

## **Lithium Ionic Secures Grid Power Connection Contract with Cemig for Sustainable Electrification of the Bandeira Lithium Project, Minas Gerais, Brazil**

**TORONTO, ON, October 31, 2023** – Lithium Ionic Corp. (TSXV: LTH; OTCQX: LTHCF; FSE: H3N) (“Lithium Ionic” or the “Company”) reports that its 100%-owned Brazilian subsidiary, MGLIT Empreendimentos Ltda (“MGLIT”), has entered into an agreement (the “Cemig Agreement”) with Cemig Distribuição S.A. (“Cemig”) to facilitate the construction and electrification of essential power infrastructure between Cemig's existing power grid and the future Bandeira lithium operation (“Bandeira”), located approximately 3 kilometers away (see Figure 1). The agreement aligns with the Company's goal of fast-tracking Bandeira towards production and solidifies its position as a near-term lithium producer in the region by securing low-cost, renewable hydroelectric power to meet the long-term requirements of the project. Cemig is the largest electricity distributor in Brazil, serving, through its network extensions, approximately 96% of the State of Minas Gerais.

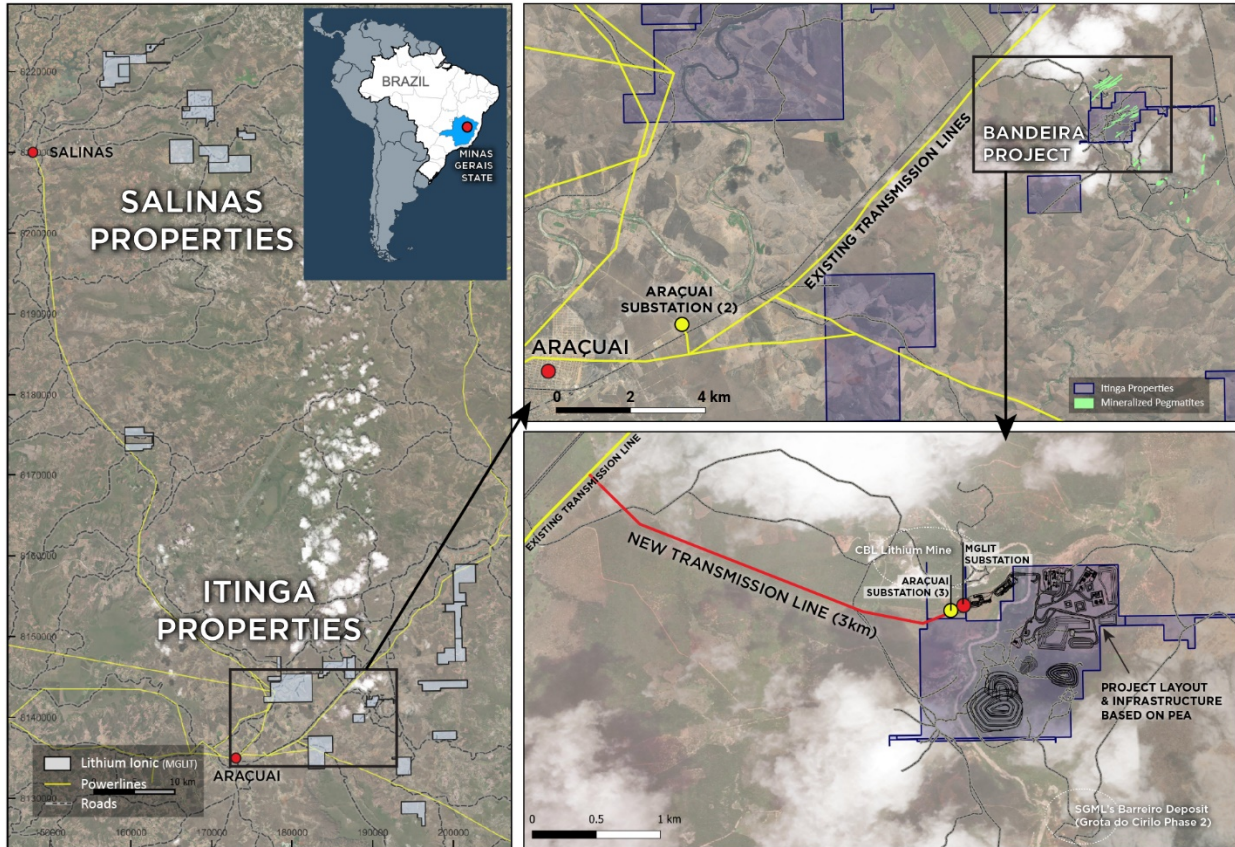
Lithium Ionic has commissioned an independent NI 43-101 compliant Feasibility Study (“FS”) for Bandeira, which is expected to be completed in early 2024. The FS follows the completion of a Preliminary Economic Assessment (“PEA”) earlier this month, which supported a long-life and low-cost spodumene concentrate mining project with a post-tax Net Present Value (“NPV”)8% of US\$1.6 billion (~C\$2.2 billion) and an Internal Rate of Return (“IRR”) of 121% (see press release dated October 19, 2023).

Commenting on this development, Blake Hylands, P.Geol, CEO of Lithium Ionic, stated, “Securing a connection to the region's sustainable hydroelectric power infrastructure marks a significant de-risking milestone on our path to becoming Brazil's next prominent lithium producer and reaffirms our commitment to delivering value to our shareholders by rapidly advancing this project. With a reliable source of sustainable and renewable electricity, the Bandeira project is poised to benefit from cost-efficient power and a reduced carbon footprint, aligning with our corporate and ESG objectives. We look forward to collaborating with Cemig on this important project.”

Details related to the Cemig Agreement include:

- The electrical transmission infrastructure will include 3 kilometres of new transmission lines, as well as a new substation adjacent to the future Bandeira mine.
- MGLIT will directly undertake the construction of the electric connection systems, including negotiations with contractors and suppliers, as well as the purchase of materials and services, in accordance with Cemig's pre-approved list.
- MGLIT and Cemig will jointly manage environmental licensing and land management.
- The total project cost is expected to be approximately BRL\$17million (approx. CAD\$4.65 million). Following the completion of the project, the Company is eligible for reimbursement of up to BRL\$2.98 million (approx. CAD\$816,000), subject to certain requirements.
- The construction of the new electrical infrastructure is scheduled to be completed by Q4 2025, with electrification scheduled for the same period (subject to specific requirements).

- Following the construction and a technical inspection by Cemig, the transmission lines and substation will be transferred to Cemig. The operation and maintenance of electrical infrastructure downstream of the new substation will be MGLIT's responsibility.



**Figure 1. Bandeira Project Location, Existing Substation and Transmission Lines, and New Electrical Infrastructure Layout Connecting Bandeira to Existing Power Grid**

### About Lithium Ionic Corp.

Lithium Ionic is a Canadian mining company exploring and developing its lithium properties in Brazil. Its flagship Itinga and Salinas projects cover 14,182 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 Itinga Project is situated in the same region as CBL's Cachoeira lithium mine, which has produced lithium for +30 years, as well as Sigma Lithium Corp.'s Grota do Cirilo project, which hosts the largest hard-rock lithium deposit in the Americas.

### Qualified Persons

The technical information in this news release has been prepared by Carlos Costa, Vice President Exploration of Lithium Ionic and Blake Hylands, CEO and director of Lithium Ionic, and both are "qualified persons" as defined in NI 43-101.

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