

Lithium Ionic Corp.
Management's Discussion and Analysis
For the three and six months ended June 30, 2023
(in Canadian dollars, unless otherwise noted)

Date: August 22, 2023

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 six months ended June 30, 2023. The MD&A should be read in conjunction with the audited consolidated financial statements and MD&A for the year ending December 31, 2022. 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 International Financial Reporting Standards ("**IFRS**") as published 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, 2022 for disclosure of the Company's significant accounting policies.

Additional information about the Company may be found on SEDAR at www.sedar.com.

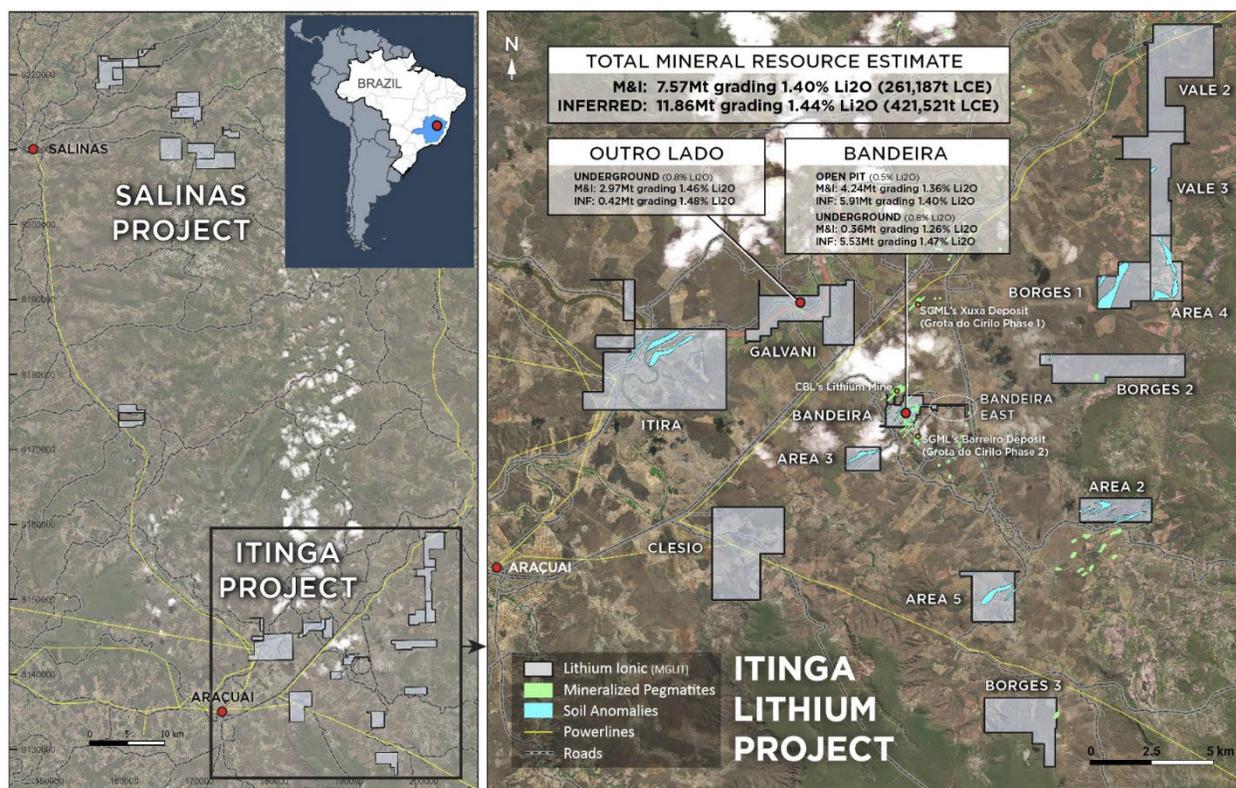
The scientific and technical contents of this MD&A have been reviewed and approved by Carlos H.C. Costa, P.Geo (APGO), Qualified Person under National Instrument 43-101 ("**NI 43-101**").

The Board of Directors of the Company has reviewed this MD&A and the consolidated financial statements for the three and six months ended June 30, 2023, 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**"). The Company acquired 99.9% of the issued and outstanding shares of MGLIT on October 21, 2021: 99.8% from an officer and director of the Company and 0.1% from a corporation controlled by an officer and director of the Company. The remaining 0.1% of the issued and outstanding shares were acquired on February 14, 2022 from an officer and director of Lithium Ionic. The Company acquired 100% of Neolit on March 13, 2023. Through MGLIT, the Company has a 10% interest in Valitar Participações S.A. ("**Valitar**"), a special purpose vehicle incorporated in Brazil for the purpose of acquiring surface rights.

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 Project

On December 23, 2020, MGLIT acquired seven mineral licenses from Falcon Metais Ltda. The Itinga project is located in Minas Gerais state (MG), Brazil. The project comprises seven mineral licences 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, Brazil’s only lithium producer, and immediately north of the large Barreiro and South Xuxa lithium deposits of Sigma Lithium Corp. Sigma’s estimated mineral resources, based on its technical reports prepared pursuant to National Instrument 43-101, exceed 86 million tonnes of lithium oxide (Li₂O) mineralized pegmatite in four deposits.

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.

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.

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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.

If during the 18 months following the closing of the acquisition, the Company, through an independent qualified person defines an inferred mineral resource estimate of a minimum of 5Mt with a Li₂O content above 1.3%, the Company shall, at Galvani's discretion, (i) issue such number of Lithium Ionic shares equal to USD\$2 million calculated using the 7 day VWAP of the Lithium Ionic shares on the TSXV ending on the effective date of the technical report evidencing such mineral resource estimate, subject to a minimum price per Lithium Ionic share of \$0.904 and a maximum total issuance of 2,844,912 Lithium Ionic shares, or (ii) pay USD\$2 million in cash to Galvani on the effective date of the technical report evidencing such mineral resource estimate.

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 claims to MGLIT. Upon producing an independent NI 43-101 compliant mineral resource estimate on the claims of 2 million tons of Li₂O content over 1.3% within 18 months of closing, the Company shall pay an additional R\$15,000,000 (approximately \$3,850,000) to the vendor.

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 Lítio Mineracao Ltda. ("**Vale Lítio**"). Vale Lítio 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 Araçuaí-Itinga Pegmatite region.

Pursuant to the terms of the Agreement, the Company has acquired an initial 2.78% equity ownership interest in Vale Lítio by paying R\$900,000.00 (\$233,000) in cash to Exotic. Lithium Ionic may acquire the following ownership interests in Vale by making the following payments to Exotic:

- 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 (approximately \$130,000) in cash to acquire an additional 1.54% equity ownership in Vale on or before July 20, 2023 (paid subsequent to the end of the quarter);
- R\$500,000 (approximately \$130,000) in cash to acquire an additional 1.54% equity ownership in Vale on or before February 20, 2024; and
- R\$30,000,000 (approximately \$7,800,000) in cash to acquire the remaining 92.60% equity ownership in Vale on or before July 20, 2024.

If the Company establishes a NI 43-101 compliant mineral resource estimate on the Vale Claims of at least six million tons with an average content greater than 1.30% Li₂O, the Company shall pay Exotic a cash bonus of R10,000,000.00 (approximately \$2,600,000). the Company may terminate the Agreement at any time without incurring any additional financial penalties.

