Lithium Ionic Files Statement of Defence, Crossclaim, Counterclaim and Third-Party Claim in Emerita Resources Litigation

Lithium Ionic denies Emerita has any interest in Bandeira and seeks dismissal of its claims with costs

TORONTO, Canada, **November 5, 2026 - Lithium Ionic Corp.** (TSXV: LTH | OTC: LTHCF) ("**Lithium Ionic**" or the "**Company**") today announces that the Company has filed a Statement of Defence, Crossclaim and Counterclaim (the "**Defence Statement**") with the Ontario Superior Court of Justice in response to a claim filed by Emerita Resources Corp. ("**Emerita**") on July 29, 2026. Emerita's claim relates to certain mineral rights in Minas Gerais, Brazil, formerly known as the Falcon Project (the "**Falcon Project**"), over which Emerita held an option from Falcon Metais Ltda. Certain portions of those mineral rights now form part of the Company's 100%-owned Bandeira Lithium Project ("**Bandeira**" or the "**Project**"). Lithium Ionic has also commenced a third-party claim against four current and former directors of Emerita who approved Emerita's public disclosures that it had relinquished the Falcon Project. The Company vehemently denies Emerita's allegations and will vigorously defend against the claim. Emerita relinquished any interest in the mineral rights as of December 2020, and confirmed it had done so in its public disclosure throughout 2021 and 2022. Lithium Ionic became the beneficial owner of these mineral rights after Emerita had relinquished its interest and publicly confirmed that it had done so. Lithium Ionic's shareholders invested in and developed Bandeira in reliance on the public ownership record and Emerita's own public disclosures. The value created though that investment and development belongs to Lithium Ionic and its shareholders. The Company remains focused on advancing Bandeira rather than on events that pre-date Lithium Ionic's involvement in the Project.

Blake Hylands, CEO of Lithium Ionic, commented, *"Emerita relinquished the Falcon Project, and repeatedly confirmed that relinquishment in public disclosure. Lithium Ionic's shareholders subsequently funded the exploration, technical studies and development work that transformed these mineral rights into the advanced-stage Bandeira Lithium Project we have today. Our Statement of Defence outlines our position that Emerita has no interest in Bandeira, and we intend to vigorously defend the Company's rights and the value created for our shareholders. While this matter proceeds through the courts, our focus remains firmly on advancing Bandeira toward a final investment decision, supported by a strengthened balance sheet and substantial progress across engineering, procurement and project development."*

Four Years of Investment and Project Advancement

When Lithium Ionic's predecessor acquired MGLIT in 2021, the mineral rights were early-stage exploration permits with no defined mineral resource and little demonstrated value, consistent with

Emerita's own decision to relinquish the Falcon Project and Emerita's later description of the project as having "no relevance" to its go-forward strategy. The ground had seen no meaningful drilling or exploration before Lithium Ionic began its exploration program in 2022, and the resources, reserves and value defined since then are the product of Lithium Ionic's own work.

Since going public in May 2022, Lithium Ionic has advanced Bandeira from an early-stage exploration property into a feasibility-stage lithium development project, supported by defined mineral resources and reserves, engineering studies, offtake agreements, significant infrastructure and permitting progress. This advancement has been funded by Lithium Ionic's shareholders and financing partners, with more than $170 million raised to support exploration, technical studies and project development. The substantial economic value now attributed to Bandeira has been defined and demonstrated through these investments and the Company's extensive technical and development work.

Key Bandeira value-creation milestones include:

- **Mineral Resource Growth**: Completed more than 60,000 metres of drilling since 2022, growing Bandeira's Measured & Indicated resources to 27.3 million tonnes ("Mt") at 1.34% lithium oxide ("Li_2O"), alongside Inferred resources of 18.6 Mt at 1.34% Li_2O (containing 615 kt lithium carbonate equivalent ("LCE") (see September 17, 2025 press release)

- **Technical Studies and Project Economics**: Completed a Preliminary Economic Assessment (2023), Feasibility Study (2024), and an optimized Definitive Feasibility Study and Reserve Update (2025), outlining an 18.5-year mine life, post-tax $NPV_{8\%}$ of US$1.45 billion and post-tax IRR of 61% and generating US$3.4 billion in free cash flow over the life of mine, under the study's base case average spodumene concentrate price of US$2,212/t.

- **Engineering, Infrastructure and Permitting**: Advanced overall engineering to approximately 65% completion as of June 2026, working with leading firms to support construction and operational readiness, including Promon, Lycopodium, Afry (formerly Reta Engenharia), NCL, Tractebel, SRK, and many others. The Company has also secured surface rights, hydroelectric power arrangements and construction-phase water access, and progressed environmental permitting, mine planning, equipment procurement and community engagement.

