



ABOUT THIS REPORT

The report is issued by Lithium Ionic Corp ("Lithium Ionic," "Company,") for the fiscal year concluding on December 31, 2025. This report ("Report") aligns with the stipulations outlined in Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023) (the "Act"). It outlines the actions taken by Lithium Ionic and its Brazil-based subsidiaries to mitigate the risk of modern slavery, including forced labour or child labour, across its operations, including exploration and development activities, both domestically and internationally.

ABOUT OUR BUSINESS

Lithium Ionic is a Canadian junior mining company engaged in the exploration and development of lithium properties in Brazil. The Company's flagship Itinga and Salinas projects cover ~11,684 hectares in the northeastern part of Minas Gerais state, a mining-friendly jurisdiction that is quickly emerging as a world-class hard-rock lithium district. The Company's goal is to become the country's next producer of high-quality spodumene concentrate for the global lithium supply chain.

OPERATIONAL ACTIVITIES AND SUPPLY CHAIN

Operations

Lithium Ionic Corp. is a publicly owned Canadian federal corporation headquartered in Toronto, Canada, and has been trading on the TSX Venture Exchange under the symbol LTH since May 2022. The Company is also listed on the OTCQX in the United States as LTHCF and on the Frankfurt Exchange as H3N. Its assets are based in Minas Gerais, Brazil, and are managed through its wholly owned Brazilian subsidiaries. As of 2025, Lithium Ionic and its direct subsidiaries employed 84 individuals, including both direct and contract employees. The Company complies with all applicable Canadian and Brazilian federal, state, and local labour and employment laws and regulations.

Currently, the Company is in the exploration and development stage in Minas Gerais, covering ~11,684 hectares divided into the Itinga and Salinas Properties. The flagship Bandeira property is progressing toward construction and production to extract lithium, a critical mineral for the green energy transition, while the Salinas Properties remain focused on exploration and development.

Supply Chain

Lithium Ionic relies on a diverse pool of suppliers to support its exploration and development activities. In 2025, the majority of these suppliers are based in Brazil, providing a wide range of essential services such as logistical support, research, consulting, environmental assessments, and engineering services critical to the Company's work.

Procurement at Lithium Ionic is managed through an approval structure utilizing the company management team. The Brazilian team oversees the procurement of locally sourced goods and services required for day-to-day site operations, while the corporate team manages high-value or strategic

contracts. Wherever possible, the Company prioritizes engaging local suppliers and service providers, reflecting its commitment to fostering economic inclusion and supporting the long-term development of the communities in which it operates.

GOVERNANCE & POLICIES

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

In late 2025, the Company developed its *Procurement and Supplier Policy*, which was formally published in Q1 2026. The policy establishes a formal framework for responsible sourcing, procurement, contracting, and supplier management practices, and sets clear expectations for suppliers, contractors, and subcontractors to comply with applicable labour laws, internationally recognized human rights principles, and ethical business standards, including the prohibition of forced labour, child labour, discrimination, harassment, bribery, and modern slavery. Suppliers are additionally expected to communicate these standards throughout their subcontracting relationships.

RISKS OF MODERN SLAVERY IN OPERATIONS AND SUPPLY CHAINS

As Lithium Ionic remains in the exploration and development phase, it does not yet have a traditional or extensive supply chain. The suppliers currently engaged by the Company primarily provide essential services to support ongoing exploration activities. However, as the Company advances toward the construction phase, Lithium Ionic is beginning to engage with key contractors and future suppliers. The Company recognizes that this transition will significantly expand its supply chain, requiring additional oversight to mitigate human rights risks, including forced labour and child labour, particularly through third-party relationships across multiple jurisdictions. In anticipation of this growth, Lithium Ionic will continue to proactively strengthen its policies, procedures, and due diligence processes to evolve as operations and supplier engagement expand.

REMEDIATION MEASURES AND LOSS OF INCOME

In 2025, Lithium Ionic did not implement any remedial actions, as no instances of forced labour or child labour were identified within the Company's operations or supply chains.

ASSESSING EFFECTIVENESS

Lithium Ionic is committed to responsible operations and the prevention of modern slavery, including forced labour and child labour, within its operations and supply chains. The Company assesses the effectiveness of its practices using external tools such as the ONYEN Corp. ESG platform, which supports the annual communication of potential risks, emerging concerns, and areas for improvement.

Lithium Ionic reports annually through its ESG Scorecards and Sustainability Report, and as a participant of the United Nations Global Compact, also submits an annual Communication on Progress outlining its

commitments and progress related to responsible business practices, including human rights. These disclosures enhance transparency and accountability and support the Company's continuous improvement in managing risks related to forced and child labour across its operations and supply chains.

As Lithium Ionic's internal systems, operational activities, and supply chains continue to evolve, the Company remains committed to regularly reviewing the effectiveness of its actions and updating relevant policies as needed.

APPROVAL AND ATTESTATION

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

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



Blake Hylands

Director & Chief Executive Officer

May 29th, 2026