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Clesio Claim

In February 2023, the Company entered into a binding asset purchase agreement with Clésio Alves Gonçalves Mineração 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 mineral resource estimate on this claim of at least two million tons with an average content greater than 1.30% Li₂O within 30 months of acquiring the claim, the Company shall pay Clesio a cash bonus of USD\$1 million (approximately \$1,360,000).

If the Company establishes a NI 43-101 compliant mineral resource estimate on the claim of at least five million tons with an average content greater than 1.30% Li₂O within 48 months of acquiring the claim, the Company shall pay Clesio an additional cash bonus of USD\$1 million (approximately \$1,360,000).

Neolit acquisition - Salinas Claims

In March 2023, the Company acquired a 100% interest in Neolit Minerals Participações Ltda. ("**Neolit**"), a Brazilian company which owns a 40% interest in the Salinas Project and has the right, subject to certain exploration commitments, to acquire up to an 85% ownership interest in the Salinas Project. 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 mineral resource estimate on the Salinas Project of at least 20 million tonnes with an average grade greater than 1.3% Li₂O. A final cash payment of US\$1,500,000 (approximately \$2,040,000) is due on the 18-month anniversary of the closing of the transaction. In addition to the Salinas Project, Neolit, pursuant to a definitive agreement it has in place with an arm's length party can select from a land package of 10 tenements and acquire up to a 90% ownership interest in such claims by incurring exploration expenditures. The founder and CEO of Neolit, Dr. André Guimarães, joined the Company as VP Business Development after the acquisition.

Exploration activity

Initial exploration activities, including mapping, geochemical and geophysical surveys, returned significant soil anomalies, which led to the discovery of lithium-bearing pegmatites confirmed by trenching and drilling.

The Company began drilling select targets in April of 2022, and to date has completed over 31,000 metres of drilling, yielding excellent results which were in line with nearby projects and established deposits.

Drilling continued into 2023 with up to ~~six~~ eight drill rigs turning, nearly ~~4,000~~ 7,000 metres per month, at the Bandeira and Galvani targets. At Bandeira, the exploration team recently discovered multiple thicker and higher-grade intercepts extending several well-mineralized lithium-bearing pegmatite veins to over 700 metres down dip, the highest encountered at Bandeira to date. The Company has identified at least twelve different NE-SW trending lithium-bearing LCT pegmatites. These mineralized bodies range from 1 to 24 metres in width and can be traced over a 1 km strike length. The average depth of the mineralized zones intersected to date is approximately 200 metres, however the Company has 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.

The Company announced a maiden mineral resource estimate for the Bandeira and Galvani deposits in June 2023. SGS Geological Services ("SGS") was engaged to complete the National Instrument 43-101 ("NI 43-101") mineral resource estimate. Please see below. The mineral resource estimate will form the

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basis for the development of the feasibility study in the second half of the year. The Company has commenced a 50,000 metre expansion and definition drilling program for the second half of 2023 targeting Bandeira, the Galvani deposits as well as other prospective regional targets.

A 20,000-metre drilling program is underway on the claims within its newly acquired Salinas project. Currently, ~~three~~ four drill rigs are turning on this property. This project is located in the lithium-rich Aracuai Pegmatite District, which hosts the largest lithium reserves in Brazil. Salinas is located approximately 100 km north of the Itinga claims. Since acquiring the Salinas project from through the Neolit acquisition, the Company completed soil geochemistry to help identify priority drill targets.

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

Metallurgical tests were carried out on two-20kg samples from the Bandeira and Galvani targets to test the recovery of lithium from spodumene ore and to evaluate the recovery processes. Initial results reported excellent lithium recoveries of 77.99% at Bandeira and 82.52% at Galvani, producing a high-quality lithium concentrate of 6% with low iron content. The Company will complete additional metallurgical test work, including a pilot plant circuit, during 2023 in preparation for future economic studies.

A summary of exploration activity is presented below:

Activity	Accumulated	Comments
Soil Samples	4,523	
Rock Samples	207	
Cut Lines (Km)	93.38	
Geological Mapping (Km)	153	
Geological Trench Mapping (Km)	3,063	
Geological Garimpos Mapped	20	
Ground Geophysics (km)	10.40	
Galvani Diamond Drilling (m)	7,954.60	66 DDH Completed
Bandeira Diamond Drilling (m)	26,819.83	145 DDH Completed
Salinas Diamond Drilling (m)	7,578.75	34 DDH Completed

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Drilling Summary Results:

GALVANI (OUTRO LADO) AREA				MINERALIZED INTERVAL			
Drilled	Section	Status	Depth	From	to	(m)	Li2O (%)
OLDD001	LT 100 NW	Finished	59.04	25.00	43.00	18.00	1.58
OLDD002	LT 400 NW	Finished	152.02			NSR	
OLDD003	LT 200 NW	Finished	100.62	71	83.00	12.00	1.78
OLDD004	LT 00	Finished	35.39			NSR	
OLDD005	LT 00	Finished	239.55			NSR	
OLDD006	LT 400 NW	Finished	109.06	76.75	97.00	20.25	1.62
OLDD007	LT 800 NW	Finished	154.74	22.79	25.17	2.38	1.08
TOTAL DRILLED BY GALVANI			850.42				
ARDD-22-001	LT 100 NW	Finished	43.65	4.70	29.63	24.93	1.57
ARDD-22-002	LT 200 NW	Finished	74.95	11.30	53.35	42.05	1.17
ARDD-22-003	LT 100 NW	Finished	127.80			NSR	
ARDD-22-004	LT 400 NW	Finished	166.75			NSR	
ARDD-22-005	LT 200 NW	Finished	259.40			NSR	
ARDD-22-006	LT 600 NW	Finished	150.30	94.73	100.59	5.86	0.53
ARDD-22-007	LT 600 NW	Finished	155.15	63.94	83.72	19.78	1.94
ARDD-22-008	LT 300 NW	Finished	121.80	80.43	91.20	10.77	1.27
ARDD-22-009	LT 400 NW	Finished	140.20	58.80	79.50	20.70	1.68
ARDD-22-010	LT 300 NW	Finished	161.10	128.70	133.31	4.61	1.27
ARDD-22-011	LT 500 NW	Finished	148.70			NSR	
ARDD-22-012	LT 500 NW	Finished	181.80			Not Sampled	
ARDD-22-013	LT 500 NW	Finished	123.00	84.15	95.00	10.85	1.77
ARDD-22-014	LT 700 NW	Finished	100.60	31.98	70.48	38.50	1.30
ARDD-22-015	LT 700 NW	Finished	136.45			NSR	
ARDD-22-016	LT 800 NW	Finished	116.55	30.18	38.18	8.00	1.29
ARDD-22-017	LT 900 NW	Finished	157.30			NSR	
ARDD-22-018	LT 800 NW	Finished	124.15			NSR	
ARDD-22-019	LT 00	Finished	75.45			Not Sampled	
ARDD-22-020	LT 1000 NW	Finished	64.35			Not Sampled	
ARDD-22-021	LT 200 NW	Finished	100.60	35.50	81.71	46.21	1.53
ARDD-22-022	LT 850 NW	Finished	52.90	12.68	31.87	19.19	1.30
ARDD-22-023	LT 00	Finished	70.10	30.52	33.5	2.98	1.11
ARDD-22-024	LT 400 NW	Finished	180.90			Not Sampled	
ARDD-22-025	LT 300 NW	Finished	99.20	37.00	58.91	21.91	1.71
ARDD-22-026	NO	Finished	154.70			Not Sampled	
ARDD-22-027	NO	Finished	206.05			Not Sampled	
ARDD-22-028	LT 500 NW	Finished	240.85			Not Sampled	
ARDD-22-029	NO	Finished	200.15			NSR	
ARDD-22-030	LT 100 NW	Finished	53.00	0.00	25.63	25.63	1.98

