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Filing Statement (CPC qualifying transaction / RTO)

POCML 6 Inc. (now Lithium Ionic Corp.) · filed 2022-05-12 on SEDAR+

FILING STATEMENT

– QUALIFYING TRANSACTION OF –

POCML 6 INC.

– WITH –

LITHIUM IONIC INC.

All information contained in this Filing Statement with respect to POCML 6 Inc. ("POCML") was supplied by POCML for inclusion herein.

All information contained in this Filing Statement with respect to Lithium Ionic Inc. ("Lithium Ionic") was supplied by Lithium Ionic for inclusion herein.

DATED AS OF MAY 12, 2022

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Transaction described in this Filing Statement.

GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Filing Statement. Terms and abbreviations used in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

"**Affiliate**" means a corporation that is affiliated with another corporation as follows:

- (a) a corporation is an "Affiliate" of another corporation if:
- (i) one of them is the subsidiary of the other; or
- (ii) each of them is controlled by the same Person;
- (b) a corporation is "controlled" by a Person if:
- (i) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that Person; and
- (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation;
- (c) a Person beneficially owns securities that are beneficially owned by:
- (i) a corporation controlled by that Person; or
- (ii) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person;
- "**Agents**" has the meaning ascribed to such term in "*Summary – Subscription Receipt Financing*";
- "**Agency Agreement**" means the agency agreement dated February 8, 2022 by and among Lithium Ionic, POCML and the Agents in respect of the Financings;
- "**Agents' Fee**" means a cash commission equal to 7% of the gross proceeds raised under the Financings;

- "**Agents' Subscription Receipts**" means Subscription Receipts received by the Agents' as partial satisfaction of the Agents' Fee issued at a price equal to the Issue Price;
- "**Amalco**" means the corporation resulting from the Amalgamation;
- "**Amalco Common Shares**" means the common shares in the capital of Amalco;
- "**Amalgamating Parties**" means, collectively, POCML Subco and Lithium Ionic;
- "**Amalgamation**" means the amalgamation of POCML Subco and Lithium Ionic under Section 174 of the OBCA and in accordance with the terms and conditions of this Agreement;
- "**Amalgamation Agreement**" means an amalgamation agreement dated February 7, 2022 among Lithium Ionic, POCML and POCML Subco pursuant to which such parties have agreed to complete the Transaction on such terms and conditions set forth therein;
- "**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction;
- "**Associate(s)**", when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,

- (b) any partner of the person or company,

- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including
- (i) that person's spouse or child, or
- (ii) any relative of the person or of his spouse who has the same residence as that person,

but:

(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

"**Audit Committee**" means the audit committee of the Resulting Issuer, as defined by NI 52-110;

"**Business Days**" means a day other than a Saturday, Sunday or day on which the chartered banks are closed in the City of Toronto;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

"**CIM Definition Standards**" means the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014, which are incorporated by reference in NI 43-101;

"**Closing**" means the closing of the Amalgamation;

"**Closing Date**" means the closing date of the Amalgamation;

"**Closing Time**" means 5:00 p.m. (Toronto time) on the Closing Date or such other time as agreed to in writing by the parties;

"**Code**" means the code of business conduct to be adopted by the Resulting Issuer Board following the completion of the Transaction;

"**Consolidation**" means a consolidation of the issued and outstanding POCML Shares on the basis of the Consolidation Ratio;

"**Consolidation Ratio**" means the Consolidation of the issued and outstanding POCML Shares on the basis of 0.614504368 of one post-Consolidation POCML Share for every one (1) pre-Consolidation POCML Share held (provided that, if any of the POCML IPO Broker Warrants are exercised prior to Closing, the Consolidation Ratio will be reduced such that the total number of Resulting Issuer Shares issued to POCML Shareholders pursuant to the Transaction remains 7,500,000);

"**COVID-19**" means the coronavirus designated as a pandemic by the World Health Organization on March 11, 2020;

"**CRA**" means the Canada Revenue Agency;

"**Effective Date**" means the date shown on the certificate of amalgamation issued by the Director giving effect to the Amalgamation;

"**Effective Time**" means the time on the Effective Date that the Amalgamation became effective;

"**Escrow Release Conditions**" has the meaning ascribed thereto in the Subscription Receipt Agreements, as applicable;

"**Escrowed Funds**" means the amount of \$13,797,859.83 (plus interest thereon), representing the partial proceeds from the Financings, currently held in escrow by TSX Trust pursuant to the Subscription Receipt Agreements;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange;

"**Exchange Policy 2.2**" means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Venture Exchange;

"**Exchange Policy 2.4**" means Exchange Policy 2.4 – *Capital Pool Companies* of the TSXV Venture Exchange;

"**Exchange Policy 5.4**" means Exchange Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the TSX Venture Exchange;

"**Filing Statement**" means this filing statement, completed pursuant to Exchange Form 3B2, together with all schedules hereto and including the summary hereof;

"**Final Exchange Bulletin**" means the Exchange Bulletin which is issued following the submission of all required documentation and that evidences the final Exchange acceptance of the Listing;

"**Financings**" means, collectively, the Lithium Ionic Financing and the POCML Financing;

"**IFRS**" means International Financial Reporting Standards;

"**Income Tax Act**" means Income Tax Act (R.S.C., 1985, c. 1 (5th Supp.));

"**Insider**", if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the corporation that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities;

"**Issue Price**" means \$0.70, the issuance price of the Subscription Receipts;

"**Itinga Property**" means the property located in Minas Gerais State (MG), Brazil, as further described in the Itinga Property Technical Report;

"**Itinga Property Technical Report**" means the technical report prepared by GE21 Consultoria Mineral Ltda titled "Independent Technical Report - MGLIT - Lithium Project, Minas Gerais State, Brazil" with an effective date of March 20, 2022;

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any governmental entity or self-regulatory authority (including the Exchange);

"**Lead Agent**" means Clarus Securities Inc.;

"**Letter of Intent**" means the letter of intent between POCML and Lithium Ionic dated January 7, 2022 with Lithium Ionic, pursuant to which the parties agreed to complete the Transaction;

"**Listing**" means the listing on the Exchange of the Resulting Issuer Common Shares;

- "**Lithium Ionic**" means Lithium Ionic Inc., a corporation existing under the OBCA;
- "**Lithium Ionic 2021 Warrants**" means 2,372,750 common share purchase warrants of Lithium Ionic, each such common share purchase warrant entitling the holder thereof to purchase one Lithium Ionic Share at a price of \$0.20 per share at any time until December 1, 2023;
- "**Lithium Ionic Board**" means the board of directors of Lithium Ionic as the same is constituted from time to time;
- "**Lithium Ionic Brazil**" means MGLIT Empreendimento Ltda.;
- "**Lithium Ionic Brazil Financial Statements**" means the audited financial statements of Lithium Ionic Brazil for the year ended December 31, 2021, including the notes thereto and the report of the auditors thereon;
- "**Lithium Ionic Financial Statements**" means the audited financial statements of Lithium Ionic for the period from incorporation, July 5, 2021, until December 31, 2021, including the notes thereto and the report of the auditors thereon;
- "**Lithium Ionic Financing Broker Warrants**" means 1,165,174 common share purchase warrants of Lithium Ionic issued to the Agents, each warrant exercisable to purchase one Lithium Ionic Share until 24 months following the date of issuance of the Release Notice at a price of \$0.70 per Lithium Ionic Share;
- "**Lithium Ionic Financing**" means the brokered subscription receipt offering of 16,645,356 Lithium Ionic Subscription Receipts at a price of \$0.70 per Lithium Ionic Subscription Receipt for gross proceeds of \$11,651,749.20, which closed on February 8, 2022;
- "**Lithium Ionic MD&A**" means the management discussions and analysis in respect of the Lithium Ionic Financial Statements;
- "**Lithium Ionic Optionees**" means the directors, officers and employees of Lithium Ionic and its Affiliates and to consultants and management company employees to whom Lithium Ionic Options may be granted under the Lithium Ionic Option Plan.
- "**Lithium Ionic Option Plan**" means the stock option plan of Lithium Ionic dated July 6 2021;
- "**Lithium Ionic Options**" means incentive stock options to purchase Lithium Ionic Shares;
- "**Lithium Ionic Shareholders**" means the holders Lithium Ionic Shares;
- "**Lithium Ionic Shares**" means the common shares in the capital of Lithium Ionic as presently constituted;

