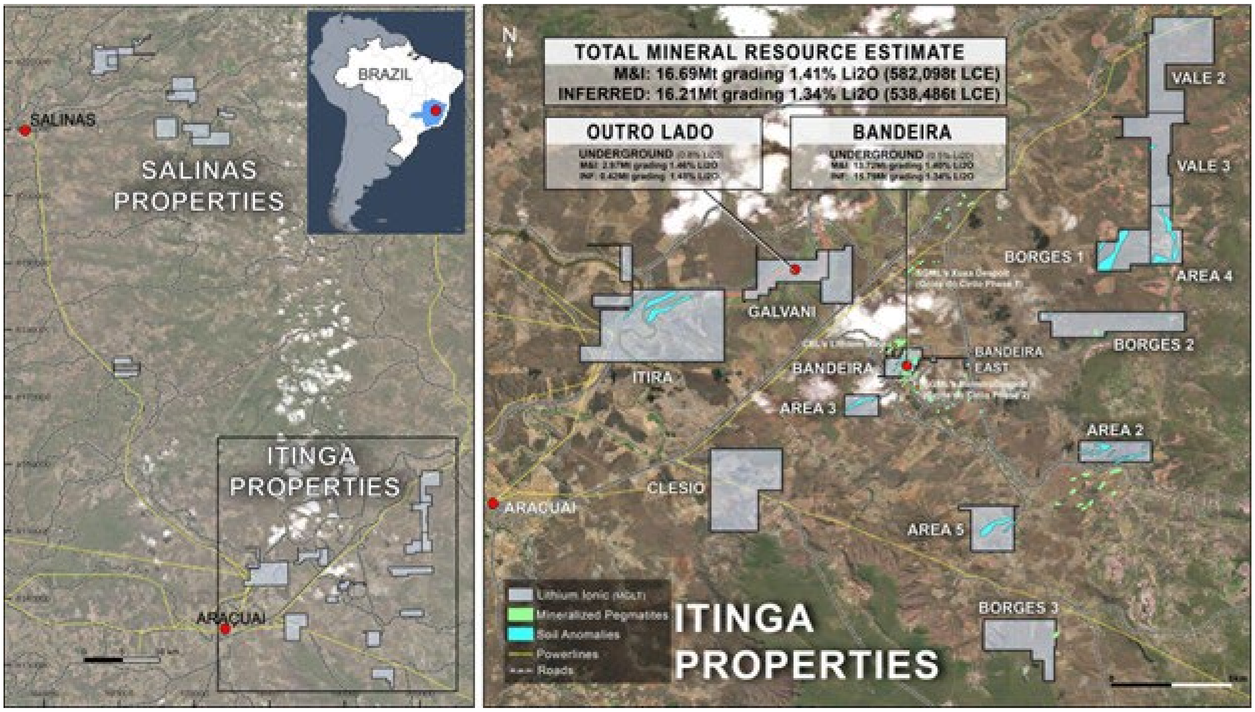
The scientific and technical contents of this MD&A have been reviewed and approved by Carlos H.C. Costa, P.Geo (APGO), Qualified Person under National Instrument 43-101 ("**NI 43-101**").

The Board of Directors of the Company has reviewed this MD&A and the consolidated financial statements for the three months ended March 31, 2025, and the Company's Board of Directors approved these documents prior to their release.

Overview and Strategy

Lithium Ionic Corp. is a publicly traded Canadian exploration and development company listed on the TSX Venture Exchange ("**TSXV**"). The Company is engaged in the acquisition, exploration, and development of mineral properties with a primary focus on exploring in Brazil. Exploration is conducted through the Company's wholly owned Brazilian subsidiaries, MGLIT Empreendimentos Ltda. ("**MGLIT**") and Neolit Minerals Participacoes Ltda ("**Neolit**"). Through MGLIT, the Company has a 10% ownership interest in Valitar Participações S.A.("**Valitar**"), a special purpose vehicle incorporated in Brazil for the purpose of acquiring surface rights for the Company. For accounting purposes, management has concluded that the Company has control of Valitar and, in accordance with IFRS 10 – Consolidated Financial Statements, the Company consolidates the financial statements of Valitar into its own. The Company owns a 100% interest in Lithium Ionic Bandeira Corp., incorporated in the Cayman Islands.

Summary of Properties and Projects



Mineral Exploration Properties

The Company holds certain property interests for lithium exploration in Minas Gerais State (MG) in Brazil.

Itinga Properties

<u>Bandeira Project</u>

On December 23, 2020, MGLIT acquired seven mineral licenses from Falcon Metais Ltda covering more than 1,300 hectares in the prolific Aracuai lithium province. A portion of the project occurs immediately south of the CBL lithium mine and plant, and immediately north of the large Barreiro and South Xuxa lithium deposits of Sigma Lithium Corp. In April 2024, the Company reported an updated NI 43-101 Mineral Resource Estimate ("MRE") and on May 29, 2024, the Company announced the results from its Feasibility Study. An updated MRE was announced on May 6, 2025. (See Mineral Resources and Preliminary Economic Assessment.)

In July 2024, the Company completed a royalty agreement with Appian Capital Advisory LLP ("Appian") which granted a 2.25% gross revenue royalty to Appian in exchange for upfront cash consideration of US$20,000,000 ($27,454,000). These proceeds are being used to advance the development of the Bandeira project.

<u>Galvani Mining Licenses</u>

In September 2022, the Company completed the acquisition of a 100% ownership interest in two lithium mining licenses (the "**Licenses**") in Minas Gerais, Brazil from Galvani Nordeste Mineracao Ltd. ("**Galvani**") through its wholly-owned subsidiary, MGLIT. This includes the Outro Lado Project on which a MRE was reported in June 2023. (See Mineral Resources.)

The two large Licenses are located approximately 2 km to the west of the large Xuxa lithium deposit of Sigma Lithium and approximately 3 km to the northwest of the CBL lithium mining operation. Mineralized pegmatites have been identified on the Licenses.

Pursuant to the agreement to acquire the Licenses, Lithium Ionic paid to Galvani:

- USD$100,000 ($129,400) on execution of the Agreement in June 2022; and
- USD$3,210,000 ($4,210,397) on closing of the Transaction in September 2022.

Borges claims

In December 2022, the Company, through MGLIT, acquired 3 mineral claims totaling 1,527 hectares from Mineracao Borges Ltda. These claims are located along trend with known lithium deposits including CBL's deposit and Sigma Lithium's Xuxa and Barreiro deposits.