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ARDD-22-031	NO	Finished	180.65			Not Sampled		
ARDD-22-032	LT 00 MARA	Finished	121.40			NSR		
ARDD-22-033	LT 150 NE MARA	Finished	151.40			NSR		
ARDD-22-034	LT 100 SW MARA	Finished	121.30			Not Sampled		
ARDD-22-035	LT 500 SW MARA	Finished	121.20	21.15	22.35	1.20	0.31	
ARDD-22-036	LT 100 NE MARA	Finished	71.25			NSR		
ARDD-22-037	LT 00 MARA	Finished	70.85			NSR		
ARDD-22-038	LT 200 NE MARA	Finished	61.70			Not Sampled		
ARDD-22-039	LT 300 NE MARA	Finished	70.50			Not Sampled		
ARDD-22-040	NO	Finished	120.65			Not Sampled		
ARDD-22-041	NO	Finished	151.90			Not Sampled		
ARDD-22-042	NO	Finished	151.85			Not Sampled		
ARDD-22-043	LT 00 MARA	Finished	121.90			NSR		
ARDD-22-044	LT 500 SW MARA	Finished	100.45			NSR		
ARDD-22-045	LT 150 NW	Finished	64.80	22.85	39.85	17.00	1.23	
ARDD-23-046	LT 550 NW	Finished	110.00	74.67	88.25	13.58	1.10	
ARDD-23-047	LT 50 NW	Finished	55.00	20.22	32.22	12.00	1.23	
ARDD-23-048	LT 250 NW	Finished	106.10	29.83	74.83	45.00	1.87	
ARDD-23-049	LT 450 NW	Finished	124.00	86.16	98.16	12.00	1.44	
ARDD-23-050	LT 650 NW	Finished	93.20	65.45	82.17	16.72	1.48	
ARDD-23-051	LT 350 NW	Finished	118.20	59.25	92.55	33.30	1.69	
ARDD-23-052	LT 750 NW	Finished	88.90	54.14	66.14	12.00	1.15	
ARDD-23-053	LT 650 NW	Finished	130.60			NSR		
ARDD-23-054	LT 350 NW	Finished	137.15	113.10	115.10	2.00	1.57	
ARDD-23-055	LT 250 NW	Finished	120.30	97.18	100.18	3.00	1.06	
ARDD-23-056	LT 150 NW	Finished	95.80	28.07	74.00	45.93	1.45	
ARDD-23-057	LT 750 NW	Finished	92.90			NSR		
ARDD-23-058	LT 850 NW	Finished	80.45			Not Sampled		
ARDD-23-059	LT 550 NW	Finished	130.15			Not Sampled		
ARDD-23-060	LT 450 NW	Finished	150.60			Not Sampled		
ARDD-23-061	LT 150 NW	Finished	130.15	99.88	103.49	3.61	1.72	
ARDD-23-062	LT 350 NW	Finished	180.65			NSR		
ARDD-23-063	LT 250 NW	Finished	160.65			NSR		
ARDD-23-064	LT 50 NW	Finished	85.90			NSR		
ARDD-23-065	LT 100 SE	Finished	33.00			Not Sampled		
ARDD-23-066	LT 750 NW	Finished	61.20	19.54	21.03	1.49	0.69	
TOTAL DRILLED BY MGLIT			7,954.60					

AP = Assays pending

NSR = Average below 1000 ppm Li

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BANDEIRA AREA				MINERALIZED INTERVAL			
Drilled	Section	Status	Depth	From	to	(m)	Li2O (%)
ITDD-22-001	LT 00	Finished	100.55	8.50	13.70	5.20	1.55
ITDD-22-002	LT 00	Finished	96.25	33.08	38.74	5.66	1.93
ITDD-22-003	LT 500	Finished	60.30	21.95	23.01	1.06	0.87
ITDD-22-004	LT 500	Finished	75.60			NSR	
ITDD-22-004B	LT 500	Finished	40.40			NSR	
ITDD-22-005	LT 500	Finished	68.45			NSR	
ITDD-22-006	LT 500	Finished	124.90	54.90	57.60	2.70	2.23
ITDD-22-007	LT 125	Finished	70.50	21.62	27.58	5.96	1.33
ITDD-22-008	LT 00	Finished	75.08			NSR	
ITDD-22-009	LT 750	Finished	109.70			NSR	
ITDD-22-010	LT 750	Stoped	4.40			Not Sampled	
ITDD-22-011	LT 100 NE	Finished	100.25	53.14	59.89	6.75	1.99
ITDD-22-012	LT 200 NE	Finished	99.80	33.70	42.03	8.33	1.44
ITDD-22-013	LT 200 NE	Finished	99.95	53.18	57.08	3.90	1.56
ITDD-22-014	LT 100 NE	Finished	102.60	77.10	82.80	5.70	1.14
ITDD-22-015	LT 100 SW	Finished	50.90	6.16	8.74	2.58	1.04
ITDD-22-016	LT 300 NE	Finished	102.55	39.50	45.36	5.86	1.27
ITDD-22-017	LT 00	Finished	100.30	62.21	67.15	4.94	1.06
ITDD-22-018	LT 400 NE	Finished	153.65	44.96	45.96	1.00	0.52
ITDD-22-019	LT 100 SW	Finished	101.70	29.83	33.57	3.74	1.97
ITDD-22-020	LT 400 NE	Finished	91.30	19.65	20.65	1.00	0.68
ITDD-22-021	LT 600 NE	Finished	130.90	31.90	34.73	2.83	1.29
ITDD-22-022	LT 300 NE	Finished	100.35	13.31	18.31	5.00	0.50
ITDD-22-023	LT 500 NE	Finished	148.70	38.53	43.59	5.06	2.13
ITDD-22-024	LT 600 NE	Finished	180.35	28.14	33.86	5.72	1.71
ITDD-22-025	LT 600 NE	Finished	130.00	67.62	71.31	3.69	2.22
ITDD-22-026	LT 700 NE	Finished	121.40	12.73	14.72	1.99	0.49
ITDD-22-027	LT 800 NE	Finished	109.15	21.21	29.09	7.88	0.45
ITDD-22-028	LT 700 NE	Finished	111.90	38.64	40.25	1.61	1.95
ITDD-22-029	LT 400 NE	Finished	170.90	145.91	149.08	3.17	1.21
ITDD-22-030	LT 800 NE	Finished	110.30	46.60	53.30	6.70	1.49
ITDD-22-031	LT 900 NE	Finished	130.00	12.77	17.67	4.90	Redrill
ITDD-22-032	LT 700 NE	Finished	163.10	137.40	139.20	1.80	1.58
ITDD-22-033	LT 900 NE	Finished	100.10			NSR	
ITDD-22-033A	LT 900 NE	Finished	21.70	6.05	8.05	2.00	0.50
ITDD-22-034	LT 100 NE	Finished	120.50	17.42	21.10	3.68	0.52
ITDD-22-035	LT 800 NE	Finished	204.90	171.62	176.50	4.88	1.28
ITDD-22-036	LT 200 NE	Finished	121.10	39.10	45.10	6.00	0.90
ITDD-22-037	LT 00	Finished	121.50			Not Sampled	
ITDD-22-038	LT 800 NE	Finished	150.35	98.13	102.85	4.72	1.61
ITDD-22-039	LT 700 NE	Finished	150.45	86.24	91.24	5.00	2.39
ITDD-22-040	LT 100 NE	Finished	151.35	55.90	56.90	1.00	1.36
ITDD-22-041	LT 900 NE	Finished	150.75	37.16	37.97	0.81	0.60
ITDD-22-042	LT 1000 NE	Finished	110.20			Not Sampled	
ITDD-22-043	LT 200 NE	Finished	150.90	38.05	42.41	4.36	1.43
ITDD-22-044	LT 900 NE	Finished	201.90			NSR	
ITDD-22-045	LT 800 NE	Finished	100.60	41.57	44.88	3.31	1.42

