Date: November 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 and nine months ended September 30, 2025. This MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended September 30, 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.

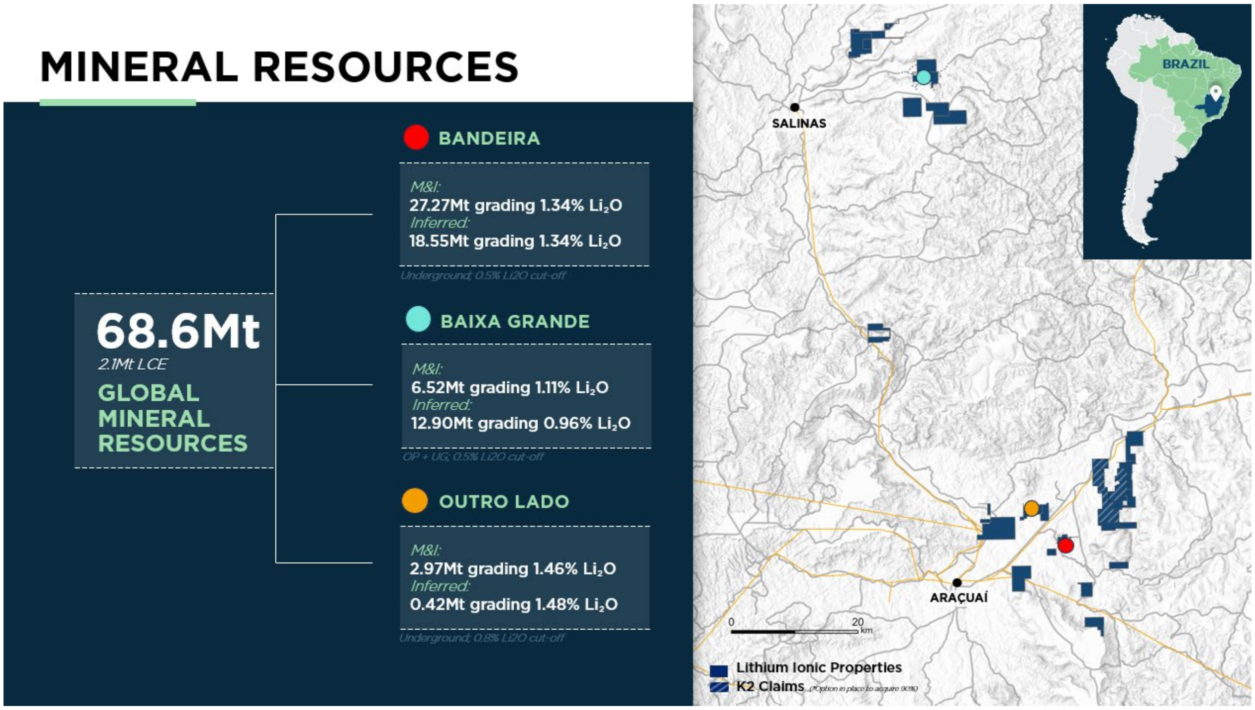
The scientific and technical contents of this MD&A have been reviewed and approved by Carlos H.C. Costa, P.Geo (APGO), Qualified Person under National Instrument 43-101 ("**NI 43-101**").

The Board of Directors of the Company has reviewed this MD&A and the consolidated financial statements for the three and nine months ended September 30, 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 lithium assets located in Minas Gerais. 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

Bandeira Project

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. On May 29, 2024, the Company announced the results from its NI 43-101 compliant Feasibility Study.

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.

On April 2, 2025, the Company announced the engagement of RTEK International DMCC ("RTEK"), a group of experienced hard-rock lithium mining consultants. The RTEK team was integrated into the Bandeira owner's team to progress engineering on the Bandeira project.

On May 6, 2025, the Company reported an updated NI 43-101 Mineral Resource Estimate ("MRE") and on September 17, 2025, the Company reported an updated Feasibility Study for the Bandeira Project. (See Definitive Feasibility Study Update.)

Galvani Mining Licenses

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 an MRE was reported in June 2023. (See Mineral Resources section below.)

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.