Upon closing, the Company paid R$500,000 ($129,133) upon execution of the conveyance documents transferring the clams to MGLIT. The Company amended this agreement in February 2024 whereby R$50,000 was paid in March 2024 and, upon producing an independent MRE on the claims of 2 million tons of Li_2O content over 1.3% by June 5, 2025, the Company shall pay an additional R$14,950,000 (approximately $3,800,000) to the vendor. The Company may terminate this agreement at any time without incurring any additional financial penalties.

Vale claims

In January 2023, the Company, through MGLIT, entered into a binding share purchase agreement with Exotic Mineração Ltda. ("**Exotic**"), pursuant to which MGLIT has the option to acquire up to a 100% equity interest in Vale Do Litio Mineracao Ltda. ("**Vale Litio**"). Vale Litio has a 100% beneficial ownership interest in 3 lithium mining claims in Minas Gerais covering 3,140 hectares. The first of three claims cover 1,738 hectares and is located adjacent to the Galvani target. The other two claims are located in the northeastern portion of the prospective Araçuai-Itinga Pegmatite region.

Pursuant to the terms of the agreement, in January 2023 the Company acquired an initial 2.78% equity ownership interest in Vale Litio by paying R$900,000.00 ($232,834) in cash to Exotic. The Company made additional payments since in accordance with the terms of the agreement and amended the agreement in both February 2024 and February 2025:

- R$500,000 ($129,947) in cash to acquire an additional 1.54% equity ownership in Vale on or before February 20, 2023 (paid in February 2023);
- R$500,000 ($137,625) in cash to acquire an additional 1.54% equity ownership in Vale on or before July 20, 2023 (paid July 2023);
- R$500,000 ($136,559) in cash to acquire an additional 1.54% equity ownership in Vale on or before February 20, 2024 (paid in January 2024); and
- R$50,000 ($12,375) in cash to acquire an additional 0.15% equity ownership in Vale on or before July 20, 2024 (paid July 2024); and

The final payment requirements were recently amended by the Company and Exotic as described below:

- R$500,000 split into four instalments of R$125,000 to be paid on March 5, 2025 (paid $30,863 in March 2025), July 20, 2025, January 20, 2026 and July 20, 2026 for an additional 1.6% equity ownership of Vale; and
- R$29,450,000 (approximately $7,400,000) in cash to acquire the remaining 90.85% equity ownership in Vale on or before January 20, 2027.

If the Company establishes a NI 43-101 compliant MRE on the Vale Claims of at least six million tons with an average content greater than 1.30% Li_2O, the Company shall pay Exotic a cash bonus of R$10,000,000.00 (approximately $2,510,000). If the Company does not complete the acquisition, it will be required to conduct a minimum of 3,000 metres of diamond drilling in the claim areas before January 20, 2027 or pay a fine of R$5,000,000. This drilling requirement is waived if the Company completes the acquisition of 100% of Vale Litio.

As of the date hereof, the Company has a 7.95% equity ownership interest in Vale Litio.

Clesio Claim

In February 2023, the Company entered into a binding asset purchase agreement with Clésio Alves Gonçalves Mineraçao E Comercio Ltda ("**Clesio**") pursuant to which MGLIT has acquired a strategic mining claim covering 1,000 hectares in Minas Gerais state, Brazil.

Pursuant to the terms of the agreement, the Company has paid R$500,000 ($129,947) in cash to Clesio to acquire the claim. If the Company establishes a NI 43-101 compliant MRE on this claim of at least two million tons with an average content greater than 1.30% Li_2O within 30 months of acquiring the claim, the Company shall pay Clesio a cash bonus of USD$1 million (approximately $1,440,000).

If the Company establishes a NI 43-101 compliant MRE on the claim of at least five million tons with an average content greater than 1.30% Li_2O within 48 months of acquiring the claim, the Company shall pay Clesio an additional cash bonus of USD$1 million (approximately $1,440,000).

Salinas Properties

Neolit acquisition - Salinas Claims

In March 2023, the Company acquired a 100% interest in Neolit Minerals Participações Ltda. ("**Neolit**"). Pursuant to the purchase agreement, the Company paid a cash payment of US$2,031,005 ($2,797,709) on closing, as well as a cash payment of US$2,570,767 ($3,541,232) to settle all existing liabilities of Neolit on closing. As well, the Company issued 4,000,000 common shares of the Company and 1,500,000 common share purchase warrants to the vendor. These warrants are exercisable at a price of $2.25 for a period of three years and only vest if the Company establishes an independent NI 43-101 compliant MRE on the Salinas properties, of at least 20 million tonnes with an average grade greater than 1.3% Li_2O. A final cash payment of US$1,500,000 ($2,156,400) was due on September 10, 2024. This amount remains outstanding at the date of this report and is accruing interest at a rate of prime plus 5%. The founder and CEO of Neolit, Dr. André Guimarães, joined the Company as VP Business Development after the acquisition.

Neolit had a 40% ownership interest in the Salinas properties as of March 2023 and acquired an 85% ownership interest in the properties in October 2023. In June 2024, Neolit acquired the remaining 15% interest for cash consideration of US$2,000,000 ($2,736,200), the issuance of 2,500,000 common shares of the Company valued at $2,000,000, being the fair market value of the shares on the date of issuance, and a deferred payment of US$1,000,000 (approximately $1,422,000) paid on April 4, 2025.

Neolit entered into an option agreement with K2 Mineração e Exportação EIRELI, Super Clássico Comércio, Importação e Exportação Ltda. and Minerales Empreendimentos, Mineração e Participações Ltda. to acquire up to a 90% interest in each of three newly formed special purpose vehicles which collectively hold five mineral claims in the Itinga region. Neolit will initially hold a minority stake in each that can increase up to 90% with an investment of a minimum of R$21,300,000 (approximately $5,300,000) by Q1-2030. As at March 31, 2025, expenditures of approximately R$134,500 ($31,900) have been incurred.

Exploration activity

The Company began drilling select targets in April of 2022, and to date has completed over 81,000 metres of drilling at the Itinga properties and over 35,000 metres at the Salinas project, now referred to as the Baixa Grande project, yielding excellent results which were in line with nearby projects and established deposits.