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ITDD-22-046	LT 200 NE	Finished	120.45	63.00	68.00	5.00	1.17
ITDD-22-047	LT 1000 NE	Finished	157.35			Not Sampled	
ITDD-22-048	LT 700 NE	Finished	99.05	69.39	74.20	4.81	1.08
ITDD-22-049	LT 200 NE	Finished	97.30	64.87	67.87	3.00	0.86
ITDD-22-050	LT 600 NE	Finished	150.75	96.60	99.31	2.71	0.81
ITDD-23-051	LT 200 NE	Finished	90.70	56.98	57.98	1.00	1.18
ITDD-23-052	LT 700 NE	Finished	480.75	205.44	209.44	4.00	1.79
ITDD-23-053	LT 500 NE	Finished	140.90	74.65	77.19	2.54	1.95
ITDD-23-054	LT 100 NE	Finished	144.85	118.00	124.00	6.00	1.44
ITDD-23-055	LT 100 NE	Finished	130.15	37.97	38.95	0.98	0.53
ITDD-23-056	LT 200 NE	Finished	75.60	37.75	43.93	6.18	0.99
ITDD-23-057	NO	Finished	300.35	241.95	256.95	15.00	1.47
ITDD-23-058	LT 100 NE	Finished	155.75	122.10	128.55	6.45	1.84
ITDD-23-059	LT 200 NE	Finished	57.05	29.72	32.96	3.24	1.62
ITDD-23-060	LT 700 NE	Finished	490.15	225.23	229.50	4.27	2.03
ITDD-23-061	LT 300 NE	Finished	105.25	61.50	78.58	17.08	1.43
ITDD-23-062	LT 800 NE	Finished	433.05	104.43	124.43	20.00	1.62
ITDD-23-063	LT 300 NE	Finished	121.15	41.67	55.24	13.57	1.73
ITDD-23-064	NO	Finished	300.75	192.60	198.98	6.38	1.68
ITDD-23-065	LT 700 NE	Finished	504.90	354.23	378.23	24.00	1.32
ITDD-23-066	LT 300 NE	Finished	150.95	53.35	58.48	5.13	1.38
ITDD-23-067	LT 400 NE	Finished	129.70	86.96	103.96	17.00	1.21
ITDD-23-068	LT 00	Finished	136.30	92.23	93.97	1.74	1.03
ITDD-23-069	LT 400 NE	Finished	220.65	60.55	75.48	14.93	1.44
ITDD-23-070	LT 800 NE	Finished	422.60	89.3	97.3	8.00	1.32
ITDD-23-071	LT 400 NE	Finished	153.45	86.49	90.49	4.00	0.90
ITDD-23-072	LT 000	Finished	140.30	113.69	117.69	4.00	1.38
ITDD-23-073	LT 600 NE	Finished	480.20	408.21	426.35	18.14	1.24
ITDD-23-074	LT 200 NE	Finished	120.75	96.84	100.25	3.41	1.98
ITDD-23-075	LT 450 NE	Finished	169.05	130.10	141.90	11.80	1.00
ITDD-23-076	LT 500 NE	Finished	260.10	82.64	86.84	4.20	1.41
ITDD-23-077	LT 300 NE	Finished	100.10			NSR	
ITDD-23-078	LT 100 NE	Finished	361.70	321.95	337.78	15.83	1.42
ITDD-23-079	LT 550 NE	Finished	170.65			NSR	
ITDD-23-080	LT 800 NE	Finished	310.35	255.45	261.66	6.21	1.49
ITDD-23-081	LT 500 NE	Finished	172.30	120.07	128.07	8.00	1.62
ITDD-23-082	LT 500 NE	Finished	298.00	50.63	56.40	5.77	2.17
ITDD-23-083	LT 600 NE	Finished	420.25	372.67	379.76	7.09	2.29
ITDD-23-084	LT 100 NE	Finished	305.15	275.42	284.87	9.45	1.31
ITDD-23-085	LT 300 NE	Finished	115.10	73.40	74.47	1.07	0.67
ITDD-23-086	LT 800 NE	Finished	340.55	272.46	283.27	10.81	1.04
ITDD-23-087	LT 300 NE	Finished	89.85	56.92	70.96	14.04	1.31
ITDD-23-088	LT 600 NE	Finished	303.80	206.00	210.19	4.19	1.87
ITDD-23-089	LT 450 NE	Finished	184.20	63.26	72.02	8.76	1.37
ITDD-23-090	LT 700 NE	Finished	589.15	465.61	471.85	6.24	1.57