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 "Borges MRE Milestone"). The agreement was further amended in August 2025 pursuant to which 2 of the 3 claims have been dropped from the scope of the transaction and the Borges MRE Milestone has been reduced to R$7,000,000 and the deadline to satisfy the milestone is June 5, 2026. 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 (paid $31,694 in August 2025), January 20, 2026 and July 20, 2026 to acquire an aggregate 1.6% equity ownership interest in Vale Litio; 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 an 8.33% equity ownership interest in Vale Litio.

<u>Clesio Claim</u>

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 paid R$500,000 ($129,947) in cash to Clesio to acquire the claim. This agreement was terminated during the three and nine months ended September 30, 2025.

Salinas Properties

<u>Neolit acquisition - Salinas Claims</u>

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 ($2,046,450) 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 $1,407,000) 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 would 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 September 30, 2025, expenditures of approximately R$317,255 ($76,671) had been incurred. Subsequent to September 30, 2025, the Company terminated the agreement without penalty.

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.

(in Canadian dollars, unless otherwise noted)

The Company had identified at least twelve different NE-SW trending lithium-bearing spodumene rich pegmatites ("SRP"). 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. In May 2025, the Company released an updated MRE for the Bandeira project and in September 2025, an updated Definitive Feasibility Study was reported. Please see Mineral Resources and Definitive Feasibility Study results below.

The Baixa Grande 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. The Company 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 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.

A summary of exploration activity is presented below:

1) Itinga (including Bandeira and Outro Lado)

Activity	Accumulated	Comments
Soil Samples	9,172	
Rock Samples	758	
Cut Lines (Km)	93.38	
Geological Mapping (Km)	531	
Geological Mapping Points	6,051	
Geological Trench Mapping (Km)	14.86	
Geological Garimpos Mapped	571	
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	

(in Canadian dollars, unless otherwise noted)

Rock Samples	193	
Cut Lines (Km)	15.12	
Geological Mapping (Km)	370	
Geological Mapping Points	4,576	
Geological Trench Mapping (Km)	0	
Geological Garimpos Mapped	60	
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 again on May 6, 2025. This new MRE has been included in the updated Definitive 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.
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.

(in Canadian dollars, unless otherwise noted)

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.
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.

Definitive

<u>Feasibility Study – Bandeira Project</u>

The Company updated its Definitive Feasibility Study on September 17, 2025, filing the resultant technical report on October 31, 2025. Please see the Company's press release dated September 17, 2025 on SEDAR+ or the Company's website for further details. The updated Definitive Feasibility Study was conducted in partnership with R-TEK International, L&M and GE21.

The updated Feasibility Study builds on the original Definitive Feasibility Study released in May 2024, incorporating a larger mineral resource, and optimized mine and plant design while lowering both capital and operating costs. The processing plant and surface facilities were streamlined using industry-standard equipment and proven fabricated modular process plant segments, reducing fabrication and installation costs. Conservative spodumene price forecasts provided by Fastmarkets were used and royalties, taxes and transportation charges were all included.

in US$

Project Economics	May-24	Sep-25
Post - Tax NPV_8	$1.31 billion	**$1.45 billion**
Post - Tax IRR	40%	**61%**
Pre - Tax NPV_8	$1.57billion	**$1.72 billion**
Pre - Tax IRR	44%	**68%**
Annual Revenue – Life Of Mine ("LOM") Average	$417 million	**$343 million**
Average Annual After-tax Free Cash Flow	$286 million	**$208 million**
Payback	41 months	**26 months**
Production Profile		
Total Project Life (LOM)	14 years	**18.5 years**
Total LOM production (ore mined)	17.2 Mt	**23.2 Mt**
Nominal Plant Capacity	1.3 Mtpa	**1.5 Mtpa**
Average plant throughput	1.23 Mtpa	**1.29 Mtpa**
Total concentrate production (LOM)	2,493 kt SC5.5 (338 kt LCE)	**3,198 kt SC5.2 (411 kt LCE)**
Run-of-Mine grade, Li2O (mine diluted)	1.16%	**1.10%**
Average Annual Production of Spodumene Concentrate @ 5,5% Li2O	178 ktpa (24.2 ktpa LCE)	**177 ktpa (SC5.2)**
Metallurgical recovery (SPO 5.5% Li2O)	68.9%	**65.3%**
CAPEX AND OPEX		
Initial Capital Costs	$266 million	**$191 million**
Sustaining CAPEX	$81 million	**$100 million**
Operating costs (FOB / t SC5.5)	$444/t	**$378/t**
Economic Assumptions & Parameters		
Spodumene Concentrate Price (5.5% Li_2O; LOM Avg)	$2,277/t	**$2,212/t**
Exchange rate (USD: BRL)	$1.00:$5.07	**$1.00:$5.85**
Discount Rate	8%	**8%**

The updated Bandeira mine plan optimizes the mine schedule with the updated resource estimate to maximize early production while minimizing capital cost associated with development.