The Company had identified at least twelve different NE-SW trending lithium-bearing LCT pegmatites. These mineralized bodies ranged from 1 to 24 metres in width and traced over a 1 km strike length. The average depth of the mineralized zones intersected to date is approximately 200 metres, however the Company intersected strong lithium grades and thicknesses up to 700 metres down dip. The style of mineralization found to date, characterized by several staked pegmatite vein sets, is consistent with other nearby lithium deposits.

A maiden NI 43-101 MRE was announced for the Bandeira and Galvani deposits in June 2023. In April 2024, the Company completed an updated MRE for the Bandeira deposit, prepared by GE21 Consultoria Mineral Ltda. ("GE21"). In May 2024, the Company announced the results of an NI 43-101 compliant Feasibility Study for Bandeira, prepared by AtkinsRéalis (formerly SNC Lavalin). And in May 2025, the Company released an updated MRE for the Bandeira project. Please see Mineral Resources and Feasibility Study below.

A 4,000-metre drill program was completed on four properties in the Itinga area located between two to ten kilometres from the Bandeira Project. This drilling program aimed to test lithium soil anomalies identified by previous systematic mapping and soil geochemistry exploration programs.

The Company completed a drill program at the Baixa Grande Project. This project is located in the lithium-rich Aracuai Pegmatite District, which hosts the largest lithium reserves in Brazil. The Salinas properties are located approximately 100 km north of the Itinga claims. Since acquiring the Baixa Grande project through the Neolit acquisition, the Company completed soil geochemistry to help identify priority drill targets. Drill assay results so far have extended the mineralization at Salinas by at least 250 metres along strike. A new high-grade pegmatite dike has been discovered approximately 1.5 km north of the main Salinas zone. The Company had completed an initial MRE at Salinas, prepared by GE21, in 2024. An updated MRE was completed in January 2025, with the technical report filed on February 27, 2025 (please see Mineral Resources below). The Company completed an expanded 30,000-metre drill program during 2024, this data included in the upgraded MRE. As well, the Company is in the process of selecting a suitable consultant to carry out an Environmental Impact Assessment ("EIA") study for the Baixa Grande project, which will contain an analysis of the project's potential environmental and social impacts. Following the completion of the EIA, the Company can apply for the "Prior License" ("LP") for the first stage of the environmental licensing process in Brazil.

Refer to the Company's news releases on www.sedarplus.ca for drilling highlights and assay results for the diamond drill holes completed to date.

(in Canadian dollars, unless otherwise noted)

A summary of exploration activity is presented below:

1) Itinga (including Bandeira and Outro Lado)

Activity	Accumulated	Comments
Soil Samples	8,842	
Rock Samples	555	
Cut Lines (Km)	93.38	
Geological Mapping (Km)	402	
Geological Trench Mapping (Km)	7,571	
Geological Garimpos Mapped	102	
Ground Geophysics (km)	16.44	
Galvani Diamond Drilling (m)	7,954	64 DDH Completed
Bandeira Diamond Drilling (m)	60,278	297 DDH Completed

2) Salinas

Activity	Accumulated	Comments
Soil Samples	4,810	
Rock Samples	176	
Cut Lines (Km)	15.12	
Geological Mapping (Km)	3,695	
Geological Trench Mapping (Km)	0	
Geological Garimpos Mapped	2	
Ground Geophysics (km)	2.56	
Salinas Diamond Drilling (m)	35,734	167 DDH Completed

Mineral Resource Estimate

On June 27, 2023, the Company announced its maiden NI 43-101 compliant MRE on the Bandeira Project and Outro Lado Project, which was prepared by SGS. The MRE for the Bandeira Project was updated on April 12, 2024 and then on May 6, 2025. The Company plans on integrating this new MRE into an updated Feasibility Study.

Mineral Resource Estimate for the Bandeira Project (May 2025)				
Deposit / Cut-Off Grade	Category	Resource (Mt)	Grade (% Li2O)	Contained LCE (kt)
Bandeira (0.5% Li2O)	Measured	3,360,000	1.38	114700
	Indicated	23,910,000	1.33	786400
	Measured + Indicated	**27,270,000**	**1.34**	**901,100**
	Inferred	**18,550,000**	**1.35**	**614,700**

1. The Mineral Resource Estimation (MRE) effective date is November 20, 2024.
2. The MRE has been prepared by Carlos J. E. Silva (MAIG #7868) in conformity with the CIM Estimation of Mineral Resource and Mineral Reserves Best Practices guidelines.

(in Canadian dollars, unless otherwise noted)

3. The report adheres to the Canadian Securities Administrators' NI 43-101 requirements.
4. Mineral resources are not mineral reserves and have not demonstrated economic viability. There is no certainty that any portion of the mineral resource will be converted into a mineral reserve.
5. Figures are rounded to appropriate levels of precision, and discrepancies may occur due to rounding
6. The spodumene pegmatite domains were modelled using composites with Li_2O grades exceeding 0.3%.
7. Grade estimation was conducted using Ordinary Kriging within Leapfrog software.
8. The MRE is confined to the Lithium Ionic Bandeira Target Claims (ANM) and includes only fresh rock domains.
9. The MRE was constrained by the Reasonable Prospects for Eventual Economic Extraction (RPEEE) using a grade shell with a cut-off of 0.5% Li_2O for underground resources.
10. Inferred mineral resources are conceptual in nature and can only form the basis for economic analyses with further drilling and evaluation.

Maiden Mineral Resource Estimate for the Outra Lado Project (June 2023)				
Deposit / Cut-Off Grade	Category	Resource (tonnes)	Grade (% Li2O)	Contained LCE (t)
Outro Lado (Galvani) Underground (0.8% Li2O)	Measured	2,577,915	1.47	93,691
	Indicated	393,370	1.43	13,908
	Measured + Indicated	**2,971,285**	**1.46**	**107,599**
	Inferred	**415,767**	**1.48**	**15,168**

1. The spodumene pegmatite domains were modeled using composites with Li_2O grades greater than 0.3%
2. The mineral resource estimates were prepared in accordance with the CIM Standards, and the CIM Guidelines, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to the deposit.
3. Mineral Resources are not ore reserves and are not demonstrably economically recoverable.
4. Grades reported using dry density.
5. The effective date of the MRE was October 11, 2023.
6. The MRE numbers provided have been rounded to the estimate relative precision. Values cannot be added due to rounding.
7. The MRE is delimited by Lithium Ionic Bandeira Target Claims (ANM).
8. The MRE was estimated using ordinary kriging in 12m x 12m x 4m blocks.
9. The MRE report table was produced in Leapfrog Geo software.
10. The reported MRE only contains fresh rock domains.
11. The MRE was restricted by grade shell using 0.5% Li_2O cut-off.