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ITDD-23-091	LT 100 SW	Finished	544.20	479.83	482.00	2.17	2.04
ITDD-23-092	LT 200 NE	Finished	129.95	103.81	109.42	5.61	1.23
ITDD-23-093	LT 200 NE	Finished	75.30	43.65	51.65	8.00	1.47
ITDD-23-094	LT 300 NE	Finished	109.35	80.58	88.26	7.68	1.63
ITDD-23-095	LT 200 NE	Finished	249.85	216.19	223.07	6.88	1.38
ITDD-23-096	LT 300 NE	Finished	118.40	88.95	97.18	8.23	1.62
ITDD-23-097	LT 050 NE	Finished	48.75	38.70	44.12	5.42	1.48
ITDD-23-098	LT 050 NE	Finished	350.20	62.59	67.59	5.00	1.64
ITDD-23-099	LT 150 NE	Finished	79.10	68.96	72.49	3.53	1.32
ITDD-23-100	LT 050 SW	Finished	49.90	32.49	33.49	1.00	0.56
ITDD-23-101	LT 150 NE	Finished	100.40	76.74	81.74	5.00	1.55
ITDD-23-102	LT 200 NE	Finished	262.35	226.35	233.36	7.01	1.55
ITDD-23-103	LT 100 SW	Finished	221.30	197.00	200.00	3.00	1.33
ITDD-23-104	LT 050 SW	Finished	67.05	55.89	60.33	4.44	0.79
ITDD-23-105	LT 400 NE	Finished	421.35	220.44	229.59	9.15	1.32
ITDD-23-106	LT 050 NE	Finished	141.80	133.08	135.23	2.15	0.95
ITDD-23-107	LT 000	Finished	140.80	209.54	214.49	4.95	1.51
ITDD-23-108	LT 050 NE	Finished	95.05	75.26	81.26	6.00	1.59
ITDD-23-109	LT 150 NE	Finished	315.75	247.87	255.66	7.79	1.69
ITDD-23-110	LT 250 NE	Finished	72.10	58.58	62.84	4.26	2.15
ITDD-23-111	LT 100 NE	Finished	41.45	27.80	34.40	6.60	1.51
ITDD-23-112	LT 50 NE	Finished	320.05	124.79	131.18	6.39	1.74
ITDD-23-113	LT 100 SW	Finished	108.60	97.33	99.89	2.56	1.75
ITDD-23-114	LT 250 NE	Finished	91.60	71.78	78.15	6.37	0.96
ITDD-23-115	LT 150 NE	Finished	47.50	34.08	41.00	6.92	1.26
ITDD-23-116	LT 250 NE	Finished	124.25	112.82	117.36	4.54	2.18
ITDD-23-117	LT 300 NE	Finished	220.05	166.63	169.18	2.55	0.74
ITDD-23-118	LT 50 SW	Finished	184.00	161.16	164.07	2.91	1.12
ITDD-23-119	LT 150 NE	Finished	138.50	124.13	132.54	8.41	1.39
ITDD-23-120	LT 250 NE	Finished	279.75	253.93	259.63	5.70	1.86
ITDD-23-121	LT 300 NE	Finished	361.55	163.40	169.82	6.42	1.92
ITDD-23-122	LT 50 SW	Finished	340.20	164.11	168.11	4.00	1.49
ITDD-23-123	LT 100 NE	Finished	350.90	149.16	159.40	10.24	1.89
ITDD-23-124	LT 550 NE	Finished	130.00	55.09	56.09	1.00	1.03
ITDD-23-125	LT 000	Finished	330.10	144.94	147.97	3.03	1.43
ITDD-23-126	LT 550 NE	Finished	170.10	105.80	108.37	2.57	1.02
ITDD-23-127	LT 400 NE	Finished	150.95	81.91	82.66	0.75	1.11
ITDD-23-128	LT 50 SW	Finished	205.55	178.46	183.69	5.23	2.10
ITDD-23-129	LT 50 NE	Finished	196.15	157.10	162.60	5.50	1.40
ITDD-23-130	LT 550 NE	Finished	300.25	88.49	91.08	2.59	1.15
ITDD-23-131	LT 400 NE	Finished	301.00	274.94	278.00	3.06	1.33
ITDD-23-132	LT 50 NE	Finished	210.35	172.68	178.59	5.91	1.59
ITDD-23-133	LT 100 SW	Finished	164.75	150.20	154.79	4.59	1.20
ITDD-23-134	LT 000	Finished	164.75	138.85	141.96	3.11	2.24
ITDD-23-135	LT 600 NE	Finished	250.40	136.02	137.59	1.57	2.96
ITDD-23-136	LT 650 NE	Finished	334.35	85.99	90.5	4.51	AP
ITDD-23-137	LT 50 NE	Finished	400.60	189.80	196.65	6.85	1.44
ITDD-23-138	LT 100 SW	Finished	330.10	289.51	297.06	7.55	AP
ITDD-23-139	LT 000	Finished	366.90	304.00	315.14	11.14	AP
ITDD-23-140	LT 550 NE	Finished	80.05	28.83	30.62	1.79	1.22
ITDD-23-141	LT 650 NE	Finished	61.35	46.45	51.85	5.40	AP
ITDD-23-142	LT 550 NE	Finished	200.15	36.35	41.63	5.28	AP
ITDD-23-143	LT 650 NE	Finished	439.45	383.36	388.72	5.36	AP
ITDD-23-144	LT 650 NE	Finished	119.85	94.45	99.42	4.97	AP
ITDD-23-145	LT 100 NE	Finished	330.25	290.94	302.04	11.10	AP

TOTAL DRILLED BY MGLIT

26,819.83

AP = Assays pending

NSR = Average below 1000 ppm Li

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SALINAS AREA				MINERALIZED INTERVAL			
Drilled	Section	Status	Depth	From	to	(m)	Li2O (%)
SLCU-D001	LT 1500	Finished	123.40	103.66	108.85	5.19	0.63
SLCU-D002	LT 1500	Finished	170.00	56.11	60.19	4.08	1.26
SLCU-D003	LT 1400	Finished	280.35	199.91	202.96	3.05	0.69
SLCU-D001B	LT 1500	Finished	35.90	23.68	27.19	3.51	0.58
SLSB-D004	LT 1200	Finished	85.80	66.66	70.92	4.26	1.32
SLSB-D005	LT 1050	Finished	223.80			NSR	
SLSB-D006	LT 1300	Finished	93.35	70.50	74.35	3.85	1.55
SLJU-D007		Finished	76.95			NSR	
SLJU-D008		Finished	115.85			NSR	
SLJU-D009		Finished	136.35			NSR	
SLJU-D010		Finished	78.15			NSR	
SLCU-D011	LT 1200	Finished	280.60	161.76	162.7	0.94	1.22
SLOE-D012	LT 200	Finished	153.10	88.60	90.38	1.78	1.38
SLOE-D013	LT 300	Finished	172.70	97.70	107.52	9.82	1.71
SLOE-D014	LT 500	Finished	90.40	43.84	55.20	11.36	1.53
SLOE-D015	LT 400	Finished	96.20	36.60	50.36	13.76	1.22
SLOE-D016	LT 700	Finished	126.10			NSR	
SLZO-D017	LT 1500	Finished	210.40			NSR	
SLOE-D018	LT 600	Finished	262.80	239.65	253	13.35	1.19
SLOE-D019	LT 300	Finished	300.00			NSR	
SLOE-D020	LT 300	Finished	298.85			NSR	
SLOE-D021	LT 700	Finished	193.80			NSR	
SLOE-D022	LT 600	Finished	130.40	102.68	110.12	7.44	1.09
SLZO-D023	LT 1900	Finished	75.20			NSR	
SLZO-D024	LT 2300	Finished	224.35			NSR	
TOTAL DRILLED BY NEOLIT			4,034.80				