The operating model begins with engaging a proven mining contractor for the initial development phase, transitioning to an owner-operated team to minimize life-of-mine operating costs.
The process plant flowsheet follows the same proven design principles as peer operations adjacent to Bandeira, ensuring reliability and consistency. The design remains simple, incorporating crushing, screening, dense media separation (DMS), and dewatering. R-TEK's modular design approach uses industry-standard equipment pre-assembled on structural steel at an off-site facility, reducing on-site assembly time and costs. In addition, layout optimizations lower capital intensity by minimizing earthworks and civil construction requirements for plant assembly.

Initial capital costs for the Bandeira Project are estimated at US$191 million including contingency, reduced by approximately 28% from the prior study which had a CAPEX of $266 million. The sustaining capital over the 18.5-year mine life is projected at $100 million. A breakdown of the estimated capital costs is presented below.

	Cost ($M)
Mine	59.2

	Cost ($M)
Surface	107.3
Owner's Cost	4.9
Contingency	19.6
Initial CAPEX	**191.0**

The operating costs of the Bandeira Project are estimated to be US$42.35 per tonne of ore processed. Total site operating costs are estimated at US$378 per tonne of 5.2% Li2O spodumene concentrate produced, placing it competitively among the global lithium industry. A breakdown of the operating costs is presented below.

Operating costs (per tonne of ore processed)	**$42.3/t**
Mining	$26.2/t
Processing	$13.5/t
SG&A	$2.7/t
Operating costs (per tonne of 5.2% LixO spodumene concentrate produced)	**$378/t**
Mining	$190/t
Processing and tailings handling	$98/t
SG&A	$19/t
Capitalzed mining and underground primary development	$70/t
Other costs	
Transportation costs to customer destination (Project mine site to Shanghai Port, China)	$119/t

Sensitivity analyses completed as part of the FS demonstrate that the Project's value is strongly influenced by the selling price of spodumene concentrate. While capital (CAPEX) and operational (OPEX) costs impact the Net Present Value (NPV), their effects are relatively minor compared to concentrate price fluctuations. Given the expected increase in lithium demand, Bandeira is well-positioned to capitalize on favourable market conditions and benefit from rising spodumene prices.

The updated Feasibility Study was completed with the support of representatives of experienced consulting groups including RTEK, Promon, RETA, GE21 and L&M.

The complete NI 43-101 technical report associated with the updated Definitive 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.

<u>Project advancement and optimization opportunities</u>

The Company submitted its application for a Concomitant Environmental License ("LAC", or Licença Ambiental Concomitante) for the Bandeira operation in November 2023. 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 February 2025, the Minas Gerais State Secretariat for the Environment and Sustainable Development (SEMAD) issued a positive technical endorsement of the Bandeira Project. During subsequent review by COPAM (the State Council for Environmental Policy of Minas Gerais), a federal prosecutor requested to further evaluate considerations relating to a certain Quilombola traditional community located approximately 11 km north of Bandeira. While this community lies outside of the defined impact zone, the request reflects broader state-wide discussions regarding impact radii and consultation practices, recently raised by the Federal Public Prosecutors Office (MPF) across lithium projects in Minas Gerais. As the State of Minas Gerais remains the competent authority for environmental licensing, it is expected that the prosecutor's queries will be addressed through the state review process before the Bandeira Project returns to COPAM for deliberation. The Company continues to actively engage with all relevant regulatory agencies, community stakeholders, and traditional communities, ensuring full compliance with Brazilian law and addressing evolving expectations transparently and proactively. These broader deliberations present an important opportunity to strengthen regulatory clarity and reinforce environmental, social, and governance standards across Minas Gerais State. The Company remains confident in a positive outcome for the Bandeira Project and in its ability to meet and exceed these evolving requirements.