- "**Lithium Ionic Subscription Receipt Agreement**" means the subscription receipt agreement dated February 8, 2022 by and among Lithium Ionic, POCML, the Lead Agent and TSX Trust as subscription receipt agent and escrow agent;
- "**Lithium Ionic Subscription Receipt**" means the subscription receipts issued by Lithium Ionic pursuant to the Lithium Ionic Financing, with each such subscription receipt convertible, for no additional consideration, into one Lithium Ionic Share upon the satisfaction of the Escrow Release Conditions on the Effective Date;
- "**Lithium Ionic Warrants**" means the Lithium Ionic 2021 Warrants and the Lithium Ionic Financing Broker Warrants;
- "**Member**" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements;
- "**Members' Agreement**" means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange;
- "**Mining Rights**" means all the mining concessions in respect of the Itinga Property as set out in the Itinga

Property Technical Report with all their attributes;

"**Name Change**" means the change of POCML's name to "Lithium Ionic Corp.";

"**NEOs**" means named executive officers' which include (a) the Chief Executive Officer (or an individual acting in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) the other most highly compensated executive officer, whose total compensation exceeded \$150,000 and (d) each individual who would be named executive officer under paragraph (c) but for the fact that the individual was not an executive officer, and was not acting in a similar capacity, at the end of the financial year;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

"**NP 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines*;

"**Non-Arm's Length Party**" means in relation to a company, a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person;

"**OBCA**" means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder, as amended from time to time;

"**Phase I Work Program**" means the Phase I work program for the Itinga Property, as described in the Itinga Property Technical Report;

"**Phase II Work Program**" means the Phase II work program for the Itinga Property, as described in the Itinga Property Technical Report;

"**POCML**" means POCML 6 Inc., prior to the completion of the Transaction;

"**POCML Escrow Agreement**" means the escrow agreement dated March 17, 2021 among POCML, TSX Trust and certain securityholders of POCML;

"**POCML Escrow Securities**" means the securities of POCML held in escrow pursuant to the POCML Escrow Agreement;

"**POCML Financial Statements**" means the audited financial statements of POCML for the year ended December 31, 2021, available on POCML's SEDAR profile at www.sedar.com and incorporated by reference herein;

"**POCML Financing Broker Warrants**" means 234,825 common share purchase warrants of POCML issued to the Agents, each warrant exercisable to purchase one Resulting Issuer Share until 24 months following the date of issuance of the Release Notice at a price of \$0.70 per Resulting Issuer Share;

"**POCML Financing**" means the brokered subscription receipt offering of 3,354,644 POCML Subscription Receipts at a price of \$0.70 per POCML Subscription Receipt for gross proceeds of \$2,348,250.80, which closed on February 8, 2022;

"**POCML IPO Broker Warrants**" means the broker warrants issued by POCML in connection with its initial public offering;

"**POCML MD&A**" means the management discussion and analysis for the POCML Financial Statements, which are attached hereto as Appendix "B";

"**POCML Meeting**" means the special meeting of POCML Shareholders, including any adjournment or

postponement of such special meeting in accordance with, the constating documents of POCML and/or the OBCA, that was called and held to consider the matters set out in the notice provided to POCML Shareholders in connection with such meeting;

"**POCML Option Plan**" means the stock option plan of POCML dated March 28, 2022;

"**POCML Options**" means incentive stock options to purchase POCML Shares;

"**POCML Shareholders**" means the holders of POCML Shares from time to time;

"**POCML Shares**" means the common shares in the capital of POCML (prior to the completion of the Transaction);

"**POCML Subco**" means 1000088600 Ontario Inc., a wholly-owned subsidiary of POCML newly incorporated under the OBCA for the sole purpose of effecting the Amalgamation;

"**POCML Subscription Receipt Agreement**" means the subscription receipt agreement dated February 8, 2022 by and among Lithium Ionic, POCML, the Lead Agent and TSX Trust as subscription receipt agent and escrow agent;

"**POCML Subscription Receipt**" means the subscription receipts issued by POCML pursuant to the POCML Financing, with each such subscription receipt convertible, for no additional consideration, into one Resulting Issuer Share upon the satisfaction of the Escrow Release Conditions on the Effective Date;

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;

"Promoter" means:

- (a) a person or company that, acting alone or in conjunction with one or more other persons, companies or a combination of them, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or
- (b) a person or company that, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property or both services and property, 10% or more of the issued securities of a class of securities of the issuer or 10% or more of the proceeds from the sale of a class of securities of a particular issue, but a person or company who receives the securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be considered a Promoter within the meaning of this definition where that person or company does not otherwise take part in founding, organizing or substantially reorganizing the business;

"**Release Notice**" has the meaning ascribed thereto in the Subscription Receipt Agreements;

"**Resulting Issuer**" means POCML after giving effect to the Transaction;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer as the same is constituted from time to time, following the completion of the Transaction;

"**Resulting Issuer Officers**" means the officers of Resulting Issuer, following the completion of the Transaction;

"**Resulting Issuer Options**" means incentive stock options to purchase Resulting Issuer Shares;

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer, post-Amalgamation (and, for greater certainty, post-Consolidation);

"**Resulting Issuer Warrants**" means warrants to acquire Resulting Issuer Shares.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Subscription Receipt Agreements**" means, collectively, the Lithium Ionic Subscription Receipt Agreement and the POCML Subscription Receipt Agreement;

"**Subscription Receipts**" means, collectively, the Lithium Ionic Subscription Receipts and the POCML Subscription Receipts;

"**Termination Date**" has the meaning ascribed thereto in the Subscription Receipt Agreements, as applicable;

"**Transaction**" means the business combination of POCML, POCML Subco and Lithium Ionic by way of a "threecornered" amalgamation under the provisions of the OBCA, and will be read to include, collectively, as the context permits or requires, the Consolidation, the Amalgamation, the Name Change and such other transactions contemplated by the Amalgamation Agreement; and

"**TSX Trust**" means TSX Trust Company.

FORWARD-LOOKING STATEMENTS

This Filing Statement contains certain forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the growth, results of operations, performance and business prospects and opportunities of Lithium Ionic or the Resulting Issuer. All statements other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Filing Statement may contain forward-looking statements attributed to third party industry sources.

Forward-looking statements are necessarily based on estimates and assumptions made by management in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as factors that management believe are appropriate. Forward-looking statements in this Filing Statement include, but are not limited to: the anticipated Closing and Effective Date; the anticipated use of the Escrowed Funds (following the release thereof) by the Resulting

Issuer; the Resulting Issuer's anticipated capital structure; the anticipated legal name of the Resulting Issuer; the anticipated Consolidation Ratio; the anticipated escrow periods, release schedules and contractual restrictions on transfer affecting the securities of the Resulting Issuer; the proposed directors, officers and insiders of the Resulting Issuer and their holdings of securities of the Resulting Issuer; the expected executive compensation and corporate governance practices of the Resulting Issuer; the future growth, results of operations, performance and business prospects and opportunities of Lithium Ionic (and therefore, the Resulting Issuer); the funds available to the Resulting Issuer; the business objectives of Lithium Ionic (and therefore, the Resulting Issuer); the timeline and budget disclosed with respect to the Phase I Work Program or Phase II Work Program; the ability of Lithium Ionic to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of Lithium Ionic will be as anticipated; the ability for Lithium Ionic to develop and commercialize the Itinga Property; and the impacts of the COVID-19 pandemic on the business and operations of Lithium Ionic (and therefore, the Resulting Issuer).