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BGDD-23-025	LT 500	Finished	106.30	68.22	80.22	12.00	1.60
BGDD-23-026	LT 300	Finished	180.85			NSR	
BGDD-23-027	LT 500	Finished	161.70	128.93	137.93	9.00	1.55
BGDD-23-028	LT 300	Finished	229.70			NSR	
BGDD-23-029	LT 400	Finished	138.40	62.94	73.94	11.00	1.26
BGDD-23-030	LT 400	Finished	166.25	94.16	104.16	10.00	1.34
BGDD-23-031	LT 500	Finished	230.75	162.02	165.02	3.00	0.74
BGDD-23-032	LT 300	Finished	117.05	40.38	56.38	16.00	1.38
BGDD-23-033	LT 400	Finished	270.10			NSR	
BGDD-23-034	LT 600	Finished	123.15	53.93	58.22	4.29	1.43
BGDD-23-035	LT 200	Finished	379.75	66.89	68.89	2.00	0.80
BGDD-23-036	LT 700	Finished	146.10			NSR	
BGDD-23-037	LT 200	Finished	368.70	287.18	299.3	12.12	AP
BGDD-23-038	LT 700	Finished	186.35	108.20	109.9	1.70	AP
BGDD-23-039	LT 100	Finished	250.70	176.77	187.03	10.26	AP
BGDD-23-040	LT 000	Finished	244.85	177.55	184.33	6.78	AP
BGDD-23-041	LT 800	Finished	166.30	15.40	15.75	0.35	AP
BGDD-23-042	LT 100	Finished	310.15	234.63	249.00	14.37	AP
BGDD-23-043	LT 900	Finished	162.70			Not Sampled	
BGDD-23-045	LT 1100	Finished	144.20	79.78	83.26	3.48	AP
BGDD-23-044	LT 900	Finished	424.60	6.80	8.43	1.63	AP
BGDD-23-046	LT 000	Finished	309.35	219.40	241.50	22.10	AP
BGDD-23-048	LT 1200	Finished	232.50	76.50	78.85	2.35	AP
BGDD-23-047	LT 100	Finished	430.30	369.15	378.61	9.46	AP
BGDD-23-049	LT 1100	Finished	291.45	199.80	200.90	1.10	AP
BGDD-23-050	LT 000	Finished	336.80	241.48	252.50	11.02	AP
BGDD-23-051	LT 1300	Finished	252.20	38.05	43.00	4.95	AP
BGDD-23-052	LT 1200	Finished	175.00	92.92	93.45	0.53	AP
BGDD-23-053	LT 1300	Finished	190.00	34.35	37.80	3.45	AP
BGDD-23-054	LT 200	Cancelled	0.00			Not Sampled	
BGDD-23-055	LT 000	Finished	249.50	142.17	148.73	6.56	AP
BGDD-23-056	LT 1300	Finished	205.20	59.15	60.38	1.23	AP
BGDD-23-057	LT 1400	Finished	170.25	3.90	12.70	8.80	AP
BGDD-23-058	LT 1400	Finished	227.55	117.15	117.90	0.75	AP

TOTAL DRILLED BY MGLIT **7,578.75**

AP = Assays pending

NSR = Average below 1000 ppm Li

Mineral Resource Estimate

On June 27, 2023, the Company announced its maiden NI 43-101 compliant mineral resource estimate on its Itinga Lithium Project, which was prepared by SGS. These deposits are estimated to contain Measured and Indicated resources of 7.57Mt grading 1.40% Li₂O, containing 261,187 tonnes of Lithium Carbonate Equivalent ("LCE"), the benchmark equivalent raw material used in the lithium industry, as well as Inferred resources of 11.86Mt grading 1.44% Li₂O in the Inferred category, or 421,521 tonnes of LCE

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Mineral Resource Estimate for the Itinga Lithium Project				
Deposit / Cut-Off Grade	Category	Resource (tonnes)	Grade (% Li₂O)	Contained LCE (t)
Bandeira Open-Pit (0.5% Li₂O)	Measured	1,137,247	1.43	40,162
	Indicated	3,105,047	1.33	102,324
	Measured + Indicated	4,242,294	1.36	142,486
	Inferred	5,914,961	1.40	205,379
Bandeira Underground (0.8% Li₂O)	Measured	3,445	1.10	94
	Indicated	353,363	1.26	11,008
	Measured + Indicated	356,808	1.26	11,102
	Inferred	5,529,821	1.47	200,974
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
TOTAL	Measured	3,718,607	1.46	133,947
	Indicated	3,851,779	1.34	127,240
	Measured + Indicated	7,570,387	1.40	261,187
	Inferred	11,860,550	1.44	421,521

1) The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Project. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.

2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resources has a lower level of confidence than that applying to a Measured and Indicated Resources and must not be converted to Mineral Reserves. It is reasonably expected that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

3) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

4) The effective date of the MRE is June 24, 2023.

5) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

Approximately 39% of the mineral resource estimate is classified in the Measured and Indicated categories. This resource estimate is based on 181 diamond drill holes and 28,204 metres of drilling. Based on drill holes that occurred outside the resource estimate, SGS identified potential for significant lithium-bearing mineralization at Bandeira once tighter drilling is completed. The drilling program for the remainder of 2023 has been expanded to 50,000 metres to increase the size of the mineral resource estimate and establish an NI 43-101 mineral reserve estimate at Bandeira and Outro Lado, while defining an NI 43-101 mineral resource estimate at other prospective regional targets, including the Salinas and Itira targets.

Preliminary Economic Assessment (PEA) is underway and expected to be completed in Q3 2023, with the objective of accelerating a Definitive Feasibility Study (DFS) targeted for completion by the end of 2023. Environmental Impact Assessment ("EIA") studies for both deposits are underway and expected to be complete within the second half of 2023, at which time the applications are expected to be submitted for the respective environmental and social licenses.

Liquidity and Capital Resources

As at June 30, 2023, the Company had working capital of \$3,071,899 (December 31, 2022 - \$30,372,297). 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

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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.

	June 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 8,789,309	\$ 21,492,788
Short-term investments	-	10,000,000
Amounts receivable	462,287	572,150
Prepaid expenses	511,224	426,863
	<u>9,762,820</u>	<u>32,491,801</u>
Current liabilities:		
Accounts payable and accrued liabilities	6,512,675	2,008,712
Short-term lease liability	178,246	110,792
	<u>6,690,921</u>	<u>2,119,504</u>
Working capital, current assets less current liabilities	\$ 3,071,899	\$ 30,372,297

Pursuant to the purchase agreement to acquire Neolit, the Company paid a cash payment of US\$2,031,005 (\$2,788,569) 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. 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 mineral resource estimate on the Salinas Project of at least 20 million tonnes with an average grade greater than 1.3% Li₂O. A final cash payment of US\$1,500,000 is due on the 18-month anniversary of the closing of the transaction. In addition to the Salinas Project, Neolit, pursuant to a definitive agreement it has in place with an arm's length party can select from a land package of 10 tenements and acquire up to a 90% ownership interest in such claims by incurring exploration expenditures.

In June 2023, the Company entered into a credit facility agreement providing a loan of R\$10,000,000 (\$2,752,000) to Valitar as at June 30, 2023. The purpose of the facility is to pay for the acquisition of surface rights in Brazil. Valitar is a special purpose vehicle incorporated in Brazil for the purpose of acquiring surface rights so that the Company ultimately benefits from royalties to landowners. MGLIT has a 10% interest in Valitar holding preferred shares that pass on the economic rights to the Company. 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 if MGLIT commences production, MGLIT will be required to pay a 1% royalty to Valitar.

During the six months ended June 30, 2023, 3,145,564 warrants were exercised at a weighted-average exercise price of \$0.35 per common share, generating proceeds of \$1,108,264.

During the six months ended June 30, 2023, 2022, 120,000 of the Company's stock options were exercised at a weighted-average exercise price of \$1.24 per common share, generating proceeds of \$148,800.

On February 27, 2023, the Company granted a total of 200,000 stock options to consultants of the Company, pursuant to its stock option plan. The options vested immediately and may be exercised at a price of \$2.89 per option until February 27, 2028.