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.

Subject to permit approval, financing and a final investment decision, the Company is anticipating the start of operations to be H2 2027, followed by a normal ramp-up profile for similar scale operations. The schedule incorporates proved technologies, including RTEK's modular plant design, supported by their team's extensive global experience in implementing DMS plants, including successful projects in Brazil.

Project financing

In November 2024, the Company received a non-binding 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 following completion of the feasibility study update.

Sustainability

Lithium Ionic continues to make significant progress in advancing transparent and responsible Environmental, Social, and Governance ("ESG") and sustainability practices, with the goal of aligning its operations with internationally recognized ESG business standards.

To uphold high standards of ESG reporting, the Company uses ONYEN Corporation's ESG reporting software, enabling efficient capture, monitoring, and reporting of ESG data in line with globally recognized frameworks. Leveraging this capability, the Company annually publishes its Sustainability Report, ESG Scorecard, and, in 2024, its inaugural TCFD-Aligned Climate Risk Assessment. Together, these reports outline progress in environmental stewardship, community engagement, and the development of key corporate ESG strategies. All reports are available on the Company's website www.lithiumionic.com/sustainability.

Throughout this year and the recent quarter, Lithium Ionic continued to advance its community outreach efforts, prioritizing transparent communication and engagement with local stakeholders. The Company strengthened relationships in communities surrounding the Bandeira Project through ongoing engagement activities, including educational workshops, community initiatives, and targeted contributions through its Private Social Investment Policy and additional donations to support local needs. Looking ahead, Lithium Ionic will continue to enhance dialogue and collaboration with community groups through the continued implementation of its Social Communication Program and Environmental Education Program (PEA).

Demonstrating its commitment to continuous improvement, Lithium Ionic has also undertaken a self-assessment under the Initiative for Responsible Mining Assurance ("IRMA") Standard for the Bandeira Project. This process evaluates current operational practices against IRMA requirements and prepares the Company for a future audit once production begins. To strengthen this effort, the Company joined the IRMA Mining Group for self-assessing mines, gaining access to valuable industry insights and best practices. In 2025, a Sustainability Committee was established to guide ESG strategy and coordinate cross-departmental initiatives, with a key focus on advancing alignment with the IRMA Standard. One of the Committee's first major undertakings was conducting a comprehensive cross-departmental gap analysis against IRMA requirements to guide the development of clear action plans and strategies.

(in Canadian dollars, unless otherwise noted)

Lithium Ionic is also signatory to the United Nations Global Compact ("UNGC"), the world's largest corporate sustainability initiative, reaffirming its commitment to the United Nations Sustainable Development Goals and the Compact's Ten Principles relating to human rights, labour, the environment, and anti-corruption. In 2025, the Company published its first UNGC Communication on Progress and joined the UNGC Climate Ambition Accelerator Program, furthering its commitment to climate action and the development of a clear climate strategy as operations advance. The Company is also a member of the International Lithium Association, strengthening its position in the global lithium sector and reinforcing its commitment to responsible industry leadership.

Responsible environmental design included in the updated Feasibility Study includes a mine plan designed to minimize land disturbance and water consumption, supported by a long-term underground mining strategy that reduces dust and noise, optimized processing flowsheet and dry-stacked tailings which are expected to reduce overall water consumption and facilitate faster site rehabilitation to ensure enhanced safety and lower environmental risk versus conventional wet tailings storage .

Looking ahead, the Company remains dedicated to embedding leading ESG standards into its operations and pursuing a systematic approach that drives high performance while fostering sustainable and ethical practices across all areas of the business.

Liquidity and Capital Resources

As at September 30, 2025, the Company had working capital of $10,491,256 (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.

	September 30, 2025	December 31, 2024
Current assets:		
Cash and cash equivalents	$ 20,215,371	$ 23,756,282
Amounts receivable	120,557	574,742
Prepaid expenses	777,282	489,108
	21,113,210	24,820,132
Current liabilities:		
Accounts payable and accrued liabilities	10,484,631	5,635,904
Short-term lease liability	137,323	158,423
	10,621,954	5,794,327
Working capital, current assets less current liabilities	$ 10,491,256	$ 19,025,805

On September 29, 2025, the Company closed the first tranche of a non-brokered private placement financing issuing 18,350,141 units of the Company for gross proceeds of $12,845,099. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire a common share of the Company at an exercise price of $0.90 expiring on September 29, 2027.