Although management of Lithium Ionic believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Lithium Ionic cannot guarantee future results, levels of activity, performance, or achievements. Some of the risks and other factors, some of which are beyond the control of Lithium Ionic, which could cause results to differ materially from those expressed in the forward- looking statements contained in this Filing Statement include, but are not limited to: Lithium Ionic may not complete the Transaction or receive Exchange approval; the Amalgamation Agreement may be terminated by either Lithium Ionic or POCML in certain circumstances; the Transaction will have dilutive effect on POCML Shareholders; the Transaction may divert the attention of the management of Lithium Ionic; the tax consequences of the Transaction; Lithium Ionic may not realize anticipated benefits of the Transaction; pro-forma financial statements are illustrative only; market price and listing of the Resulting Issuer Shares is dependent on satisfaction of Exchange requirements; the market price of the Resulting Issuer Shares may be volatile; the Resulting Issuer may issue additional equity securities; the value assigned to Lithium Ionic may be incorrect; there is no assurance that the Resulting Issuer will declare a dividend; the limited operating history of Lithium Ionic; Lithium Ionic has a history of negative cash flow and no assurance can be given that the Resulting Issuer will ever attain positive cash flow; dependence on the Itinga Property; mineral deposits may not be economical; changes in the market price of metals; volatility in the price of lithium; mining operations may not be established or profitable; the Resulting Issuer may not use the available funds as described in the Filing Statement; ability to exploit future discoveries; financing risks; mining is inherently dangerous; operations and exploration may be subject to governmental regulations; operation and exploration activities are subject to environmental and endangered species laws and regulations; mineral properties may be subject to the rights of indigenous peoples; permits and licences; additional costs to mineral property operators resulting from international climate control initiatives;

community relations; competition; defects in title to mineral properties; future litigation could affect title; deficient third party reviews, reports and projections; dependence on key individuals; directors and officers may have conflicts of interest; global financial conditions may be volatile; the ongoing spread of COVID-19 may negatively impact Lithium Ionic' business; adequate infrastructure may not be available to develop the Itinga Property; adverse tax consequences arising from the CRA's recent focus on foreign income earned by Canadian companies; anti-bribery laws; the availability of equipment, materials and skilled technical workers; the Resulting Issuer will be exposed to foreign exchange risk; the availability and commitment of qualified management and technical personnel; Lithium Ionic' operations are subject to human error; disruption from non-governmental organizations; compliance with health and safety laws and regulations; nature and climate conditions; uninsured or uninsurable risks; and disruption in Lithium Ionic' activities due to acts of God may adversely affect Lithium Ionic.

This list is not exhaustive of the factors that may affect any of the forward-looking statements regarding Lithium Ionic or the Resulting Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual events or results could differ materially from those projected in the forward-looking statements including as a result of the matters set out in this Filing Statement generally and certain economic and business factors, some of which may be beyond the control of Lithium Ionic (and therefore the Resulting Issuer). Some of the important risks and uncertainties that could affect forward-looking statements are described under the heading "*Part VII* – Risk Factors". Neither Lithium Ionic nor the Resulting Issuer intends, and neither assumes any obligation, to update any of the forward-looking statements after the date of this Filing Statement so as to conform such statements to actual results or to changes in the expectations of Lithium Ionic, other than as required by applicable securities law. For all these reasons, readers should not place undue reliance on the forward-looking statements contained herein, as the Resulting Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Resulting Issuer's business, or if Lithium Ionic' estimates or assumptions prove inaccurate. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement.

TECHNICAL INFORMATION

Except where otherwise stated, the disclosure in this Filing Statement relating to the Itinga Property based on the Itinga Property Technical Report prepared and published in accordance with NI 43-101.

The Itinga Property is the only interest currently held by Lithium Ionic and as such is material to Lithium Ionic for the purposes of NI 43-101. Lithium Ionic will continue to assess the materiality of its assets as new assets are acquired or move into production.

CIM Definition Standards

Any reference to Proven, Probable, Measured, Indicated and Inferred Resources regarding the Itinga Property (including as used in the Itinga Property Technical Report) have been used in accordance with the CIM Definition Standards, which are incorporated by reference in NI 43-101. The following definitions are reproduced from the CIM Definition Standards:

"*Indicated Mineral Resource*" means that part of a Mineral Resource (defined herein) for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource (defined herein) and may only be converted to a Probable Mineral Reserve (defined herein).

"*Inferred Mineral Resource*" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

"*Measured Mineral Resource*" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve (defined herein) or to a Probable Mineral Reserve.

"*Mineral Reserve*" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

"*Mineral Resource*" means a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

For the purposes of the CIM Definition Standards, "*Modifying Factors*" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Qualified Persons

Leonardo Soares, the author of the Itinga Property Technical Report, is a qualified person for the purposes of NI 43-101, and has reviewed and approved the scientific and technical disclosure contained in this Filing Statement.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Filing Statement was obtained from third-party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf, on the basis of our knowledge of the markets in which we operate, including information provided by other industry participants. We believe that the market and industry data presented throughout this Filing Statement is accurate and, with respect to data prepared by us or on our behalf that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this Filing Statement are not guaranteed and none of POCML, Lithium Ionic or their shareholders makes any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, none of POCML, Lithium Ionic or their shareholders has independently verified any of the data from third-party sources referred to in this Filing Statement, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

EXCHANGE RATE AND CURRENCY INFORMATION

Unless otherwise indicated, all references to "\$" or "Canadian dollars" in this Filing Statement refer to Canadian dollars. Lithium Ionic' financial statements incorporated herein are reported in Canadian dollars and are prepared in accordance with IFRS.

INFORMATION CONTAINED IN THIS FILING STATEMENT

The information contained in this Filing Statement is given as at May 12, 2022, except where otherwise noted.

No Person has been authorized to give any information or to make any representation in connection with the

Transaction and other matters described herein other than those contained in this Filing Statement and, if given or made, any such information or representation should be considered not to have been authorized by Lithium Ionic or the Resulting Issuer and should not be relied upon.

The information concerning each party contained in this Filing Statement has been provided by management of that party. Although the parties have no specific knowledge that would indicate that any of such information regarding the other party is untrue or incomplete, the parties assume no responsibility for the accuracy or completeness of information or the failure by the other party to disclose events which may have occurred or may affect the completeness or accuracy of such information which are unknown to that party.

This Filing Statement does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any Person in any jurisdiction.

Information contained in this Filing Statement should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisers in connection therewith.

All financial information in this Filing Statement has been prepared in accordance with IFRS, unless otherwise noted. The financial year-end is December 31 for both POCML and Lithium Ionic.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

PART I – SUMMARY OF FILING STATEMENT

The following is a summary of information relating to POCML, Lithium Ionic and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Reference is made to the Glossary of Terms for the definitions of certain abbreviations *and terms used in this Filing Statement and in this summary. All information provided in this summary and in the Filing Statement is current as of May 12, 2022.*

This Filing Statement has been prepared in accordance with Exchange Policy 2.4 and Exchange Form 3B2 – Information Required in a Filing Statement for a Qualifying Transaction.

Parties POCML is a reporting issuer incorporated under the laws of the Province of Ontario and is listed on the TSXV under the symbol "POCCP.P". For additional information about POCML, please see *"Part III – Information Concerning POCML"*.

Lithium Ionic is a private company that was incorporated under the laws of the Province of Ontario and carries on the business of the acquisition, exploration and development of resource properties. For additional information about Lithium Ionic, please see *"Part IV – Information Concerning Lithium Ionic"*.

Amalgamation Pursuant to the Amalgamation Agreement between POCML, POCML Subco and Lithium Ionic dated February 7, 2022, the parties have agreed to complete the Amalgamation, pursuant to which Lithium Ionic will amalgamate with POCML Subco and the shareholders of Lithium Ionic will receive one (1) common share in POCML (on a post-Consolidation basis) in exchange for each common share of Lithium Ionic. As a result of the Amalgamation, Lithium Ionic will become a wholly owned subsidiary of POCML and the Resulting Issuer (POCML) will continue the business of Lithium Ionic. It is intended that the Transaction will constitute POCML's "Qualifying Transaction", in accordance with, and as defined under, Exchange Policy 2.4.