On January 14, 2025, the Company announced an updated NI 43-101 compliant MRE on the Baixa Grande Project, prepared by GE21. This incorporates data from 35,734 metres of drilling completed between May 2023 and September 2024. The potential for significant additional lithium-bearing spodumene mineralization at Baixa Grande remains very high with the completion of additional drilling in the area.

Mineral Resource Estimate for the Baixa Grande Project (December 2024 Cut-off)				
Deposit / Cut-Off Grade	Category	Resource (Mt)	Grade (% Li2O)	Contained LCE (kt)
Open-pit (0.5% Li2O)	Measured	1.08	1.19	31.86
	Indicated	5.44	1.10	147.72
	Measured + Indicated	**6.52**	**1.11**	**179.58**
	Inferred	**11.67**	**0.97**	**280.73**
Underground (0.5% Li2O)	**Measured + Indicated**	**0.00**	**0.00**	**0.00**
	Inferred	**1.23**	**0.83**	**25.19**
TOTAL	**Measured + Indicated**	**6.52**	**1.11**	**179.58**
	Inferred	**12.90**	**0.96**	**305.92**

1. The spodumene pegmatite domains were modeled using composites with Li_2O grades greater than 0.3%
2. The mineral resource estimates were prepared in accordance with the CIM Standards, and the CIM Guidelines, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to the deposit.
3. Mineral Resources are not ore reserves and are not demonstrably economically recoverable.
4. Grades reported using dry density.
5. The effective date of the MRE is December 2, 2024.
6. The QP responsible for the MRE is geologist Leonardo Soares (MAIG #5180).
7. The MRE numbers provided have been rounded to the estimate relative precision. Values cannot be added due to rounding.
8. The MRE is delimited by Lithium Ionic Baixa Grande Target Claims (ANM).
9. The MRE was estimated using ordinary kriging in 16m x 16m x 4m blocks.
10. The MRE report table was produced in Leapfrog Geo software.

(in Canadian dollars, unless otherwise noted)

11. The reported MRE only contains Fresh Rock Domains.
12. The reported MRE was restricted by interpreting suitable-grade shells using a 0.5% Li_2O cut-off for both Open pit and Underground resources.
13. The MRE was restricted by a pit shell using a selling price of 2750 US$/t Conc., Mining cost of 2.50 US$/ton mined, processing cost of 12.50 US$/ ton ROM and a selling cost of 112.56 US$/t conc.

Feasibility Study – Bandeira Project

The Company announced the results of its Feasibility Study on May 29, 2024. Please see the Company's press release dated May 29, 2024 on SEDAR+ or on the Company's website for further details. The Feasibility Study for the Bandeira Project, completed by Atkins Réalis (formerly SNC Lavalin), is the culmination of over 12 months of comprehensive work involving the expertise of numerous mine, mineral processing and environmental engineering disciplines as well as market studies. This includes detailed planning for the mine, process design, plant layout, infrastructure, and product logistics. The certification of mineral resources was conducted by GE21, with geologist Carlos José Evangelista Silva serving as the qualified professional for the estimation. Underground mine studies were led by mining engineer Rubens Mendonça from Planminas, who signed off as the qualified professional for this discipline. The mineral processing studies were consolidated and defined by Tony Lipiec, Process Engineer and Vice President Global, Minerals & Metals Processing at AtkinsRéalis. Environmental studies were reviewed by Branca Horta from GE21, who signed off as the qualified professional for this area. The economic and financial model was validated by L&M Advisory ("L&M"), with João Augusto Hilario de Souza as the qualified professional.

The study supports a robust project with strong economic viability, featuring an underground mine, an efficient and straightforward processing circuit, and a safe, sustainable dry stack tailings facility.

The Feasibility Study focuses solely on Measured and Indicated resources with a cut-off date of November 13, 2023, which includes 186 drill holes or 41,831 metres. The study is therefore based on 20.95 Mt grading 1.35% Li_2O (697kt LCE) M&I. Inferred resources of 16.91 Mt grading 1.40% Li_2O (584kt LCE) are excluded from the 2024 feasibility study mineral reserve. These inferred resources were subject to additional drilling covered in the May 2025 MRE update.

Mineral Resources informing the 2024 Feasibility Study				
Deposit / Cut-Off Grade	Category	Resource (Mt)	Grade (% Li2O)	Contained LCE (kt)
Bandeira (0.5% Li2O)	Measured	3.42	1.39	117.61
	Indicated	17.52	1.34	578.92
	Measured + Indicated	**20.95**	**1.35**	**696.52**
	Inferred	**16.91**	**1.40**	**583.53**

1. The spodumene pegmatite domains were modelled using composites with Li_2O grades greater than 0.3%.
2. The mineral resource estimates were prepared by the CIM Standards and the CIM Guidelines, using geostatistical and classical methods, plus economic and mining parameters appropriate to the deposit.
3. Mineral Resources are not ore reserves or demonstrably economically recoverable.
4. Grades reported using dry density.
5. The effective date of the MRE is November 13, 2023.
6. Geologist Carlos José Evangelista da Silva (MAIG #7868) is the QP responsible for the Mineral Resources.
7. The MRE numbers provided have been rounded to estimate relative precision. Values cannot be added due to rounding.
8. The MRE is delimited by MGLIT Bandeira Target Claims (ANM).
9. The MRE was estimated using ordinary kriging in 12m x 12m x 4m blocks.
10. The MRE report table was produced using Leapfrog Geo software.
11. The reported MRE only contains fresh rock domains.
12. The MRE was restricted by RPE3 with grade shell using 0.5% Li_2O cut-off.
13. To convert percentage lithium (Li) to percentage lithium oxide (Li_2O), multiply by 2.153; to convert Li to lithium carbonate (Li_2CO_3), multiply by 5.323. To convert a percentage of lithium oxide (Li_2O) to lithium carbonate (Li_2CO_3), multiply by 2.472.