- **Land rights, government support and permitting**: Significant investment in permitting activities resulting in a favourable SEMAD technical report recommending for approval in February 2025, followed by intensive community engagement over the past 12 months engaging several consultancy agencies, 3x community town halls, and alignment with regulators of community impact, management, and compensation studies.

- **Commercial Agreements and Financing**: Secured binding five-year take-or-pay offtake agreements with Yahua Group and Grand Chen for a combined 170,000 tonnes per annum of spodumene concentrate, together with US$20 million pre-payment facilities (see March 25, 2026 press release); secured a US$20 million royalty financing with Appian Capital (June 2024) and the sale of its Salinas properties to PLS for US$37.5 million in total cash consideration (see August 12, 2026 press release), strengthening the Company's financial position to advance Bandeira.

Timeline of Events Leading to Emerita's Claim

The sequence of events is key to understanding why Emerita's claim has no merit. Lithium Ionic had not completed its qualifying transaction and held no interest in the mineral rights at issue before Emerita had publicly and repeatedly relinquished its interest in the mineral rights. The Project was subsequently funded and developed by Lithium Ionic in reliance on the public ownership record and Emerita's own public disclosures:

- **December 2020 – Mineral rights assigned to MGLIT:** Falcon Metais Ltda. assigned the mineral rights, certain of which now form part of Bandeira, to MGLIT Empreendimentos Ltda., months before Lithium Ionic's predecessor was incorporated or acquired MGLIT.
- **May 2021 – Emerita discloses relinquishment:** In its MD&A dated May 27, 2021, Emerita disclosed that it had "relinquished" the Falcon Project and was winding down its Brazilian subsidiaries to focus solely on its assets in Spain.
- **July to December 2021 – Lithium Ionic's predecessor is formed:** Following Emerita's disclosure, LI-Ionic Inc., Lithium Ionic's predecessor, was incorporated in July 2021, acquired MGLIT in October 2021 and completed its first capital raise in December 2021.
- **August 2021 and January 2022 – Emerita repeats its disclosure:** In two further continuous disclosure filings, Emerita repeated that it had relinquished its property in Brazil and wound up its Brazilian operations. Emerita has never publicly retracted or corrected those statements.
- **May 2022 to 2026 – Four years of public investment and development:** Lithium Ionic went public in May 2022, and its ownership and development of the Project were disclosed publicly throughout. Emerita raised no claim while arm's-length investors funded the Project's advancement.
- **April 9, 2026 – OSC commences proceedings:** The Ontario Securities Commission ("OSC") issued a Statement of Allegations naming Emerita and certain individuals as respondents. Lithium Ionic is not a respondent.
- **July 29, 2026 – Emerita files its claim:** More than four years after Lithium Ionic's ownership of the Project was first publicly disclosed, Emerita commenced legal proceedings seeking an interest in Bandeira.

As the above timeline demonstrates, the conduct Emerita alleges pre-dates Lithium Ionic's involvement in the Project. Any questions about those events belong with Emerita's own Board and the individuals involved at that time, not with a company and its shareholders who have openly invested in and developed the Project for more than four years.

Defence Statement, Crossclaim and Counterclaim

On November 2, 2026, Lithium Ionic filed a Defence Statement, Crossclaim and Counterclaim with the Ontario Superior Court of Justice in response to Emerita's July 29, 2026 filing, against certain former directors and officers of Emerita and Lithium Ionic, Falcon Metais Ltda., and Lithium Ionic's Brazilian subsidiary, MGLIT Empreendimentos Ltda. The Company denies that Emerita holds any

interest or entitlement to an interest in Bandeira and is seeking dismissal of Emerita's claims with costs.

The Company's defence sets out several key positions:

- **Emerita failed to formalize its claimed interest and subsequently publicly disclosed that it had relinquished the Falcon Project.** For more than two years after it claims to have exercised its option in 2018, Emerita did nothing to formalize the interest it now asserts. It conducted no exploration, filed no transfer applications, paid no transfer or permit fees and registered no interest with Brazilian regulators. In three continuous disclosure filings in 2021 and 2022, Emerita publicly stated that it had "relinquished" the Falcon Project. Emerita has not publicly corrected those statements. As recently as April 9, 2026, Emerita characterized Falcon as a "legacy project" that was "previously assessed as having no relevance to the Company's go-forward strategy." Lithium Ionic maintains that Emerita's historical conduct and public disclosures are inconsistent with the ownership interest it now seeks to assert in Bandeira.

- **Bandeira's value was established through Lithium Ionic's investment and development activities.** Since 2022, Lithium Ionic's shareholders and financing partners have provided more than $170 million in capital to fund the exploration, technical studies and development work that transformed Bandeira from an early-stage exploration property into a feasibility-stage lithium project. Lithium Ionic maintains that Emerita contributed no capital or development work toward this advancement, yet now seeks an ownership interest in Bandeira, a project with an estimated post-tax net present value of US$1.45 billion, as outlined in the Company's September 2025 Definitive Feasibility Study. The Company intends to vigorously defend its ownership rights and protect the value created through the investments and efforts of Lithium Ionic and its shareholders.