Subsequent to the end of the quarter, on October 3, 2025, the Company closed the second and final tranche of its previously announced non-brokered private placement financing through the issuance of 7,739,989 units for gross proceeds of $5,417,992. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the

(in Canadian dollars, unless otherwise noted)

Company at an exercise price of $0.90 per share expiring on October 3, 2027. Certain directors and officers of the Company subscribed for 947,929 units in this second tranche.

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 September 30, 2025. The royalty-based obligation is recognized as a long-term liability at September 30, 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. The Company also added a right-of-use lease agreement for office space over a two-year term in Canada during the three and nine months ended September 30, 2025.

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

	Brazil		Canada
	R$	CAD$	CAD$
Payments due within 1 year	364,370	95,319	50,400
Payments due in 1-3 years	18,440	4,824	33,600

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 September 30, 2025

During the three months ended September 30, 2025, the Company recorded income of $4,627,814 or $0.03 per share, and comprehensive income of $4,602,841. During the comparative period ended September 30, 2024, net loss and comprehensive loss was $4,567,961 or $0.03 per share.

During the three months ended September 30, 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 September 30, 2025	Three months ended September 30, 2024
Drilling and geophysics	150,791	2,192,608
Mining licenses and land acquisition	35,346	510,228
Technical reports	37,745	48,811
Project overhead costs	74,120	70,356
Labour	626	115,080
Land management fees, taxes and permits	6,918	62,131
Professional fees	7,871	21,847
Travel, meals and accomodation	277	11,039
Total exploration and evaluation expenses	**$ 313,694**	**$ 3,032,100**

Much of the activity during the three months ended September 30, 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 $3,908,115 in project development costs during the three months ended September 30, 2025, including $1,917,856 in accretion of royalty-based obligations, $50,076 in depreciation and $5,650 in lease amortization (September 30, 2024: $2,606,684 including $52,640 in depreciation).

Other expenses for the three months ended September 30, 2025 included:

- $848,428 in consulting and management fees (September 30, 2024: $793,912),
- $278,623 in professional costs (September 30, 2024: $276,738),
- $153,913 in shareholder communications (September 30, 2024: $196,855,
- $214,815 in office and general (September 30, 2024: $206,724).

A gain on remeasurement of the royalty-based obligation of $6,802,523 was recognized during the three months ended September 30, 2025 on account of updated expected cash flows as estimated from the updated Definitive Feasibility Study.

Interest and financing fees during the current quarter relate to the outstanding payment for the Neolit acquisition which was due in September 2024. The Company recognized a foreign exchange loss during the quarter of $319,087 compared to a loss of $5,955 during the quarter ended September 30, 2024.

Nine months ended September 30, 2025

During the nine months ended September 30, 2025, the Company recorded income of $38,436 or $0.00 per share, and comprehensive income of $685. During the comparative period ended September 30, 2024, net loss and comprehensive loss was $26,291,823 or $0.18 per share.

During the nine months ended September 30, 2025, the Company capitalized expenses related to the Bandeira project, including accretion expense related to the royalty-based obligation. During the comparative nine months ended September 30, 2024, the Company commenced capitalization in July 2024. 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)

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Acquisition of Neolit property	$ -	$ 6,115,175
Drilling and geophysics	519,740	6,178,401
Mining licenses and land acquisition	134,945	902,547
Technical reports	221,841	1,874,314
Project overhead costs	173,712	780,180
Labour	2,009	1,134,913
Land management fees, taxes and permits	34,083	245,968
Professional fees	20,625	186,473
Travel, meals and accomodation	41,447	141,968
Total exploration and evaluation expenses	**$ 1,148,402**	**$ 17,559,939**

Much of the activity during the nine months ended September 30, 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 $13,223,752 in project development costs during the nine months ended September 30, 2025, including $5,254,546 in accretion of royalty-based obligations, an adjusting credit of $6,802,523 as a result of remeasurement of the royalty-based obligation, $138,062 in depreciation and $14,327 in lease amortization (September 30, 2024: $2,606,684 including $52,641 in depreciation).