(in Canadian dollars, unless otherwise noted)

in US$

Project Economics	
Post - Tax NPV_8	$1.31 billion
Post - Tax IRR	40%
Pre - Tax NPV_8	$1.57billion
Pre - Tax IRR	44%
Annual Revenue – Life Of Mine ("LOM") Average	$417 million
Average Annual After-tax Free Cash Flow	$286 million
Payback	41 months

Production Profile	
Total Project Life (LOM)	14 years
Total LOM production (ore mined)	17.2 Mt
Nominal Plant Capacity	1.3 Mtpa
Average plant throughput	1.23 Mtpa
Run-of-Mine grade, Li2O (mine diluted)	1.16%
Average Annual Production of Spodumene Concentrate @ 5,5% Li2O	178 ktpa (24.2 ktpa LCE)
Metallurgical recovery (SPO 5.5% Li2O)	68.90%

CAPEX AND OPEX	
Initial Capital Costs	$266 million
Sustaining CAPEX	$81 million
Operating costs (FOB / t SC5.5)	$444/t

Economic Assumptions & Parameters	
Spodumene Concentrate Price (5.5% Li_2O; LOM Avg)	$2,277/t
Exchange rate (USD: BRL)	$1.00:$5.07
Discount Rate	8%

The Bandeira project is designed to incorporate dual underground mining operations, ensuring efficient extraction of its deposits. The primary orebodies, representing approximately 83% of the total deposit, will be mined using a bottom-up sublevel stoping method (Bandeira Sublevel Mine, or "BSL Mine"). Concurrently, the secondary southeast orebody, which comprises approximately 0.98 million tonnes, is expected be mined using the room-and-pillar technique (Bandeira Room and Pillar Mine, or "BRP Mine").

The mineral processing flowsheet for the Bandeira project is designed to maximize lithium recovery and quality. It features a two-stage crushing circuit, followed by dry screening classification. The coarse and mid fractions undergo ore sorting and Dense Media Separation (DMS) to produce a final 5.5% Li_2O concentrate.

The underground mine is expected to produce ore with an average Li_2O grade of 1.16% over the Life of Mine (LOM)Based on Heavy Liquid Separation (HLS) bench scale test work completed by the Company, ore sorting and DMS pilot plant operations, the overall Li_2O recovery is projected to reach 68.9%.

Initial capital costs for the Bandeira Project are estimated at US$266 million, which includes a 15% contingency of US$33.7 million. The sustaining capital over the 14-year mine life is projected at US$81.4 million.

The operating costs of the Bandeira Project are estimated to be US$64.30 per tonne of ore processed. Total operating costs are estimated at US$444 per tonne of 5.5% Li_2O spodumene concentrate produced, placing it in the first quartile of the global lithium industry.

A long-term spodumene concentrate price of US$2,277/tonne (5.5% Li_2O grade) was used in the Feasibility Study. This long-term price forecast was obtained by Fastmarkets, one of the leading providers of global commodity pricing and market intelligence, in a report issued in April 2024.

The conservative spodumene concentrate selling price forecasts in the early years of the Bandeira mine life of US$1,000-$1,600/t for the years 2026 to 2028. Fastmarkets forecasts a higher long-term price based on strong demand and supply fundamentals, which is expected to benefit the Project's overall economics in the future.

The FS was prepared by independent representatives of AtkinsRéalis, GE21, Planminas and L&M each of whom are Qualified Person as defined by NI 43-101 Standards of Disclosure for Mineral Projects. Each of the QPs are independent of the Company and have reviewed and confirmed that the information disclosed within fairly and accurately reflects, in the form and context in which it appears, the information contained in the respective sections of the Bandeira FS for which they are responsible.

The complete NI 43-101 technical report associated with the Feasibility Study can be found on SEDAR+ at www.sedarplus.ca under the Company's issuer profile, as well as the Company's website at www.lithiumionic.com.

Project advancement and optimization opportunities

The Company submitted its application for a Concomitant Environmental License ("LAC", or Licença Ambiental Concomitante) for the Bandeira operation in November 2023. The LAC licensing process is designed to support low capacity critical mineral projects with a streamlined format to ensure speed to production. The license is comprised of a preliminary license (LP - Licença Prévia), an installation license (LI – Licença de Instalação), and an Operating License (LO - Licença de Operação). In March 2025, the Minas Gerais State Department of Environment and Sustainable Development ("SEMAD") issued a favourable technical report recommending the approval of the LAC. The next stage of the process is a vote by the COPAM committee (state council for environmental policy) which would grant approval of the LAC license. Prior to the vote, the state is reviewing its requirements with respect to the LAC process and a final decision on the LAC framework is expected in due course. Upon final approval, the LI will be valid for 4 years while the LO will be valid for 10 years contingent upon compliance with regulatory conditions.

Basic engineering activities have been ongoing focused on project optimization and de-risking. In April 2025, the company announced the engagement of RTEK engineering for project owners team support. RTEK is a global consulting firm comprised of experienced lithium industry professionals with recent experience on construction and operation of similar hard rock lithium deposits. The RTEK team has been merged with the existing Lithium Ionic owners team, focused on managing engineering, construction, and project execution.

With the May 2025 MRE update, the engineering team has been focused on updating the reserve and mine plan to capture this incremental benefit and expand production. In addition to this, the savings from optimization work performed on plant and infrastructure facilities will be included in a capital estimate update. These combined updates are expected to form a new NI 43-101 feasibility study report to be completed in H2 2025. To support these engineering activities, the owners team will work with Promon Engenharia and Reta Engenharia to update major deliverables and capital cost estimates.

Project financing

In November 2024, the Company received a non-binder letter of interest ("**LOI**") from the Export-Import Bank of the United States ("**EXIM**") to provide up to US$266 million in debt financing for the Bandeira project. This sum represents 100% of the capital expenditure ("CAPEX") outlined in the feasibility study. The Company will now work with EXIM to complete the due diligence process and subject to EXIM's due diligence review and other conditions, negotiate a definitive financial agreement.

Sustainability

Since its public listing in 2022, the Company has made significant progress in advancing transparent and responsible Environmental, Social, and Governance ("ESG") and sustainability practices, with the objective of aligning its operations with internationally recognized business standards. A key milestone was the release of the Company's inaugural *2023 Sustainability Report*, which outlined the ESG initiatives undertaken during its first reporting cycle.

