



## ABOUT THIS REPORT

The report is issued by Lithium Ionic Corp ("Lithium Ionic," "Company,") for the fiscal year concluding on December 31, 2024. This inaugural report ("Report") aligns with the stipulations outlined in Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023) (the "Act"). It outlines the actions taken by Lithium Ionic and its Brazil-based subsidiaries to mitigate the risk of modern slavery, including forced labour or child labour, across its operations, including exploration and development activities, both domestically and internationally.

## ABOUT OUR BUSINESS

Lithium Ionic is a Canadian junior mining company engaged in the exploration and development of lithium properties in Brazil. The Company's flagship Itinga and Salinas projects cover ~17,000 hectares in the northeastern part of Minas Gerais state, a mining-friendly jurisdiction that is quickly emerging as a world-class hard-rock lithium district. The Company's goal is to generate significant returns for its stakeholders by becoming the country's next producer of high-quality spodumene concentrate for the global lithium supply chain.

## OPERATIONAL ACTIVITIES AND SUPPLY CHAIN

### *Operations*

Lithium Ionic Corp. is a publicly owned Canadian federal corporation headquartered in Toronto, Canada, and has been trading on the TSX Venture Exchange under the symbol LTH since May 2022. The Company is also listed on the OTCQX in the United States as LTHCF and on the Frankfurt Exchange as H3N. Its mining operations are based in Minas Gerais, Brazil, and are managed through its wholly owned Brazilian subsidiaries. As of 2024, Lithium Ionic and its direct subsidiaries employed 103 individuals, including both direct and contract employees. The Company complies with all applicable Canadian and Brazilian federal, state, and local labour and employment laws and regulations.

Currently, the Company is in the exploration and development stage of its lithium mine project in Minas Gerais, covering approximately 17,000 hectares divided into the Itinga and Salinas Properties. The Itinga Properties are progressing toward construction and production to extract lithium, a critical mineral for the green energy transition, while the Salinas Properties remain focused on exploration and development.

### *Supply Chain*

Lithium Ionic relies on a diverse pool of suppliers to support its exploration and development activities. In 2024, the majority of these suppliers are based in Brazil, providing a wide range of essential services such as logistical support, research, consulting, environmental assessments, and engineering services critical to the Company's work.

Procurement at Lithium Ionic is managed through an approval structure utilizing the company management team. The Brazilian team oversees the procurement of locally sourced goods and services required for day-to-day site operations, while the corporate team manages high-value or strategic contracts. Wherever possible, the Company prioritizes engaging local suppliers and service providers, reflecting its commitment to fostering economic inclusion and supporting the long-term development of the communities in which it operates.

## GOVERNANCE & POLICIES

Lithium Ionic is committed to upholding ethical business practices, transparency, and strong corporate governance. The Company's leadership fosters a culture of integrity, fairness, and accountability across all levels of the organization. Policies apply to all employees, officers, directors, and subsidiaries, and are designed to promote legal compliance, protect human rights, and ensure responsible conduct throughout operations and supply chains. As a member of the United Nations Global Compact, Lithium Ionic's human rights approach is grounded in the UN Guiding Principles on Business and Human Rights (UNGPs) and aligned with other internationally recognized standards.

The Company's Code of Business Conduct and Ethics establishes expectations for ethical behaviour, avoidance of conflicts of interest, compliance with applicable laws, and accurate disclosure. It promotes a safe, respectful, and inclusive work environment and sets conduct standards for third parties, including prohibitions on bribery, discrimination, harassment, and unfair business practices. The Anti-Bribery Policy further prohibits bribery and corruption across all jurisdictions and extends compliance obligations to third-party partners. Both policies reinforce adherence to Canadian and Brazilian laws that prohibit forced and child labour.

Governance and oversight are supported by Lithium Ionic's Audit Committee Charter and Whistleblower Policy. The Audit Committee is responsible for overseeing financial reporting, internal controls, and corporate compliance, and for establishing procedures for confidential reporting of concerns, including potential human rights or labour violations. The Whistleblower Policy provides a secure, anonymous mechanism for employees and stakeholders to report unethical, illegal, or unsafe conduct without fear of retaliation. All reports are reviewed independently and addressed accordingly, reinforcing the Company's culture of transparency and accountability.