In addition to the Amalgamation, there are several transactions that are expected to occur concurrently or proximate to the Amalgamation, including the Consolidation, Name Change, Stock Symbol Change, Board Reconstitution, and appointments of the Resulting Issuer Officers.

It is anticipated that immediately following completion of the foregoing steps, an aggregate of approximately 100,467,371 Resulting Issuer Shares will be issued and outstanding, and: (a) former Lithium Ionic Shareholders will hold 71,710,001 Resulting Issuer Shares, representing approximately 71.38% of the outstanding Resulting Issuer Shares; (b) former POCML Shareholders will hold 7,500,000 Resulting Issuer Shares (assuming the exercise of all POCML Options prior to the completion of the Consolidation), representing approximately 7.47% of the outstanding Resulting Issuer Shares; (c) former holders of Subscription Receipts (including the Agents' Subscription Receipts) will hold 21,257,370 Subscription Receipts that, when converted upon the completion of the Transaction, will represent 21.16% of the outstanding Resulting Issuer Shares.

Related Transactions

Prior to the Amalgamation, POCML will complete the Consolidation pursuant to which POCML Shares will be consolidated on the basis of 0.614504368 of one post-Consolidation POCML Share for every one (1) pre-Consolidation POCML Share held (provided that, if any of the POCML IPO Broker Warrants are exercised prior to Closing, the Consolidation Ratio will be reduced such that the total number of Resulting Issuer Shares issued to POCML Shareholders pursuant to the Transaction remains 7,500,000). See *"Part II – Information Concerning The Transaction – The Amalgamation Agreement and the Transaction – The Consolidation".*

As a condition under the Amalgamation Agreement, prior to the Consolidation, all

outstanding POCML Shares shall be exercised by the holders thereof. See *"Part II – Information Concerning The Transaction – The Amalgamation Agreement and the Transaction".*

In addition, POCML is expected to change its name to "*Lithium Ionic Corp.*". POCML is hereby applying to list the common shares of the Resulting Issuer (the "**Resulting Issuer Common Shares**") on the Exchange (the "**Listing**") under the symbol "LTH". It is intended that the Resulting Issuer will be listed as a Tier 2 Issuer under the policies of the Exchange. The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the Exchange and obtaining conditional approval of the Exchange. See "*Part VI – Information Concerning the Resulting Issuer – Description of the Securities*."

Concurrently with the completion of the Transaction, the board of directors and officers of POCML will be replaced with the board of directors and officers of Lithium Ionic, as further described below. See "*Part VI – Information Concerning the Resulting Issuer – Directors, Officers and Promoters*".

Lithium Ionic and POCML Financings

In connection with the Transaction, Lithium Ionic and POCML completed the Financings and issued an aggregate of 20,000,000 Subscription Receipts at a price of \$0.70 per Subscription Receipt for aggregate gross proceeds of \$14,000,000. A total of 16,645,356 Lithium Ionic Subscription Receipts were issued for gross proceeds of \$11,651,749.20 and a total of 3,354,644 POCML Subscription Receipts were issued for gross proceeds of \$2,348,250.80. Clarus Securities Inc. acted as lead agent in respect of the Financings with a syndicate of agents that included PowerOne Capital Markets Limited, iA Private Wealth Inc., Haywood Securities Inc. and Research Capital Corporation (collectively with the Lead Agent, the "**Agents**") acted as agents in respect of the Financings. As part consideration for their services, the Agents received 1,165,174 Lithium Ionic Financing Broker Warrants, each exercisable to acquire one Lithium Ionic Share for a period of twenty four months from the date of issuance of the Release Notice at an exercise price of \$0.70 per share and 234,825 POCML Financing Broker Warrants, each exercisable to acquire one Resulting Issuer Share for a period of twenty four months from the date of issuance of the Release Notice at an exercise price of \

$0.70 per share. In addition, the Agents received an Agents' Fee in the amount of \ $979,998.75. In satisfaction of such amount, the Agents received cash in the amount of \ $99,839.75 and 1,257,370 Agents' Subscription Receipts (comprised of 1,064,845 Lithium Ionic Subscription Receipts and 192,525 POCML Subscription Receipts issued at the Issue Price) in lieu of the remaining portion of the Agents' Fee payable to the Agents.

The Subscription Receipts were created and issued pursuant to the Subscription Receipt Agreements.

Each Lithium Ionic Subscription Receipt is automatically convertible into one Lithium Ionic Share without any payment or further action on part of the holder, provided the Escrow Release Conditions are satisfied on or before the Termination Date. The proceeds of the Lithium Ionic Financing will be released to Lithium Ionic from escrow upon the satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied or waived by that date or the Amalgamation Agreement is terminated or Lithium Ionic announces to the public by way of press release, or advises the Lead Agent and TSX Trust in writing, that it does not intend to satisfy the Escrow Release Conditions, then (a) all proceeds from the Lithium Ionic Financing together with any interest thereon will be returned to holders of Lithium Ionic Subscription Receipts (other than Agents' Subscription Receipts of Lithium Ionic) and (b) each Agents' Subscription Receipt of Lithium Ionic shall automatically convert into one Lithium Ionic Share.

Each POCML Subscription Receipt is automatically convertible into one Resulting Issuer Share without any payment or further action on part of the holder, provided the Escrow Release Conditions are satisfied on or before the Termination Date. The proceeds of the POCML Financing will be released to the Resulting Issuer from escrow upon the satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied or waived by that date or the Amalgamation Agreement is terminated or POCML announces to the public by way of press release, or advises the Lead Agent and TSX Trust in writing, that it does not intend to satisfy the Escrow Release Conditions, then (a) all proceeds from the POCML Financing together with any interest thereon will be returned to holders of POCML Subscription Receipts (other than Agents' Subscription Receipts of POCML) and (b) each Agents' Subscription Receipt of POCML shall automatically convert into one POCML Share on a post-Consolidation basis.

The Subscription Receipts were issued on a prospectus exempt basis to accredited investors (as defined in National Instrument 45-106 – *Prospectus Exemptions*).

See *"Part II – Information Concerning the Transaction – The Financings"*.

Principal Assets

Lithium Ionic' only business is the identification of resource properties for exploration and development and its principal asset, its interest in the Itinga Project located in

Minas Gerais State (MG), Brazil, as well as cash. See *"Part IV – Information Concerning Lithium Ionic – Narrative Description of the Business"*.

Conditions to Completion of the Transaction

The completion of the Transaction is conditional upon, among other things, obtaining necessary shareholder approval or consents, where applicable, and meeting the terms and conditions set forth in the Amalgamation Agreement. It is expected that the Resulting Issuer will meet the public distribution requirements of a Tier 2 Issuer as set out in the Initial Listing Requirements of the Exchange. See *"Part II – Information Concerning the Transaction*".

Interests of Insiders

No Insider of POCML or Lithium Ionic and no Associate or Affiliate of the same, has any interest in the Transaction, other than those which arise from the holding of POCML securities or Lithium Ionic securities. There is no person or company that is a control person of Lithium Ionic or that has been, within the two most recently completed financial years or during the current financial year, a promoter of Lithium Ionic or any subsidiary of Lithium Ionic, as such term is defined in the *Securities Act* (Ontario).

Arm's Length Transaction

To the knowledge of POCML and Lithium Ionic, the Transaction is not a Non-Arm's Length Transaction pursuant to the policies of the Exchange. See "*Part II – Information Concerning the Transaction – Summary of the Transaction and Related Transactions*", "*Part V – Information Concerning POCML – Arm's Length Transactions"* and "*Part VI – Information Concerning POCML – Arm's Length Transactions*".