During the six months ended June 30, 2023, the Company, through its subsidiary MGLIT, entered into right-of-use lease agreements for a warehouse and dormitory. These agreements are for an indefinite term and

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management has assessed the termination date to be December 31, 2024 for the dormitory and Dec 31, 2025 for the warehouse.

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

	R\$	CAD\$
Payments due within 1 year	788,652	210,412
Payments due in 1-3 years	823,977	219,837

Subsequent to the end of the quarter, the Company completed an underwritten private placement financing issuing a total of 13,690,635 common shares for gross proceeds of \$28,750,334. These common shares are subject to a four-month hold period. The underwriters received a commission of 6% of the gross proceeds in addition to 821,438 broker warrants. Each broker warrant is exercisable into one common share of the Company at an exercise price of \$2.10 with an expiry date of July 31, 2025.

As well, 150,000 stock options were exercised generating proceeds of \$148,200.

Results of Operations

Three months ended June 30, 2023

During the three months ended June 30, 2023, the Company recorded a loss and comprehensive loss of \$11,831,876 or \$0.10 per share. During the comparative period ended June 30, 2022, net loss and comprehensive loss was \$12,070,524 or \$0.14 per share.

During the period, the Company provided a loan to Valitar of R\$10,000,000 (\$2,752,000) and discounted the loan to fair value upon initial recognition at a discount rate of 20%. A fair value adjustment of \$961,645 was recorded to exploration and evaluation expenses as part of mineral licences and land acquisitions.

Exploration and evaluation expenses incurred during the three months ended June 30, 2023 included:

- \$7,703,137 in drilling and geophysics with ongoing drilling on the project (June 30, 2022: \$200,578)
- \$268,617 related to the acquisition of land (June 30, 2022: \$128,259)
- \$449,573 in technical work including the mineral resource estimate (June 30, 2022: \$394,021)

In general, exploration and evaluation activities were significantly higher during the current quarter resulting in the increase for all cost categories. During the comparative quarter, the Company had just completed the reverse takeover transaction and drilling activities were initiated.

Other expenses for the three months ended June 30, 2023 included:

- \$654,903 in consulting and management fees (June 30, 2022: \$1,440,611). During the comparative period, bonuses were paid in relation to the successful closing of the reverse takeover transaction.
- \$258,535 in shareholder communications and investor relations costs (June 30, 2022: \$57,136)
- \$341,590 in professional costs which includes strategic consulting (June 30, 2022: \$206,090)
- \$234,735 in office and general costs (June 30, 2022: a credit of \$8,066)
- \$nil in share-based compensation expense (June 30, 2022: \$4,927,496 related to the grant of 9,820,000 stock options)
- \$nil in transaction costs (June 30, 2022: \$4,644,711 related to the reverse takeover transaction)

During the current quarter, \$160,031 in interest income was earned from GICs (June 30, 2022: \$42,657).

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During the comparative quarter, activity at the corporate level also increased with the continued growth of the Company.

Six months ended June 30, 2023

During the six months ended June 30, 2023, the Company recorded a loss and comprehensive loss of \$38,088,191 or \$0.32 per share. During the comparative period ended June 30, 2022, net loss and comprehensive loss was \$12,590,012 or \$0.16 per share.

During the current period, the Company acquired Neolit and its Salinas project. This transaction was treated as an asset acquisition for accounting purposes as the requirements of IFRS 3, Business Combinations, were not met. As the Company's accounting policy is to expense property acquisitions, an amount of \$19,548,788 was recorded as an acquisition of property and included in exploration and evaluation expenses.

Exploration and evaluation expenses incurred during the six months ended June 30, 2023 included:

- \$11,393,996 in drilling and geophysics with ongoing drilling on the project (June 30, 2022: \$261,795)
- \$1,725,742 related to the acquisition of mineral licenses, land and the fair value adjustment on the loan receivable (June 30, 2022: \$128,259)
- \$827,376 in technical work including the mineral resource estimate (June 30, 2022: \$524,057)

In general, exploration and evaluation activities were significantly higher during the current period resulting in the increase for all cost categories. During the comparative period, the Company had just completed the reverse takeover transaction and drilling activities were initiated.

Other expenses for the six months ended June 30, 2023 included:

- \$1,240,066 in consulting and management fees (June 30, 2022: \$1,611,672).
- \$498,744 in shareholder communications and investor relations costs (June 30, 2022: \$85,874)
- \$632,778 in professional costs (June 30, 2022: \$297,218)
- \$405,304 in office and general costs (June 30, 2022: \$31,193)
- \$336,600 in share-based compensation expense related to the grant of 200,000 stock options (June 30, 2022: \$4,927,496 related to the grant of 9,820,000 stock options)
- \$nil in transaction costs (June 30, 2022: \$4,644,711 related to the reverse takeover transaction)

During the current quarter, \$437,689 in interest income was earned from GICs (June 30, 2022: \$47,391).

During the comparative quarter, the Company was ramping up activities at site and at the corporate level with markedly less expenditures incurred during that time.

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Cash flows

Six months ended June 30, 2023

During the six months ended June 30, 2023, the Company used cash of \$18,263,471 in operating activities (six months ended June 30, 2022: \$3,513,452) as discussed above. Non-cash working capital used \$1,151,885 during the six months ended June 30, 2023 (six months ended June 30, 2022: \$1,136,434). 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 six months ended June 30, 2023, investing activities provided \$4,405,375 in cash (six months ended June 30, 2022: \$11,483,952). The Company redeemed \$10,000,000 from short-term GIC investments during the current period. The Company paid \$2,872,334 in cash to acquire Neolit. Cash acquired from this acquisition was \$140,218. The Company loaned \$2,752,000 to Valitar for the purpose of land acquisition. And \$110,509 was paid to acquire equipment (June 30, 2022: \$5,965).

During the six months ended June 30, 2023, cash provided by financing activities was \$1,154,617 (June 30, 2022: \$13,855,724). Equity financings during the six months ended June 30, 2023 provided \$nil (six months ended June 30, 2022: \$14,000,000 less issue costs of \$251,817). Options exercised generated \$148,800 and warrants exercised generated \$1,108,264 in cash proceeds during the six months ended June 30, 2023 (six months ended June 30, 2022: \$70,000 and \$39,200 respectively). Payments on lease liabilities for the six months ended June 30, 2023 was \$102,447 (six months ended June 30, 2022: \$1,659).

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, amounts receivable, loan receivable, accounts payable and accrued liabilities, and lease liabilities. The carrying values of these financial instruments reported in the statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at June 30, 2023, the Company's financial instruments that are carried at fair value, being cash equivalents, are classified as Level 2 within the fair value hierarchy.

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

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(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.

Loan receivable

The Company expects the loan receivable will be repaid on time but cannot assure this with certainty. The face value of the loan receivable, R\$10,000,000 (\$2,752,000) represents the maximum credit exposure.