In 2024, Lithium Ionic introduced three key policies to strengthen its governance framework: the ESG Policy, Human Rights Policy, and Diversity and Inclusion Policy. The ESG Policy outlines the Company's approach to environmental, social, and governance performance, including climate action and ethical supply chains. The Human Rights Policy formalizes commitments to international human rights principles, including the prohibition of forced and child labour. The Diversity and Inclusion Policy promotes a respectful, discrimination-free workplace and supports equal opportunities for all individuals. These policies are subject to review every two years or as needed to ensure relevance and effectiveness.

The Company also maintains rigorous contractual due diligence processes. All suppliers and contractors are required to comply with the Code of Conduct and applicable labour laws in both Brazil and Canada. Contracts may also require the submission of relevant occupational health and safety documentation to ensure safe working conditions and compliance with applicable regulations.

## **RISKS OF MODERN SLAVERY IN OPERATIONS AND SUPPLY CHAINS**

As Lithium Ionic remains in the exploration and development phase, it does not yet have a traditional or extensive supply chain. The suppliers currently engaged by the Company primarily provide essential services to support ongoing exploration activities. However, as operations scale and the network of suppliers broadens, the potential for exposure to human rights risks through third-party relationships increases. Lithium Ionic recognizes that such risks are typically more pronounced within supply chains than within direct operations. While a formal third-party risk assessment has not yet been conducted, internal evaluations have identified no known instances of forced or child labour within the Company's operations or its current supplier relationships.

In recognition of these risks, Lithium Ionic has implemented a range of measures to identify, assess, and manage potential instances of modern slavery across its operations and supply chains. All suppliers and subcontractors are contractually obligated to adhere to applicable labour laws and ethical labour standards, and if requested, must provide supporting Occupational Safety Documentation.

Compliance with Lithium Ionic's policy framework is mandatory for all employees, contractors, and suppliers. This includes the Code of Business Conduct and Ethics, Human Rights Policy, Anti-Bribery Policy, and other ESG-related policies. The Company also upholds a Whistleblower Policy that facilitates the confidential reporting of any concerns related to unethical labour practices or other forms of misconduct. In addition, Lithium Ionic is committed to transparently disclosing any confirmed cases of forced or child labour, while ensuring the privacy and confidentiality of those affected. The Company continuously reviews and strengthens its policies and procedures to respond to emerging risks and align with best practices in ethical labour management.

## **REMEDATION MEASURES AND LOSS OF INCOME**

In 2024, Lithium Ionic did not implement any remedial actions, as no instances of forced labour or child labour were identified within the Company's operations or supply chains.

## **ASSESSING EFFECTIVENESS**

Lithium Ionic is committed to responsible operations and the prevention of modern slavery, including forced labour and child labour, within its operations and supply chains. The Company assesses the effectiveness of its due diligence practices through a combination of internal policies, supplier requirements, and ongoing monitoring efforts. Performance is further evaluated using external tools such as the ONYEN Corp. ESG platform, which facilitates annual reviews aligned with international reporting standards, including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). These assessments support the identification of potential risks, emerging concerns, and areas for improvement, which are disclosed through the Company's annual reporting.

As Lithium Ionic's internal systems, operational activities, and supply chains continue to evolve, the Company remains committed to regularly reviewing the effectiveness of its actions and updating relevant policies as needed. To further strengthen its approach, the Company plans to expand employee training initiatives with additional focus on ethical labour standards and compliance responsibilities.

## APPROVAL AND ATTESTATION

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of CEO, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.

I make this attestation in my capacity as a Director of Lithium Ionic Corp., and not in my personal capacity. I have the authority to bind Lithium Ionic Corp.



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Blake Hylands

Director & Chief Executive Officer

May 29<sup>th</sup>, 2025