Directors, Officers and Promoters of the Resulting Issuer

Upon the completion of the Amalgamation, the Resulting Issuer Board and Resulting Issuer Officers shall be comprised of the individuals listed below. It is anticipated that the number and percentage of Resulting Issuer Shares over which such new directors and officers, and the Associates and Affiliates of such new directors and officers, exercise control, will be as set forth below:

Proposed Directors, Officers and Promoters	Number and Percentage of Resulting Issuer Shares upon Completion of the Transaction and % of Class Held or Controlled(1)
Blake Hylands	Nil
Chief Executive Officer & Director	
Helio Diniz President & Director	8,200,000 common shares (8.2%)
David Gower Director	4,000,000 common shares (4.0%)

| Patrizia Ferrarese
Director | Nil | |--------------------------------------|-------------------------------| | Lawrence Guy
Director | 8,000,000 common shares (8.0%) | | Michael Shuh
Director | Nil | | Greg Duras
Chief Financial Officer | 500,000 common shares (0.5%) | | Damian Lopez
Corporate Secretary | 3,000,001 common shares (3.0%) |

Notes:

(1) Calculation on an undiluted basis and based on 100,467,371 Resulting Issuer Shares outstanding upon the completion of the Transaction.

See "*Part VI – Information Concerning the Resulting Issuer – Directors, Officers and Promoters*".

Available Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer on a consolidated basis after giving effect to the Transaction:

Source of Funds	**Amount**
Estimated working capital of Lithium Ionic	
as at April 30, 2022	\$6,100,000
Estimated working capital of POCML as at	
April	
30, 2022	\$600,000
Net proceeds from the Financings(1)	\$13,797,860
Total Estimated Funds Available(2)	\$20,497,860

Notes:

- (1) After deduction of the cash portion of the Agents' Fee.
- (2) Does not include expenses incurred in connection with the Transaction in the amount of \$175,000.

See "Part II – Information Concerning the Transaction - Available Funds".

Principal Purposes of Funds

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following completion of the Transaction:

Uses of Funds	Amount of Funds (\$)
Phase I Work Program –	
Itinga Property	
Mapping and Geochemistry (soil and rock)	\$150,000
Line opening and IP / Mag Geophysics	\$100,000
Trenching and Auger drilling of anomalies	\$100,000
Management and Basic Staff	\$200,000
Diamond	
drilling	
campaign	
of	
1500m	
(exploratory)	\$200,000
Regional	
targeting	
and	
geological	
reconnaissance	\$250,000
Phase 2 Work Program –	
Itinga Property	
Diamond drilling campaign of 5.000m	\$550,000
Geologging and Sampling	\$300,000
Geochemistry ,QAQC, density, etc	**\$150,000**
Management and Basic Staff	\$300,000
NI	
43-101 Mineral Resource Estimation	\$100,000
PEA –	
Preliminary Economic Evaluation	\$100,000
Preliminary Metallurgical Tests	\$100,000
Contingency	\$250,000

Other Expenses

Salaries	**\$720,000**
Investor Relations	\$200,000
Legal Fees(1)	\$150,000
Audit Fees(2)	\$75,000
Accounting Fees	\$60,000
Public Company Costs(3)	\$100,000
Administrative(4)	\$350,000
Miscellaneous(5)	\$390,000

Total Estimated Uses of Funds \$4,895,000 Unallocated Working Capital(6) \$15,602,860

Notes:

- (1) Includes \$125,000 for legal fees relating to the Transaction.
- (2) Includes \$50,000 for audit fees relating to the Transaction.
- (3) Includes regulatory filing fees.
- (4) Includes accounting fees, legal fees, renewal fees and land management costs.
- (5) Includes travel, office costs and internet.
- (6) Possible uses of the unallocated working capital: to fund ongoing operations; future due diligence of other mining claims and concessions; and other uses as may be necessary.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of POCML and Lithium Ionic consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. For additional information, see "*Part V - Information Concerning the Resulting Issuer – Available Funds*", "*Part V – Information Concerning the Resulting Issuer – Principal Purposes*" and "*Part V – Information Concerning the Resulting Issuer – Narrative Description of the Business*". Further, the above uses of available funds should be considered estimates. See "*Forward-Looking Statements*".

Dividends It is not expected that the Resulting Issuer will declare any dividends for the foreseeable future. There are no restrictions in the Resulting Issuer's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. The Resulting Issuer Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. Holders of Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on the Resulting Issuer Shares on a per share basis.

See "*Part V – Information Concerning the Resulting Issuer – Dividends*".

Selected Pro
Forma
Consolidated
Capitalization
of the Resulting
Issuer

| | Number of
Common Shares | Percentage
(undiluted) |
|--|-------------
| Resulting Issuer Shares: | | | | Held
by
Lithium
Ionic
Current
Shareholders | 71,710,001 | 71.38% | | Held by Subscription Receipt Investors
(including the Agents' Subscription
Receipts) | 21,257,370 | 21.16% | | Held by POCML Current Shareholders
(post-Consolidation) | 7,500,000(1) | 7.47% | | Total | 100,467,371 | 100% | | |
Resulting Issuer Convertible
Securities:
Resulting Issuer Warrants issuable to
holders of the Lithium Ionic Warrants | 3,537,924(2) | | | Resulting Issuer Warrants
issuable to
holders
of
the
POCML
Financing
Broker Warrants | 234,825(3) | | | Resulting Issuer Warrants issuable to
holders of the POCML IPO Broker
Warrants (post-Consolidation) | 55,946(4) | | | Resulting Issuer Options exchanged
for Lithium Ionic Options | 6,720,000(5) | | | Total | 10,548,695 | |

Total 10,548,695

Notes:

- (1) Represents the 12,204,958 POCML Shares currently issued and outstanding after applying the Consolidation Ratio.
- (2) Comprised of the following: (a) 2,372,750 Resulting Issuer Warrants issuable to holders of Lithium Ionic 2021 Warrants exercisable to purchase Resulting Issuer Shares at a price of \$0.20 per Resulting Issuer Share until December 1, 2023; and (b) 1,165,174 Resulting Issuer Warrants issuable to holders of Lithium Ionic Financing Broker Warrants exercisable to purchase Resulting Issuer Shares at a price of \$0.70 per Resulting Issuer Share until the date that is 24 months from the date of the issuance of the Release Notice.
- (3) Resulting Issuer Warrants issuable to holders of POCML Financing Broker Warrants are exercisable to purchase Resulting Issuer Shares at a price of \$0.70 per Resulting Issuer Share until the date that is 24 months from the date of the issuance of the Release Notice.
- (4) Resulting Issuer Warrants issuable to holders of POCML IPO Broker Warrants (post-Consolidation) are exercisable to purchase Resulting Issuer Shares at a price of \$0.1627 per Resulting Issuer Share until April 12, 2023.
- (5) Resulting Issuer Options issuable to holders of Lithium Ionic Options are exercisable to purchase Resulting Issuer Shares at a price of \$0.70 per Resulting Issuer Share until April 20, 2027.

See "*Part IV – Information Concerning the Resulting Issuer – Fully Diluted Share Capital*".

Selected Pro Forma Financial Information of the Resulting Issuer		Lithium Ionic as at December 31, 2021 (\$)	POCML as at December 31, 2021 (\$)	Pro Forma Adjustments(1) (\$)	Pro Forma Consolidated(1) (\$)
	Cash	7,788,687	621,789	14,000,000	22,120,989

Total Assets	**7,833,111**	**621,789**	**13,710,513**	**22,165,413**
Total Liabilities	945,956	9,058	-	955,014
Total Shareholders'				
Equity				
(Common Shares)	7,487,282	652,751	18,133,409	26,273,442

Notes:

(1) Includes proceeds of the Financings.

See Appendix "G" – "*Unaudited Pro Forma Balance Sheet of the Resulting Issuer*".

Trading Price The POCML Shares are listed on the Exchange under the symbol "POCC.P". The closing price of the POCML Shares on December 17, 2021, being the last day the POCML Shares traded on the Exchange was \$0.48. See "*Part III – Information Concerning POCML – Trading Price*".