In 2023, the Company also implemented ONYEN Corporation's ESG reporting software, enhancing its ability to efficiently capture, monitor, and report ESG data in accordance with globally recognized frameworks. Further demonstrating its commitment to continuous improvement, the Company launched a self-assessment under the Initiative for Responsible Mining Assurance ("IRMA") Ready Standard for the Bandeira Project. This process is designed to evaluate current operational practices against IRMA requirements and prepare the Company for a future audit once production begins. To support this process, Lithium Ionic joined the IRMA Mining Group for self-assessing mines, gaining access to valuable industry insights and best practices.

In 2024, the Company became a signatory to the United Nations Global Compact, the world's largest corporate sustainability initiative, reflecting the Company's commitment to advancing the United Nations Sustainable Development Goals. Through this membership, the Company reaffirms its commitment to upholding the Compact's Ten Principles, which relate to human rights, labour, the environment, and anti-corruption. Additionally, the Company joined the International Lithium Association, strengthening its presence in the global lithium sector and reinforcing its commitment to responsible industry leadership.
Looking ahead, the Company remains focused on embedding leading ESG standards into its operations and developing a systematic approach that drives high performance while fostering sustainable and ethical practices across all areas of operations.

Liquidity and Capital Resources

As at March 31, 2025, the Company had working capital of $13,539,954 (December 31, 2024 - $19,025,805). Working capital is a Non-IFRS performance measure. In the mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

(in Canadian dollars, unless otherwise noted)

	March 31, 2025	December 31, 2024
Current assets:		
Cash and cash equivalents	$ 19,361,709	$ 23,756,282
Amounts receivable	351,680	574,742
Prepaid expenses	608,126	489,108
	20,321,515	24,820,132
Current liabilities:		
Accounts payable and accrued liabilities	6,583,935	5,635,904
Short-term lease liability	197,626	158,423
	6,781,561	5,794,327
Working capital, current assets less current liabilities	$ 13,539,954	$ 19,025,805

In July 2024, the Company completed a royalty arrangement with Appian for gross proceeds of US$20,000,000 ($27,454,000). Transactions costs totaled $1,478,899. The Company granted Appian a gross revenue royalty of 2.25%, with an option to buy-back the royalty within the first 5 years for a payment of US$67,500,000 (approximately $91,100,000). The proceeds are intended to support initial development of the Bandeira project. The royalty obligations are secured by charges and share pledges over substantially all current and future assets related to the Bandeira project. The Company classified the royalty arrangement as a liability at amortized cost at March 31, 2025. The royalty-based obligation is recognized as a long-term liability at March 31, 2025.

The Company, through its subsidiary MGLIT, is party to right-of-use lease agreements for warehouses and dormitories. These agreements are for terms of between 30 and 36 months.

Future payments for right-of-use leases and financing agreements are detailed below:

	R$	CAD$
Payments due within 1 year	852,147	213,719
Payments due in 1-3 years	291,350	73,071

The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. As such, there is material uncertainty that casts doubt on the Company's ability to continue as a going concern.

Results of Operations

Three months ended March 31, 2025

During the three months ended March 31, 2025, the Company recorded a loss of $2,711,134 or $0.02 per share, and comprehensive income of $187. During the comparative period ended March 31, 2024, net loss and comprehensive loss was $6,906,077 or $0.05 per share.

During the three months ended March 31, 2025, the Company capitalized expenses related to the Bandeira project, including accretion expense related to the royalty-based obligation. Exploration and evaluation expenses continued to be expensed for non-Bandeira related projects. Exploration and evaluation expenses are presented in the tables below.

(in Canadian dollars, unless otherwise noted)

	Three months ended March 31, 2025	Three months ended March 31, 2024
Drilling and geophysics	$ 230,561	$ 3,222,115
Mining licenses and land acquisition	97,736	167,455
Technical reports	115,356	921,514
Project overhead costs	45,073	324,490
Labour	407	321,541
Land management fees, taxes and permits	7,982	112,015
Professional fees	7,485	78,521
Travel, meals and accomodation	41,186	82,476
Total exploration and evaluation expenses	**$ 545,786**	**$ 5,230,127**

Much of the activity during the three months ended March 31, 2025 was focused on project development at Bandeira, which resulted in lower exploration costs for the current period compared to the same period last year. The Company capitalized $5,109,663 in project development costs during the three months ended March 31, 2025, including $1,709,065 in accretion of royalty-based obligations, $46,231 in depreciation and $3,905 in lease amortization (March 31, 2024: $nil).

Other expenses for the three months ended March 31, 2025 included:

- $1,194,354 in consulting and management fees (March 31, 2024: $854,594).
- $480,221 in professional costs (March 31, 2024: $154,917). During the current quarter, the Company renegotiated success fees and the settlement thereof.
- $377,184 in office and general costs (March 31, 2024: $266,751). Travel costs were higher this quarter compared to the comparative period.

During the current quarter, $185,745 in interest income was earned (March 31, 2024: $68,737). Interest and financing fees during the current quarter relate to the outstanding payment for the Neolit acquisition which was due in September 2024.

Summary of quarter results

The following table presents selected financial information for each of the most recent eight quarters:

Period	Interest income $	Loss $	Comprehensive income $	Loss per share, basic and diluted $
Q1- March 2025	185,745	(2,771,134)	187	(0.02)
Q4- December 2024	145,812	(2,900,155)	6,192	(0.02)
Q3- September 2024	103,264	(4,567,961)	-	(0.03)
Q2- June 2024	23,519	(14,817,785)	-	(0.10)
Q1- March 2024	68,737	(6,906,077)	-	(0.05)
Q4- December 2023	158,334	(13,415,311)	-	(0.10)
Q3- September 2023*	224,067	(13,080,718)	-	(0.10)
Q2- June 2023*	159,881	(11,571,819)	-	(0.09)

*The Company adjusted quarterly amounts for the three months ended September 30, 2023 and three months ended June 30, 2023. The Company assessed the materiality of the error and concluded to correct the 2023 audited annual consolidated financial statements on a prospective basis only because the error was not material to the respective periods in relation to exploration and evaluation expenses. There were no changes to the comparative financial results for the three months ended March 31, 2023.

Loss and comprehensive loss fluctuates in response to the level of exploration carried out and can vary period to period. Exploration expenditures are expensed to loss and comprehensive loss as incurred. Exploration activity in particular were higher during 2023 with higher drilling levels and the release of the PEA. In Q2-2024, the Company acquired the remaining portion of the Baixa Grande project which was also treated as an asset acquisition, resulting in an increase to loss during that period. During Q3-2024, the Company began capitalizing development costs related to the Bandeira project, which reduced the impact on net loss on the subsequent quarters.