Other expenses for the nine months ended September 30, 2025 included:

- $2,926,767 in consulting and management fees (September 30, 2024: $4,528,298). During the comparative period, bonuses were granted upon the successful completion of the Company Feasibility Study in May 2024,
- $953,427 in professional costs (September 30, 2024: $1,793,078) During the comparative period, the Company paid a break fee related to an abandoned financing deal,
- $830,617 in share-based compensation (September 30, 2024: $612,300).

A gain on remeasurement of the royalty-based obligation of $6,802,523 was recognized during the three months ended September 30, 2025 on account of updated expected cash flows as estimated from the updated Definitive Feasibility Study.

During the nine months ended September 30, 2025, $229,292 in interest income was earned (September 30, 2024: $195,520). Interest and financing fees during the current period relate to the outstanding payment for the Neolit acquisition which was due in September 2024. The Company recognized a foreign exchange gain during the nine months ended September 30, 2025 of $494,075 compared to a loss of $101,821 during the nine months ended September 30, 2024.

(in Canadian dollars, unless otherwise noted)

Summary of quarter results

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

Period	Interest income $	Income/(Loss) $	Other comprehensive income/(loss) $	Net comprehensive income/(loss)	Income/(Loss) per share, basic and diluted $
Q3- September 2025	12,478	4,627,814	(24,973)	4,602,841	0.03
Q2- June 2025	31,069	(1,818,244)	(12,965)	(1,831,209)	(0.01)
Q1- March 2025	185,745	(2,771,134)	187	(2,770,947)	(0.02)
Q4- December 2024	145,812	(2,900,155)	6,192	(2,893,963)	(0.02)
Q3- September 2024	103,264	(4,567,961)	-	(4,567,961)	(0.03)
Q2- June 2024	23,519	(14,817,785)	-	(14,817,785)	(0.10)
Q1- March 2024	68,737	(6,906,077)	-	(6,906,077)	(0.05)
Q4- December 2023	158,334	(13,415,311)	-	(13,415,311)	(0.10)

Income/(Loss) and comprehensive income/(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 was 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. Income recognized in Q3-2025 resulted from a remeasurement of the royalty-based obligation.

Cash flows

Nine months ended September 30, 2025

During the nine months ended September 30, 2025, the Company used cash of $6,351,339 in operating activities (September 30, 2024: $17,433,405) as discussed above. Non-cash working capital used $287,884 during the nine months ended September 30, 2025 (September 30, 2024: provided $2,170,828). 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 nine months ended September 30, 2025, investing activities used $8,740,455 in cash (September 30, 2024: $6,699,212). As the Company began capitalizing development costs during Q3-2024, $8,724,884 in cash expenditures was capitalized for the nine months ended September 30, 2025 (September 30, 2024: $2,550,240). The Company also acquired $15,571 in equipment during the current period (September 30, 2024: $33,797). During the comparative nine months ended September 30, 2024, the Company paid $4,115,175 to acquire the remaining 15% of the Salinas properties.

During the nine months ended September 30, 2025, cash provided by financing activities was $12,232,882 (September 30, 2024: $41,104,251). The Company raised proceeds of $12,845,099 in equity financings incurring costs of issue of $422,446 during the nine months ended September 30, 2025 (September 30, 2024: $15,992,800 less $741,099 in issue costs). During the comparative nine months ended September 30, 2024, warrants were exercised generating cash of $86,678. The Company received proceeds of $27,454,000 from a royalty arrangement during the comparative nine months ended September 30, 2024, and received proceeds of $600,000 from a short-term promissory note repaying this note within the same period. Lease payments accounted for $189,771 of cash used during the current period compared to $146,647 during the comparative period.

The effect of exchange rate changes on cash held in foreign currency used $681,999 in cash (September 30, 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 September 30, 2025, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

September 30, 2025	**Brazilian reals**	**US dollars**
Cash	$ 1,063,186	$ 5,994,819
Accounts payable and accrued liabilities	(504,093)	(2,207,131)
Lease liabilities	(96,038)	-
Royalty-based obligations	-	(27,363,775)
	$ 463,055	$ (23,576,087)

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian real would decrease (increase) net loss and comprehensive loss by approximately $46,000 (September 30, 2024 - $128,000).