Shareholder Approval

POCML Shareholder approval is not required for the Qualifying Transaction under the policies of the Exchange as the Transaction is not a Non-Arm's Length Qualifying Transaction. Lithium Ionic Shareholders will be asked to approve the Amalgamation at the Lithium Ionic Meeting or unanimous written resolution. See *"Part II – Information Concerning the Transaction – Approvals Necessary for the Transaction – Shareholder Approval".*

Conflicts of Interest

The proposed directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Resulting Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of the Resulting Issuer's directors or officers. Any such conflicts are required to be disclosed by such directors or officers in accordance with the OBCA and the directors of the Resulting Issuer are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Certain proposed directors of the Resulting Issuer are, or may in the future be, directors, officers or shareholders of other companies that are, or may in future be, engaged in the business of, or enter into transactions with, the Resulting Issuer. Such associations and transactions may give rise to conflicts of interest from time to time.

See "*Part V – Information Concerning the Resulting Issuer – Conflicts of Interest".*

Risk Factors An investment in POCML Shares or Resulting Issuer Shares (both before and after completion of the Transaction) should be considered highly speculative and involves a high degree of risk. Material risk factors affecting the Resulting Issuer include the following: Lithium Ionic may not complete the Transaction or receive Exchange approval; the Amalgamation Agreement may be terminated by either Lithium Ionic or POCML in certain circumstances; the Transaction will have dilutive effect on POCML Shareholders; the Transaction may divert the attention of the management of Lithium Ionic; the tax consequences of the Transaction; Lithium Ionic may not realize anticipated benefits of the Transaction; pro-forma financial statements are illustrative only; market price and listing of the Common Shares is dependent on satisfaction of Exchange requirements; the market price of the Resulting Issuer Shares may be volatile; the Resulting Issuer may issue additional equity securities; the value assigned to the Resulting Issuer may be incorrect; there is no assurance that the Resulting Issuer will declare a dividend; the limited operating history of Lithium Ionic; Lithium Ionic has a history of negative cash flow and no assurance can be given that the Resulting Issuer will ever attain positive cash flow; dependence on the Itinga Property; uncertainty of resource estimates; variation in the prices of various commodities; mineral deposits may not be economical; changes in the market price of metals; volatility in the price of lithium and other commodities; mining operations may not be established or profitable; the Resulting Issuer may not use the available funds as described in the Filing Statement; ability to exploit future discoveries; financing risks; operational risks; operations and exploration may be subject to governmental regulations; operation and exploration activities are subject to environmental and endangered species laws and regulations; mineral properties may be subject to the rights of indigenous peoples; permits and licences; additional costs to mineral property operators resulting from international climate control initiatives; community relations; competition; defects in title to mineral properties; potential adverse effets of integration of assets and/or companies following an amalgamation; future litigation could affect title; deficient third party reviews, reports and projections; dependence on key individuals; directors and officers may have conflicts of interest; global financial conditions may be volatile; the ongoing spread of COVID-19 may negatively impact the Resulting Issuer's business; adequate infrastructure may not be available to develop the Itinga Property; adverse tax consequences arising from the CRA's recent focus on foreign income earned by Canadian companies; anti-bribery laws; the availability of equipment, materials and skilled technical workers; the Resulting Issuer will be exposed to foreign exchange risk; the availability and commitment of qualified management and technical personnel; the Resulting Issuer's operations are subject to human error; disruption from non-governmental organizations; compliance with health and safety laws and regulations; nature and climate conditions; uninsured or uninsurable risks; and disruption in the Resulting Issuer's activities due to acts of God may adversely affect the Resulting Issuer; potential political and military instability in Brazil; the existence of increased corruption and fraud in Brazil's real estate market; the effect of inflation and regulation of the Brazilian government in the Brazilian economy, and its effect on the Resulting Issuer; exchange rate instability with respect to the

Brazilian Real; and restrictions by the Brazilian government on the acquisition and use of rural properties by foreign investors and/or foreign-controlled Brazilian companies.

The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Accordingly, readers should carefully consider the risk factors contained herein under *"Part VI – Risk Factors"*.

Conditional Approval

The Listing will be subject to the Resulting Issuer fulfilling all of the minimum listing requirements of the Exchange and obtaining conditional approval of the Exchange. There can be no assurance that the Exchange will list the Resulting Issuer Common Shares.

The Exchange has conditionally accepted the Transaction subject to POCML fulfilling all of the requirements of the Exchange on or before August 2, 2022. There can be no assurance that POCML will be able to satisfy the requirements of the Exchange such that the Exchange will issue the Final Exchange Bulletin.

Interests of Experts

The auditor of Lithium Ionic is McGovern Hurley LLP, at its principal office in Toronto, Ontario. McGovern Hurley LLP is independent with respect to Lithium Ionic within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario. Upon completion the Transaction, the McGovern Hurley LLP is expected to become the auditors of the Resulting Issuer. See "*Part IV – Information Concerning Lithium Ionic - Auditor, Transfer Agent and Registrar*" and "*Part V – Information Concerning the Resulting Issuer – Auditor, Transfer Agent and Registrar*".

None of the foregoing persons or any of their respective directors, officers or employees beneficially own, directly or indirectly, any securities, nor do they have any interest in the property of POCML, Lithium Ionic, the Resulting Issuer or any of their Associates or Affiliates. See "*Part VII – General Matters – Interests of Experts*".

PART II – INFORMATION CONCERNING THE TRANSACTION

The following is a summary of the material terms of the Amalgamation Agreement. This summary does not purport to be a complete summary of the Amalgamation Agreement and is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is available for review under POCML's SEDAR profile at [www.sedar.com.](http://www.sedar.com)

Terms used in this "*Part II – Information Concerning the Transaction"* but not otherwise defined in this Filing Statement shall have the meaning ascribed thereto in the Amalgamation Agreement.

Background of the Transaction

The parties have agreed to complete the Amalgamation pursuant to the Amalgamation Agreement. Upon completion of the Amalgamation, the combined entity comprising POCML Subco and Lithium Ionic will become a wholly owned subsidiary of POCML and POCML will continue the business of Lithium Ionic. It is intended that the Transaction will constitute a "Qualifying Transaction" in accordance with (and as defined under) Exchange Policy 2.4.

Pursuant to the Amalgamation Agreement, and subject to adjustment as provided thereunder, the parties intend to effect the following steps on or about Closing:

- (a) POCML will complete the Consolidation and will consolidate its outstanding common shares on the basis of 0.614504368 of one (1) new POCML Share for each one (1) old POCML Shares, such that, immediately prior to Closing of the Transaction, POCML will have 7,500,000 POCML Shares issued and outstanding (assuming the exercise of all POCML Options prior to the completion of the Consolidation) (provided that, if any of the POCML IPO Broker Warrants are exercised prior to Closing, the Consolidation Ratio will be reduced such that the total number of Resulting Issuer Shares issued to POCML Shareholders pursuant to the Transaction remains 7,500,000);
- (b) following the Consolidation, the holders of the issued and outstanding Lithium Ionic Shares receive one (1) post-Consolidation POCML Share in exchange for each one (1) Lithium Ionic Share (an aggregate of 89,420,202 post-Consolidation POCML Shares to be issued (including 17,710,201 post-Consolidation POCML Shares to be issued to the holders of the Lithium Ionic Subscription Receipts and the Agents' Subscription Receipts issued by Lithium Ionic);
- (c) POCML will change its name to "Lithium Ionic Corp.", or such other name as may be determined by Lithium Ionic, subject to Applicable Laws and Exchange Policies; and
- (d) POCML shall complete the Board Reconstitution and replace its officers with the officers of Lithium Ionic.

It is anticipated that immediately following completion of the foregoing steps, an aggregate of approximately 100,467,371 Resulting Issuer Shares will be issued and outstanding, and: (a) former Lithium Ionic Shareholders will hold 71,710,001 Resulting Issuer Shares, representing approximately 71.38% of the outstanding Resulting Issuer Shares; (b) former POCML Shareholders will hold 7,500,000 Resulting Issuer Shares (assuming the exercise of all POCML Options prior to the completion of the Consolidation), representing approximately 7.47% of the outstanding Resulting Issuer Shares; (c) former holders of Subscription Receipts (including the Agents' Subscription

Receipts) will hold 21,257,370 Subscription Receipts that, when converted upon the completion of the Transaction, will represent 21.16% of the outstanding Resulting Issuer Shares.