(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 June 30, 2023 and December 31, 2022, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

June 30, 2023				
	Brazilian reals		US dollars	
Cash	\$	723,096	\$	9,587
Accounts payable and accrued liabilities		(4,053,129)		(2,170,505)
Lease liabilities		(327,609)		-
	\$	(3,657,642)	\$	(2,160,918)
December 31, 2022				
	Brazilian reals		US dollars	
Cash	\$	307,929	\$	62,887
Accounts payable and accrued liabilities		(484,615)		(54,176)
Lease liabilities		(247,570)		-
	\$	(424,256)	\$	8,711

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian real would decrease (increase) net loss and comprehensive loss by approximately \$366,000 (December 31, 2022 - \$40,000).

A 10% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss and comprehensive loss by approximately \$216,000 (December 31, 2022 - \$18,000).

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(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 June 30, 2023, the Company had a cash balance of \$8,789,309 (December 31, 2022 - \$31,492,788) to settle current liabilities of \$6,690,284 (December 31, 2022 - \$2,119,504). Of the current liabilities, approximately \$4,200,000 have contractual maturities of less than 30 days and are subject to normal trade terms. Subsequent to the end of the quarter, the Company raised gross proceeds of \$28,750,334 through a bought-deal financing (see Subsequent events).

(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, 2022. 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
- Financial instruments

Foreign currencies

The Foreign currency translation presentation and functional currency of the Company and its subsidiary is the Canadian 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 reais ("BRL"). At June 30, 2023, one Canadian dollar was worth BRL 3.6337 (December 31, 2022 - BRL 3.9032). During the six months ended June 30, 2023, the average value of one Canadian dollar was BRL 3.7597 (June 30, 2022 - BRL 3.9789).

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.

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Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, 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.

	For the three months ended		Three months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Acquisition of Neolit property	-	-	19,548,788	-
Drilling and geophysics	7,703,137	200,578	11,393,996	261,795
Mining licenses	1,230,262	128,259	1,725,742	128,259
Technical reports	449,573	394,021	827,376	524,057
Project overhead costs	366,842	41,999	705,497	41,999
Labour	214,866	6,032	323,015	6,032
Land management fees, taxes and permits	323,356	10,373	419,421	16,718
Professional fees	109,451	18,497	141,732	30,163
Travel, meals and accomodation	17,319	37,591	43,715	37,591
Total exploration and evaluation expenses	\$10,414,806	\$ 837,350	\$ 35,129,282	\$ 1,046,614

Financial instruments

The Company's loan receivable was initially recognized at fair value using a discount rate of 20% and measured at amortized cost. The fair value adjustment was recorded to exploration and evaluation expenses as the purpose of the loan is to facilitate the acquisition of surface rights.

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. 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 is party to certain management contracts. As of June 30, 2023, these contracts require payments of approximately \$4,064,000 (December 31, 2022 - \$3,390,000) 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 \$2,110,000 (December 31, 2022 - \$1,764,000) pursuant to the terms of these contracts as of June 30, 2023. As a triggering event has not taken place on June 30, 2023, these amounts have not been recorded in these consolidated financial statements.

Subject to the asset purchase agreement between Galvani and MGLIT, entered into in September 2022, if, during the 18 months following the closing of the transaction, the Company, through an independent qualified person, defines an inferred mineral resource estimate of a minimum of 5Mt with a Li₂O content above 1.3%, the Company shall, at Galvani's discretion, (i) issue such number of Lithium Ionic shares equal to USD\$2 million calculated using the 7 day VWAP of the Lithium Ionic shares on the TSX Venture Exchange ending on the effective date of the technical report evidencing such mineral resource estimate subject to a minimum price per share of \$0.904, or (ii) pay USD\$2 million in cash to Galvani on the effective date of the technical report evidencing such mineral resource estimate. As at June 30, 2023, no

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determination has been made in this regard and no amount has been accrued related to this contingent arrangement.

Subject to the agreement to acquire mineral claims from Mineracao Borges Ltda. in December 2022, upon producing an independent NI 43-101 compliant mineral resource estimate on the claims of 2 million tons of Li₂O content over 1.3% within 18 months of closing, the Company shall pay an additional R\$15,000,000. As at June 30, 2023, 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 Lito claims, the Company paid R\$500,000 subsequent to the end of the quarter to acquire an additional 1.54% interest; and is to scheduled to pay R\$500,000 on or before February 20, 2024 to acquire an additional 1.54% interest; and R\$30,000,000 on or before July 20, 2024 to acquire the remaining 92.6% interest. As well, if the Company establishes a NI 43-101 compliant mineral resource estimate 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. The Company may terminate the agreement at any time without incurring any additional financial penalties.

Subject to the agreement with Clesio, if the Company establishes a NI 43-101 compliant mineral resource estimate on the Clesio claim of at least two million tonnes with an average content greater than 1.3% Li₂O within 30 months of acquiring the claim, the Company shall pay Clesio a cash bonus of USD\$1,000,000. If the Company establishes a NI 43-101 compliant mineral resource estimate on the Clesio claim of at least five million tonnes with an average content greater than 1.3% Li₂O within 48 months of acquiring the claim, the Company shall pay Clesio an additional cash bonus of USD\$1,000,000.

Subject to the acquisition of Neolit, 1,500,000 warrants issued as part of the consideration 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 mineral resource estimate on the Salinas Project of at least 20 million tonnes with an average grade greater than 1.3% Li₂O.

Transactions with Related Parties

As at June 30, 2023, an amount of approximately \$98,800 (December 31, 2021 - \$1,250,000), included in accounts payable and accrued liabilities, was owed to directors and officers of the Company. Such amounts are unsecured and non-interest bearing.

During the six months ended June 30, 2023, the Company paid \$19,936 to Troilus Gold Corp. for office space, administrative services and reimbursable costs. As at June 30, 2023, a balance of \$5,578 is payable to Troilus Gold Corp. Mr. Blake Hylands, the Company's Chief Executive Officer, is an officer of Troilus Gold Corp. As well, Mr. Tom Olesinski, the Company's Chief Financial Officer, is a director of Troilus Gold Corp.

Also during the six months ended June 30, 2023, the Company paid \$36,285 to Falcon Metais Ltda. for various administrative services. Mr. Helio Diniz, the Company's President, is an officer of Falcon Metais Ltda.

The Company, through MGLIT, also loaned approximately R\$10,000,000 (\$2,752,000) to Valitar Participacoes Ltda., 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. This balance has been recorded as a loan receivable.

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,

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including any directors (executive and non-executive) of the Company. During the six months ended June 30, 2023 and 2022, the remuneration of directors and other key management personnel is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Management and Consulting fees	\$ 543,471	\$ 1,375,531	\$1,032,274	\$1,536,842
Share-based compensation	-	3,690,575	-	3,690,575
Total	\$ 543,471	\$ 5,066,106	\$1,032,274	\$5,227,417

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.

No Mineral Reserves

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Company's properties are in the exploration stage only and, to date, no mineral reserves have been identified. Development of the Company's properties will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that any mineral reserves will be identified or developed. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral reserves and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

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

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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

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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 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) 138,185,554 common shares outstanding.
- 2) 2,563,468 warrants outstanding, with expiry dates ranging from May 19, 2024 to March 10, 2026. If all the warrants were exercised, 2,563,468 shares would be issued for gross proceeds of \$4,963,178.

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- 3) 11,507,000 options outstanding, with expiry dates ranging from April 20, 2027 to February 27, 2028. If all the options were exercised, 11,507,000 shares would be issued for gross proceeds of \$12,058,130.

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.