- **Emerita waited more than four years to assert its claim.** Emerita's Board approved the decision to relinquish the Falcon Project, which Emerita subsequently disclosed publicly. Lithium Ionic maintains that Emerita, including its disinterested directors and current interim CEO, knew or ought to have known of the circumstances underlying its claim before Lithium Ionic's May 2022 go-public transaction. Yet Emerita did not commence legal proceedings until July 2026, more than four years later. During that period, Lithium Ionic raised substantial capital from arm's-length investors and advanced Bandeira into a feasibility-stage lithium project. Importantly, the alleged breaches occurred before Lithium Ionic's May 2022 go-public transaction and before its arm's-length public shareholders invested.

- **Lithium Ionic is not a respondent to the OSC proceeding**. The Ontario Securities Commission's April 9, 2026 Statement of Allegations names Emerita and certain individuals as respondents. Lithium Ionic is not a respondent, and the OSC has not sought any orders against the Company. Lithium Ionic maintains that any alleged breaches of duties owed to Emerita by individual defendants are distinct from the Company's ownership rights and do not, in themselves, establish Emerita's claimed entitlement to Bandeira.

Crossclaim, Counterclaim, and Third-Party Claim

In addition to seeking dismissal of Emerita's claims with costs, Lithium Ionic has filed a crossclaim against certain individual defendants alleging breach of fiduciary duty, negligence, negligent and/or fraudulent misrepresentation, and seeking contribution and indemnity for any liability that may arise.

The Company has also filed a counterclaim against Emerita alleging negligent and/or fraudulent misrepresentation in connection with its historical public disclosures concerning Falcon. Lithium Ionic maintains that, if Emerita had not in fact relinquished the Falcon Project as publicly disclosed, those representations were misleading and give rise to liability for resulting losses. Investors and market participants, including Lithium Ionic and its shareholders, were entitled to rely on those disclosures.

Lithium Ionic has also commenced a third-party claim against four current and former directors of Emerita whom Emerita has not sued: Marilia Bento, Michael Jones, Joaquin Merino-Marquez (Emerita's current interim CEO) and Catherine Stretch. Lithium Ionic alleges that Ms. Bento, Mr. Merino-Marquez and Ms. Stretch formed the majority of Emerita's board when Emerita relinquished the Falcon Project in December 2020, had no involvement with Lithium Ionic or its predecessors, and, together with Mr. Jones, approved the Emerita filings that announced the relinquishment to the market. Lithium Ionic's primary position is that the relinquishment disclosures were accurate and Emerita has no claim. If, however, Emerita proves that those disclosures were inaccurate, Lithium Ionic seeks contribution and indemnity from these directors for any amount it may be found liable to pay Emerita, together with damages for misrepresentation.

Either Emerita's relinquishment disclosures were accurate and its claim should fail, or, if they were not, responsibility for any resulting loss should rest with the individuals involved in the underlying transactions and the Emerita directors who approved those disclosures, not with Lithium Ionic and its arm's-length shareholders.

Mr. Hylands added, *"Mineral rights are sold or relinquished in our industry, often when early-stage ground has seen little exploration work and its value is unproven. It is the companies that go on to explore and develop that ground, and the investors who fund them, that create the value. If the company that develops the ground can be negatively impacted years later for decisions made by parties with a prior interest, it creates significant uncertainty for investment and development across the mining sector. Developers and their investors must be able to rely on the public ownership record and on the disclosures companies make themselves. Lithium Ionic relied on Emerita's own public disclosure when it raised capital and invested it in Bandeira."*

Moving Forward

While Lithium Ionic pursues the resolution of these legal matters, the Company remains firmly focused on advancing Bandeira toward a final investment decision. With significant engineering and technical milestones achieved, the Project is at an advanced stage of development, with preparations progressing to enable construction mobilization as soon as the necessary permits are received. Near-term priorities include completing detailed engineering, advancing equipment and

construction contracts, progressing project financing and preparing for site earthworks and underground mine entrance development.

Backed by an experienced leadership team and significant progress across key development milestones, Lithium Ionic remains confident in Bandeira's potential and committed to executing its strategy to bring the Project into production. The Company remains steadfast in protecting shareholder interests while maintaining its focus on advancing Bandeira through its next phase of development.

Qualified Persons

The technical and scientific content of this news release has been reviewed and approved by Blake Hylands, P.Geo., CEO and director of Lithium Ionic, who is a "qualified person" as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr. Hylands is not independent of 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 hardrock 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 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. 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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