Reasons for the Transaction

The Transaction, together with the release of the Escrowed Funds, will provide Lithium Ionic with additional capital to pursue its business objectives. The Transaction will also provide Lithium Ionic with potentially greater access to capital markets in the future and may facilitate the completion of acquisitions on accretive terms in the future. Further, the Transaction provides the potential for liquidity to Lithium Ionic' Shareholders.

Summary of the Transaction and Related Transactions

In connection with the completion of the Transaction and pursuant to the Amalgamation Agreement and the Subscription Receipt Agreements, it is anticipated that the following transactions will be completed:

- (a) the Lithium Ionic Subscription Receipts will be exchanged for Lithium Ionic Shares, which will then immediately be exchanged for Resulting Issuer Common Shares;
- (b) the POCML Subscription Receipts will be exchanged for Resulting Issuer Common Shares;
- (c) the Escrowed Funds will be released from escrow and remitted to Lithium Ionic and POCML, subject to the terms of the Subscription Receipt Agreements;
- (d) POCML will cause the current directors and officers of POCML and POCML Subco to resign, and Lithium Ionic will designate the Resulting Issuer Board and management thereof prior to the Effective Date;
- (e) POCML will acquire Lithium Ionic through the Amalgamation, the steps of which are described further below under the heading *Part II – Description of the Transaction – The Amalgamation Agreement and the Transaction – Amalgamation Steps"*; and
- (f) the Resulting Issuer will be renamed "Lithium Ionic Corp.", or such other name as determined by Lithium Ionic.

The Transaction is intended to be completed prior to the Listing and will result in the reverse takeover of Lithium Ionic by the shareholders of POCML. Completion of the Transaction is subject to compliance with the terms and conditions set forth in the Amalgamation Agreement, which are discussed further below under the heading "*Part II – Description of the Transaction – The Amalgamation Agreement and the Transaction – Conditions of the Transaction*". If the terms and conditions of the Amalgamation Agreement are satisfied (or waived, as applicable), it is expected that the Transaction will be completed and become effective on or about May 19, 2022 or such other date as may be determined by the parties thereto. However, the effective date of the Transaction could be delayed for a number of reasons. See "*Part VII – Risk Factors*".

A corporate organizational chart reflecting the expected corporate structure of the Resulting Issuer following the Effective Date is set forth below. See "*Part VI – Information Concerning the Resulting Issuer – Corporate Structure*".

The terms of the Transaction, as set out in the Amalgamation Agreement and summarized below, were established through arm's length negotiations between the respective management of Lithium Ionic and POCML.

The Amalgamation Agreement and the Transaction

Pursuant to the Amalgamation Agreement, the parties will complete a three-cornered amalgamation whereby POCML Subco, a wholly-owned subsidiary of POCML, will amalgamate with Lithium Ionic to form Amalco, and POCML will acquire all of the issued and outstanding Amalco Shares. The shareholders of Lithium Ionic will receive post-Consolidation POCML Shares in exchange for their Lithium Ionic Shares, resulting in a reverse takeover of POCML by Lithium Ionic. The amalgamated corporation resulting from the amalgamation of POCML Subco and Lithium Ionic will be wholly-owned by the Resulting Issuer. The following is a summary of the Amalgamation Agreement and is qualified in its entirety by the full text of the Amalgamation Agreement, which has been filed on SEDAR and is incorporated by reference herein.

Representations, Warranties and Covenants

Lithium Ionic and POCML agreed to certain representations and warranties relating to, among other things: the incorporation and registration of each party; the power and authority to enter into and perform the obligations under the Amalgamation Agreement and its related agreements; required approvals; no conflict; absence of undisclosed liabilities; their material contracts; the absence of guarantees; the financial statements of each party; taxes duly filed; capitalization; no indebtedness to any directors, officers consultants or creditors; absence of contingent tax liabilities; absence of litigation; and no use of funds for unlawful contributions.

Conditions of the Transaction

The Amalgamation Agreement contains a number of conditions precedent to the obligations of POCML and Lithium Ionic. Unless all such conditions are satisfied or waived by the party for whom benefit such conditions exist, to the extent it may be capable of waiver, the Transaction will not proceed. There is no assurance that these conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Transaction becoming effective are set out in the Amalgamation Agreement and are summarized below.

Mutual Conditions Precedent

The parties are not required to complete the Amalgamation unless each of the following conditions is satisfied on or prior to the Effective Date, which conditions may only be waived by the mutual consent of each of the parties:

- (a) the receipt of all necessary prior regulatory approvals, specifically Exchange approval with respect to the Transaction;
- (b) POCML having received required approval of its shareholders;
- (c) Lithium Ionic having received the required approval of its shareholders;
- (d) Lithium Ionic shall have completed the Lithium Ionic Financing for minimum gross proceeds of \$7,500,000; and
- (e) no injunction or restraining order of any court or administrative tribunal of competent jurisdiction shall be in effect prohibiting the transactions contemplated by the Amalgamation Agreement and no action or proceeding shall have been instituted or be pending before any court or administrative tribunal to restrain or prohibit the transactions between the parties contemplated by the Amalgamation Agreement.

Conditions for the Benefit of POCML

The completion of the Transaction is subject to the following conditions being satisfied at or prior to the Effective Date, which conditions are for the exclusive benefit of POCML and may be waived, in whole or in part, by POCML in its sole discretion:

- (a) Lithium Ionic shall deliver, as soon as practicable after the date of the Amalgamation Agreement:
- (i) certificates of good standing or equivalent for Lithium Ionic, duly issued by the authorized government corporate registry in the applicable jurisdiction of incorporation;
- (ii) a National Instrument 43-101 compliant technical report in respect of the Itinga Property;
- (iii) audited financial statements of Lithium Ionic for the most recently completed financial year ending December 31, 2021, and any other interim financial statements of Lithium Ionic requested by the Exchange; and
- (iv) such other documents as may be required by POCML, acting reasonably;
- (b) the representations and warranties of Lithium Ionic made under the Amalgamation Agreement shall be true and correct at the Effective Time and with the same effect as if made at and as of the Effective Time;

- (c) Lithium Ionic shall have performed and complied with all the obligations and covenants contained in the Amalgamation Agreement to be performed and complied with by it, other than those conditions which are waived by POCML;

- (d) there will have been no material adverse changes, adverse change of material fact or any development that could reasonably result in an adverse material impact on the business, financial results, operations or affairs of Lithium Ionic;

- (e) no event shall have occurred or condition or situation shall have arisen or legislation (whether by statute, rule, regulation, by-law or otherwise) shall have been introduced that might reasonably be expected to have a materially adverse effect upon Lithium Ionic or the financial condition, results of operations or business prospects of Lithium Ionic;
- (f) POCML shall have received all closing documentation; and
- (g) Lithium Ionic will not have incurred any liabilities other than those which are:
- (i) reasonably incurred in the ordinary course of business; or
- (ii) incurred with the consent of POCML, not to be unreasonably withheld.

Conditions for the Benefit of Lithium Ionic

The completion of the Transaction is subject to the following conditions being satisfied at or prior to the Effective Date, which conditions are for the exclusive benefit of Lithium Ionic and may be waived, in whole or in part, by Lithium Ionic in its sole discretion:

- (a) all representations and warranties of POCML were true and correct as of the date of the Amalgamation Agreement and are true and correct as of the Closing;
- (b) POCML will have fulfilled or complied with all covenants contained in the Amalgamation Agreement and any related agreements to be fulfilled or complied with by it at or prior to the date of Closing;
- (c) there will have been no material adverse changes, adverse change of material fact or any development that could reasonably result in an adverse material impact on the business, financial results, operations or affairs of POCML;
- (d) Lithium Ionic shall have received from POCML the closing documentation;
- (e) prior to the completion of the Amalgamation, POCML shall have completed the Consolidation;
- (f) all of the POCML Options shall have been exercised prior to the completion of the Consolidation;
- (g) POCML shall have completed a name change to "Lithium Ionic Corp." or such other name approved by Lithium Ionic;
- (h) all POCML Options shall have been exercised prior to the Consoldiation; and
- (i) Immediately prior to the closing of the Transaction, the cash (excluding the net proceeds to be received by POCML in connection with POCML's offering of subscription receipt being completed in connection with the Transaction) of POCML minus its liabilities (including liabilities incurred in connection with the Transaction but excluding any liabilities or fees associated with POCML's offering of subscription receipt being completed in connection with the Transaction) shall be greater than \$600,000.