A 5% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss and comprehensive loss by approximately $1,179,000 (September 30, 2024 - $304,000).

(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 September 30, 2025, the Company had a cash and cash equivalents balance of $20,215,371 (December 31, 2024 - $23,756,282) to settle current liabilities of $10,621,954 including approximately $6,000,000 which was subsequently settled through the issuance of common shares of the Company (see Subsequent Events, Note 19) (December 31, 2024 - $5,794,327). Of the current liabilities, approximately $9,000,000 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 September 30, 2025, one Canadian dollar was worth BRL 3.8226 (September 30, 2024 - BRL 4.0290). During the nine months ended September 30, 2025, the average value of one Canadian dollar was BRL 4.0409 (September 30, 2024- US$).

The Company also makes expenditures and incurs costs in Unites States dollars ("US$"). At September 30, 2025, one Canadian dollar was worth US$1.3921 (September 30, 2024 – US$1.3499). During the nine months ended September 30, 2025, the average value of one Canadian dollar was US$1.3988 (September 30, 2024- US$1.3604).

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 September 30, 2025, these contracts require payments of approximately $8,196,000 (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 $2,542,000 (December 31, 2024 - $2,770,000) pursuant to the terms of these contracts as at September 30, 2025. As a triggering event has not taken place at September 30, 2025, these amounts have not been recorded in these consolidated financial statements.

Subject to the amended agreement to acquire now one mineral claim from Mineracao Borges Ltda., upon producing an independent NI 43-101 compliant MRE on the claim of 2 million tons of Li_2O content over 1.3% by June 5, 2026, the Company shall pay an additional R$7,000,000. As at September 30, 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 scheduled to pay 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 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 September 30, 2025, an amount of approximately $532,000 (December 31, 2024 - $571,000), included in accounts payable and accrued liabilities, was owed to directors and officers of the Company. This includes 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 ($2,046,400) plus accrued interest of approximately $226,000 is owed to an officer of the Company.

(in Canadian dollars, unless otherwise noted)

During the three and nine months ended September 30, 2025, the Company paid $30,000 and $134,000 respectively (September 30, 2024: $30,000 and $94,021 respectively) to Troilus Gold Corp. for office space, administrative services and reimbursable costs. As at September 30, 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.

The Company paid $5,900 and $7,900 respectively during the three and nine months ended September 30, 2025 to T & L Consulting for office administrative services. As at September 30, 2025, no amounts are owed to T & L Consulting. Mr. Tom Olesinski is an owner of T & L Consulting.

Also during the three and nine months ended September 30, 2025, the Company paid $6,182 and $23,997 respectively (September 30, 2024: $12,069 and $42,461 respectively) to Falcon Metais Ltda. for various administrative services. As at September 30, 2025, a balance of $nil (December 31, 2024: $nil) is payable to Falcon Metais Ltda., while a balance of $nil (December 31, 2024: $2,331) is recorded as prepaid expense. Mr. Helio Diniz, the Company's President, is an officer of Falcon Metais Ltda.

During 2023, the Company entered into an agreement with Valitar, an entity controlled by the Company and in which Mr. Helio Diniz indirectly owns a 90% interest and of which he is an officer, for a non-revolving credit facility of R$10,000,000 ($2,752,000), with the full facility drawn down at September 30, 2025. The purpose of this facility was to pay for the acquisition of surface rights in Brazil by Valitar. The facility is repayable in full on June 2, 2026 and carries an interest rate of 1% per annum. It is anticipated that Valitar will authorize MGLIT to perform mineral activities on its properties and upon commencement of production, MGLIT will pay royalties to Valitar. The loan facility has been 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 months ended September 30, 2025 and 2024, the remuneration of directors and other key management personnel is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Management and Consulting fees	$ 703,796	$ 690,040	$ 2,447,334	$ 4,135,061
Share-based compensation	-	-	-	423,150
Total	**$ 703,796**	**$ 690,040**	**$ 2,447,334**	**$ 4,558,211**

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) 173,749,452 common shares outstanding.
2) 36,475,018 warrants outstanding, with expiry dates ranging from December 7, 2025 to October 3, 2027. If all the warrants were exercised, 36,475,018 shares would be issued for gross proceeds of $36,195,250.
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.