Lithium Ionic Announces Agreement to Sell its Salinas Group of Lithium Properties to PLS for US$37.5 Million in Cash, Retaining a 2.0% Royalty on Future Spodumene Sales

Non-dilutive proceeds strengthen the balance sheet ahead of a Bandeira construction decision, while the retained royalty preserves shareholder exposure to the potential future development of Baixa Grande under the ownership of a premier lithium producer.

TORONTO, ON, August 12, 2026 – Lithium Ionic Corp. (TSXV: LTH; OTCQX: LTHCF; FSE: H3N) ("Lithium Ionic" or the "Company") is pleased to announce that its wholly-owned subsidiaries Salit Mineração Ltda and Neolit Minerals Participações Ltda ("Neolit") and its affiliates have entered into a definitive agreement August 12, 2026 with PLS Brasil Mineração Ltda., a wholly owned subsidiary of PLS Group Limited (ASX: PLS) ("PLS"), one of the world's largest hard-rock lithium producers, for the sale of the Company's Salinas group of lithium properties, which includes the Baixa Grande lithium resource (collectively, "Salinas"), located in Minas Gerais, within Brazil's globally significant Lithium Valley (the "Transaction"). The purchase agreement provides for an aggregate purchase price of US$37.5 million. Separately, Lithium Ionic, through its wholly-owned subsidiary Neolit, shall retain a 2.0% royalty on future spodumene sales from Baixa Grande. The Transaction is expected to result in the Baixa Grande deposit being evaluated for integration with PLS's adjacent Colina Project.

Transaction Highlights

- **US$37.5 million in cash consideration:** US$30.0 million payable at closing of the Transaction and US$7.5 million payable on the earlier of a positive final investment decision ("FID") for PLS' Colina Project and December 31, 2029.
- **Retained 2.0% royalty:** the Company retains a royalty equal to 2.0% of proceeds from the sale of all spodumene extracted from the Salinas mineral rights, calculated on a free-on-board ("FOB") basis (the "Royalty"). The Royalty provides Lithium Ionic with ongoing exposure to the potential future development of Baixa Grande.
- **Non-dilutive funding for Bandeira:** proceeds strengthen the Company's balance sheet and are expected to support early works, procurement and construction-readiness activities at its 100%-owned Bandeira Lithium Project in Brazil's Lithium Valley ("Bandeira"), as it advances toward a construction decision.
- **Demonstrated value creation:** the Transaction proceeds represent a significant increase to the value originally paid by the Company for Salinas.
- **Focused developer:** the Transaction supports the Company's transition from multi-asset explorer to focused lithium developer, re-aligning its cash position behind its flagship Bandeira project.

Blake Hylands, P.Geo., CEO of Lithium Ionic, commented, *"Salinas demonstrates the value our team creates through disciplined exploration. We entered the district in early 2023 and, in under* *two years, advanced it from first drill holes to a spodumene mineral resource. This Transaction crystallizes that value for shareholders without dilution, at a constructive point in the lithium cycle, and the Royalty keeps shareholders exposed to Baixa Grande's potential future development under PLS, one of the largest hard-rock lithium operators in the world. PLS is a natural fit as the acquirer of Baixa Grande given its neighbouring Colina Project. We are pleased to see it pass to a leading lithium producer rapidly growing its presence in the Lithium Valley, and with a strengthened balance sheet, we are squarely focused on advancing Bandeira toward a construction decision and becoming a near-term, low-cost lithium producer."*

Transaction Overview

The Transaction comprises the sale of the ten mineral claims and certain associated assets.

The purchase price consists of US$37.5 million in cash, comprising (i) US$30.0 million payable at closing, and (ii) US$7.5 million payable on the earlier of (a) a positive FID for PLS' Colina Project, and (b) December 31, 2029 (the "Deferred Consideration"). Completion of the Transaction is subject to the satisfaction of closing conditions customary for a transaction of this nature. The Transaction is expected to close within 10 business days.