Cash flows

Three months ended March 31, 2025

During the three months ended March 31, 2025, the Company used cash of $937,116 in operating activities (March 31, 2024: $6,459,821) as discussed above. Non-cash working capital provided $1,771,524 during the three months ended March 31, 2025 (March 31, 2024: $310,237). The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds, while a decrease in a liability (or an increase in an asset) account is a use of funds.

During the three months ended March 31, 2025, investing activities used $3,364,899 in cash (March 31, 2024: $15,837). As the Company began capitalizing development costs during Q3-2024, $3,352,854 was capitalized for the three months ended March 31, 2025 (March 31, 2024: $nil). The Company also acquired $12,045 in equipment during the current period (March 31, 2024: $15,837).

During the three months ended March 31, 2025, cash used by financing activities was $62,120 (March 31, 2024: $74,320). During both periods, this represented payments on lease liabilities.

The effect of exchange rate changes on cash held in foreign currency used $30,438 in cash (March 31, 2024: $nil).

FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash and cash equivalents, and accounts payable and accrued liabilities whose carrying values reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. Management believes the carrying value of lease liabilities approximate fair value. The Company's royalty-based obligations are recognized at amortized cost.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Trade credit risk
The Company is not exposed to significant trade credit risk.

Cash
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Brazilian Real (BRL) from its property interests in Brazil. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at March 31, 2025, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

March 31, 2025	**Brazilian reals**	**US dollars**
Cash	$ 2,040,077	$ 17,193,981
Accounts payable and accrued liabilities	(1,897,513)	(3,606,042)
Lease liabilities	(268,741)	-
Royalty-based obligations	-	(31,565,782)
	$ (126,176)	$ (17,977,843)

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian real would decrease (increase) net loss and comprehensive loss by approximately $13,000 (March 31, 2024 - $62,000).

A 5% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss and comprehensive loss by approximately $899,000 (March 31, 2024 - $207,000).

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2025, the Company had a cash and cash equivalents balance of $19,361,709 (December 31, 2024 - $23,756,282) to settle current liabilities of $6,781,561 (December 31, 2024 - $5,794,327). Of the current liabilities, approximately $5,800,000 have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) *Commodity / Equity price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to lithium, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2024. The preparation of statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Exploration and evaluation properties
- Classification of royalty as a royalty-based obligation

Foreign currencies

The Foreign currency translation presentation and functional currency of the Company and its Brazilian subsidiaries is the Canadian dollar. The functional currency of the Company's Cayman subsidiary is the US dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The Company makes expenditures and incurs costs in Brazilian reals ("BRL"). At March 31, 2025, one Canadian dollar was worth BRL 3.9872 (March 31, 2024 - BRL 3.6900). During the three months ended March 31, 2025, the average value of one Canadian dollar was BRL 4.0763 (March 31, 2024- BRL 3.6709).

Project evaluation expenses

The Company expenses exploration and evaluation expenses as incurred. Exploration and evaluation expenses include acquisition costs of mineral property rights and exploration and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

During Q3-2024, the Company considered a) the completion of the feasibility study and b) the royalty agreement with Appian which is restricted to funding the initial development of the project, and concluded technical feasibility and commercial viability was achieved. As such, effective July 2024, the Company commenced capitalizing development costs related to the Bandeira project.

Classification of royalty as a royalty-based obligation

With respect to the Company's royalty agreement in July 2024, management assessed the royalty as a financial liability taking into account 1) that the royalty obligations are secured by charges and share pledges over substantially all current and future assets relating to the Bandeira project, 2) a termination amount is payable in the event of default, and 3) the arrangement includes a buy-back option. Estimates on expected timing and amount of cash flows were used to determine the value of the liability, which were based on technical information from the Feasibility Study. The royalty was initially measured as cash proceeds net of transaction costs, and subsequently measured at amortized cost. A discount rate of 22.5% was determined by calculating the internal rate of return of the expected cash flows.

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment and indigenous groups. These laws and regulations are continually updated and may become more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable.

The Company, through its subsidiary MGLIT, is contesting a decision by the Agência Nacional de Mineração ("**ANM**") which reduced the area of one of its Bandeira claims. The Company has filed a lawsuit seeking to invalidate ANM's decision. The court granted an interlocutory relief suspending its effects. In compliance with the court order, ANM reincorporated the reduced area into MGLIT's claim and restored its original extension. The lawsuit is currently at the stage of production of evidence.

The Company is party to certain management contracts. As of March 31, 2025, these contracts require payments of approximately $8,285,000 (December 31, 2024 - $9,850,000) to be made upon the occurrence of a change of control to the officers and consultants of the Company. The Company is also committed to payments upon termination of approximately $2,593,000 (December 31, 2024 - $2,770,000) pursuant to the terms of these contracts as of March 31, 2025. As a triggering event has not taken place on March 31, 2025, these amounts have not been recorded in these consolidated financial statements.

Subject to the agreement to acquire mineral claims from Mineracao Borges Ltda. in December 2022, upon producing an independent NI 43-101 compliant MRE on the claims of 2 million tons of Li_2O content over 1.3% by June 21, 2025, the Company shall pay an additional R$14,950,000. As at March 31, 2025, no determination has been made in this regard and no amount has been accrued related to this contingent arrangement.

In connection with the Company's agreement to acquire a 100% interest in the Vale Litio claims, the Company is to scheduled to pay R$125,000 on July 20, 2025, R$125,000 on January 20, 2026, R$125,000 on July 20, 2026 and R$29,450,000 on or before January 20, 2027 to acquire the remaining 92.45% interest. As well, if the Company establishes a NI 43-101 compliant MRE on the Vale claims of at least six million tonnes with an average content greater than 1.3% Li2O, the Company shall pay Exotic a cash bonus of R$10,000,000. If the Company terminates this agreement, it will be required to conduct a minimum of 3,000 metres of diamond drilling in the claims area by January 20, 2027 or pay a fine of R$5,000,000. This drilling obligation is waived if the acquisition is completed.

Subject to the agreement with Clesio, if the Company establishes a NI 43-101 compliant MRE on the Clesio claim of at least two million tonnes with an average content greater than 1.3% Li_2O by August 13, 2025, the Company shall pay Clesio a cash bonus of USD$1,000,000. If the Company establishes a NI 43-101 compliant MRE on the Clesio claim of at least five million tonnes with an average content greater than 1.3% Li_2O by February 13, 2027, the Company shall pay Clesio an additional cash bonus of USD$1,000,000. As at March 31, 2025, no determination has been made in this regard and no amount has been accrued related to this contingent arrangement.

Subject to the acquisition of Neolit, 1,500,000 warrants were issued as part of the consideration are exercisable at a price of $2.25 until March 10, 2026 and only vest if the Company establishes an independent NI 43-101 compliant MRE on the Baixa Grande Project of at least 20 million tonnes with an average grade greater than 1.3% Li_2O.

Transactions with Related Parties

As at December 31, 2024, an amount of approximately $665,000 (December 31, 2024 - $571,000), included in accounts payable and accrued liabilities, was owed to directors and officers of the Company. This includes some unbilled bonuses from 2024. Such amounts are unsecured and non-interest bearing. As well, related to the Neolit acquisition, an amount of US$1,500,000 ($2,158,350) plus accrued interest is owed to an officer of the Company.

During the three months ended March 31, 2025, the Company paid $74,000 (March 31, 2024: $30,000) to Troilus Gold Corp. for office space, administrative services and reimbursable costs. As at March 31, 2025, a balance of $nil (December 31, 2024: $24,860) is payable to Troilus Gold Corp. Mr. Tom Olesinski, the Company's Chief Financial Officer, is a director of Troilus Gold Corp, and Mr. Ian Pritchard, a director of the Company, is an officer of Troilus Gold Corp.

Also during the three months ended March 31, 2025, the Company paid $10,248 (March 31, 2024: $15,651) to Falcon Metais Ltda. for various administrative services. As at March 31, 2025, a balance of $nil (December 31, 2024: $nil) is payable to Falcon Metais Ltda., while a balance of $895 (December 31, 2024: $2,331) is recorded as prepaid expense. Mr. Helio Diniz, the Company's President, is an officer of Falcon Metais Ltda.

The Company, through MGLIT, loaned approximately R$10,000,000 ($2,697,000) to Valitar, a company in which Mr. Helio Diniz indirectly owns a 90% interest and of which he is an officer, in order to acquire additional land titles and/or land leases. Valitar is a special purpose vehicle that was formed to acquire surface rights in Brazil. MGLIT owns 100% of the preferred shares of Valitar. The preferred shares of Valitar entitle MGLIT to the economic benefits derived by Valitar. As Valitar is controlled by the Company, this loan is eliminated on consolidation.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three and nine ended September 30, 2024 and 2023, the remuneration of directors and other key management personnel is as follows:

	Three months ended March 31, 2025	2024
Management and Consulting fees	$1,035,085	$ 768,701
Share-based compensation	-	-
Total	**$1,035,085**	**$ 768,701**

Off-balance sheet arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Risk Factors

Mining exploration inherently contains a high degree of risk and uncertainty, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following are certain factors relating to the business of the Company, which investors should carefully consider when making an investment decision concerning the Company's shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, current financial conditions, revenues, taxes, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations, and no revenues. Even if the Company's exploration program on one or more of the properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Limited Operating History

The Company is a relatively new company with limited operating history. The Company only recently acquired its interest in its material properties and the Company has no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from their activities. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Calculation of Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the calculation and estimates of resources and reserves and the corresponding metal grades to be mined and recovered. Until resources and reserves are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral resources and/or reserves, grades and recoveries may affect the economic viability of the Company's operations.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Company's properties.

Regulatory, Permit and License Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations that may concern, among other things, exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules because of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on its properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to some or all the Company's interest in its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have the interest it understands it has in its properties could cause the Company to lose any rights to explore, develop and mine any minerals on such properties without compensation for its prior expenditures relating thereto.

Competition

The mineral exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the exploration, development and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration, development and mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Company's properties could be subject to resistance, indigenous groups or nongovernmental organizations from local residents that could either prevent or delay exploration and development of the properties.

Foreign Operations

The Company's properties are located in Brazil. As such, the Company's proposed activities with respect to its properties will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Brazil. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, equipment and mines, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company securities.

Litigation

The Company and/or its directors or officers may be subject to a variety of civil or other legal proceedings, with or without merit.

Outstanding Share Data

As at the date of this MD&A, the Company has:

1) 158,579,158 common shares outstanding.
2) 11,775,853 warrants outstanding, with expiry dates ranging from June 7, 2025 to March 10, 2026. If all the warrants were exercised, 11,775,853 shares would be issued for gross proceeds of $14,941,727.
3) 15,127,000 options outstanding, with expiry dates ranging from April 20, 2027 to July 11, 2029. If all the options were exercised, 15,127,000 shares would be issued for gross proceeds of $16,434,380.
4) 1,851,045 RSUs outstanding which vest on dates ranging from January 22, 2026 to April 2, 2027.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains, or incorporates by reference, "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the future performance of Lithium Ionic, Lithium Ionic's mineral properties, the future price of lithium, the estimation of mineral resources and mineral reserves, results of exploration activities and studies, the realization of mineral resource estimates, exploration activities, costs and timing of the development of new deposits, the acquisition of additional mineral resources, the results of future exploration and drilling, costs and timing of future exploration of the mineral projects, requirements for additional capital, management's skill and knowledge with respect to the exploration and development of mining properties in Brazil, government regulation of mining operations and exploration operations, timing and receipt of approvals and licenses under mineral legislation, the Company's local partners, and environmental risks and title disputes. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks associated with the Company's dependence on the mineral projects; general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; risks associated with dependence on key members of management; conclusions of economic evaluations and studies; currency fluctuations (particularly in respect of the Canadian dollar, the United States dollar, the Brazilian real and the rate at which each may be exchanged for the others); future prices of lithium; uncertainty in the estimation of mineral resources; exploration and development risks; infrastructure risks; inflation risks; defects and adverse claims in the title to the projects; accidents, political instability, insurrection or war; labour and employment risks; changes in government regulations and policies, including laws governing development, production, taxes, royalty payments, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; insufficient insurance coverage; the risk that dividends may never be declared; and liquidity and financing risks related to the global economic crisis. Such forward-looking statements are based on a number of material factors and assumptions, including; that contracted parties provide goods and/or services on the agreed timeframes; that ongoing contractual negotiations will be successful and progress and/or be completed in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of lithium. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated, or intended. Forward-looking statements contained herein are made as of the date of this MD&A. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.