Under the separate royalty agreement, the Royalty is calculated as 2.0% of proceeds from the sale of all spodumene extracted from the mineral claims sold under the Transaction, net of certain allowable deductions, determined on an FOB basis.

Salinas Group of Properties: Discovery to Monetization

The Company entered the Salinas district in March 2023 and the Company completed exploration activities and provided a mineral resource estimate for Baixa Grande in its technical report titled "Independent Technical Report on the Mineral Resource Estimate for the Baixa Grande Salinas Lithium Project Minas Gerais, Brazil" dated December 2, 2024, available under the Company's SEDAR+ profile at www.sedarplus.ca and summarized in a January 14, 2025 press release).

Strengthened Balance Sheet, Sharpened Focus on Bandeira

The Transaction provides significant non-dilutive capital as Bandeira advances through procurement, early works tendering and construction readiness. Proceeds will be directed toward advancing Bandeira to a construction decision, supporting the Company's objective of becoming a near-term, low-cost producer of high-quality spodumene concentrate for global battery supply chains.

Retained Exposure to the Growing Lithium Valley

PLS is one of the world's largest hard-rock lithium producers, anchored by its Pilgangoora Operation in Western Australia. PLS entered Brazil's Lithium Valley in early 2025 through its all-share acquisition of Latin Resources Limited, whose Colina Project is located directly adjacent to the Baixa Grande deposit. The Transaction consolidates the district under a single owner, while the Royalty provides shareholders with continued exposure to Salinas' potential future development and to lithium prices.

Advisors

BMO Capital Markets is acting as financial advisor to the Company in connection with the Transaction. Cassels Brock & Blackwell LLP is acting as Canadian legal counsel and TozziniFreire Advogados is acting as Brazilian legal counsel to the Company.

On behalf of the Board of Directors of Lithium Ionic Corp.

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About Lithium Ionic Corp.

Lithium Ionic is a Canadian lithium development company focused on responsibly advancing its 100%-owned Bandeira Lithium Project in Minas Gerais, Brazil, a region coined the "Lithium Valley" that is emerging as a premier hard-rock lithium district. The Company is executing on a focused development strategy centered on engineering de-risking, permitting advancement, commercial planning, and construction readiness, with the goal of becoming a near-term producer of high-quality spodumene concentrate for global battery supply chains.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not historical in nature contain forward-looking information. Forward-looking information in this news release includes, but is not limited to, statements relating to: the completion and timing of the Transaction; the satisfaction of closing conditions; the receipt of the upfront and the Deferred Consideration; the Royalty and any payments thereunder; the anticipated use of proceeds; and the development of Bandeira, including the timing of a construction decision. Forward-looking information can be identified by words or phrases such as "may", "will", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are risks detailed from time to time in the filings made by the Company with securities regulators. Forward-looking information contained in this news release is expressly qualified by this cautionary statement.

The forward-looking information contained herein is made as of the date of this news release and is based on assumptions management believed to be reasonable, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. While we consider these assumptions to be reasonable based on information currently available to management, there is no assurance that such expectations will prove to be correct.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this news release, which include, without limitation: the risk that the conditions to closing of the Transaction are not satisfied or waived, including the delivery of certain third-party consents, or that the Transaction does not close on the anticipated timeline or at all; credit and counterparty risk associated with the Deferred Consideration and the Royalty; the risk that no spodumene is produced or sold from Salinas, in which case no amounts would be payable under the Royalty; commodity price and foreign-exchange volatility; and risks associated with operating in Brazil, including the registration of mineral-right transfers with the Brazilian National Mining Agency (*Agência Nacional de Mineração*) Additional risk factors can also be found in the Company's current MD&A and the Company's other public filings, all of which have been filed under the Company's SEDAR+ profile at www.sedarplus.ca. Readers are cautioned not to put undue reliance on forward-looking information. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Forward-looking information contained in this news release is expressly qualified by this cautionary statement.

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