Termination Rights

The Amalgamation Agreement may be terminated by mutual consent of Lithium Ionic and POCML, or by either party on the following conditions:

By Lithium Ionic if:

- (a) POCML has not received the requisite Exchange approvals with respect to the Transaction on or before the Escrow Release Deadline, unless such date is extended by the mutual agreement of the parties in writing;
- (b) POCML has not held a meeting of the POCML Shareholders by April 30, 2022 or POCML Shareholders do not approve any of the matters set forth at such meeting;
- (c) POCML materially breaches any of its representations or warranties or fails to comply with any covenants contained in the Amalgamation Agreement, and such default is not remedied within ten business days of written notice provided to POCML of such default; or
- (d) any of the conditions precedent contained herein for the benefit of Lithium Ionic, has not been complied with, or waived by Lithium Ionic.

By POCML if:

- (a) the shareholders of Lithium Ionic have not approved the Transaction on or before the Escrow Release Deadline, unless such date is extended by the mutual agreement of the parties in writing;
- (b) POCML has not received the requisite Exchange approvals with respect to the Transaction on or before the Escrow Release Deadline, unless such date is extended by the mutual agreement of the parties in writing;
- (c) Lithium Ionic materially breach any of its representations or warranties or fails to comply with any covenants contained herein, and such default is not remedied within ten business days of written notice provided of such default; or
- (d) any of the conditions precedent contained herein for the benefit of POCML have not been complied with, or waived by POCML.

In addition, the Amalgamation Agreement shall terminate automatically in the event that the Transaction has not been completed by the Escrow Release Deadline, unless such date has been extended by mutual agreement of the parties in writing.

Upon the termination of this Agreement, the parties shall be released from their obligations other than as expressly contemplated in the Amalgamation Agreement, excepting those under Article 11, and Section 13.1, provided that nothing shall relieve a party from liability arising prior to such termination.

Directors and Officers of the Resulting Issuer

Concurrently with the completion of the Amalgamation, POCML will cause all of the then-current directors and officers of POCML and POCML Subco to resign without payment by or any liability to POCML, POCML Subco or Amalco, and to cause each such director and officer to execute and deliver a release in favour of POCML, POCML Subco and Amalco, in a form acceptable to POCML and Lithium Ionic.

The number of directors of the Resulting Issuer upon Closing shall be six (6). Subject to the receipt of all necessary approvals, the directors of the Resulting Issuer shall be: Helio Deniz, David Gower, Patrizia Ferrarese, Lawrence Guy, Blake Hylands and Michael Shuh. The officers of the Resulting Issuer, until changed or added to by the board of directors of the Resulting Issuer, shall be as follows: Blake Hylands (Chief Executive Officer), Helio Diniz (President), Greg Duras (Chief Financial Officer) and Damian Lopez (Corporate Secretary).

Amalgamation Steps

Pursuant to the terms and conditions set forth in the Amalgamation Agreement, at the Effective Time:

- (a) POCML Subco and Lithium Ionic will amalgamate under the OBCA;
- (b) all Lithium Ionic Shares will be exchanged for POCML Shares on the basis of one (1) POCML

Share for each Lithium Ionic Share held;

- (c) each Lithium Ionic Warrant will be exchanged for a Resulting Issuer Warrant with the same exercise price and expiry time as the Lithium Ionic Warrant, as applicable;
- (d) Amalco shall be a wholly-owned subsidiary of POCML;
- (e) the authorized capital of Amalco shall be an unlimited number of common shares;
- (f) the stated capital account in the records of Amalco for Amalco Common Shares shall be equal to the stated capital attributed to the shares of the companies amalgamating to create Amalco; and
- (g) the Resulting Issuer will continue the business of Lithium Ionic under the name "*Lithium Ionic Corp.*", or such other similar name as Lithium Ionic may determine and is acceptable to the Exchange.

Effect of Amalgamation

At the Effective Time:

- (a) the amalgamation of the Lithium Ionic and POCML Subco and their continuation as one company, Amalco;
- (b) the property, rights and interests of each of Lithium Ionic and POCML Subco will continue to be the property of Amalco;
- (c) Amalco will continue to be liable for the obligations of each of the Amalgamating Parties;
- (d) any existing cause of action, claim or liability to prosecution with respect to either or both Lithium Ionic and POCML Subco will be unaffected;

- (e) any legal proceeding prosecuted or pending by or against Lithium Ionic or POCML Subco may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco;
- (f) any conviction against, or ruling, order or judgment in favour of or against, Lithium Ionic and POCML Subco may be enforced by or against Amalco; and
- (g) the by-laws of Amalco will be the same as those of Lithium Ionic, *mutatis mutandis*.

The Financings

In connection with the Transaction, Lithium Ionic and POCML completed the Financings and issued 20,000,000 Subscription Receipts at a price of \$0.70 per Subscription Receipt for aggregate gross proceeds of \$14,000,000. A total of 16,645,356 Lithium Ionic Subscription Receipts were issued for gross proceeds of \$11,651,749.20 and a total of 3,354,644 POCML Subscription Receipts were issued for gross proceeds of \$2,348,250.80 Clarus Securities Inc., PowerOne Capital Markets Limited, iA Private Wealth Inc., Haywood Securities Inc. and Research Capital Corporation acted as agents in respect of the Financings. As part consideration for their services, the Agents received 1,165,174 Lithium Ionic Financing Broker Warrants, each exercisable to acquire one Lithium Ionic Share for a period of twenty four months at an exercise price of \$0.70 per share and 234,825 POCML Financing Broker Warrants, each exercisable to acquire one Resulting Issuer Share for a period of twenty four months at an exercise price of \$0.70 per share. In addition, the Agents received an Agents' Fee in the amount of \$979,998.75. In satisfaction of such amount, the Agents received cash in the amount of \$99,839.75 and 1,257,370 Agents' Subscription Receipts (comprised of 1,064,845 Lithium Ionic Subscription Receipts and 192,525 POCML Subscription Receipts issued at the Issue Price) in lieu of the remaining portion of the Agents' Fee payable to the Agents.

The Subscription Receipts were created and issued pursuant to the Subscription Receipt Agreements.

Each Lithium Ionic Subscription Receipt is automatically convertible into one Lithium Ionic Share without any payment or further action on part of the holder, provided the Escrow Release Conditions are satisfied on or before the Termination Date. The proceeds of the Lithium Ionic Financing will be released to Lithium Ionic from escrow upon the satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied or waived by that date or the Amalgamation Agreement is terminated or Lithium Ionic announces to the public by way of press release, or advises the Lead Agent and TSX Trust in writing, that it does not intend to satisfy the Escrow Release Conditions, then (a) all proceeds from the Lithium Ionic Financing together with any interest thereon will be returned to holders of Lithium Ionic Subscription Receipts (other than Agents' Subscription Receipts of Lithium Ionic) and (b) each Agents' Subscription Receipt of Lithium Ionic shall automatically convert into one Lithium Ionic Share.

Each POCML Subscription Receipt is automatically convertible into one Resulting Issuer Share without any payment or further action on part of the holder, provided the Escrow Release Conditions are satisfied on or before the Termination Date. The proceeds of the POCML Financing will be released to the Resulting Issuer from escrow upon the satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied or waived by that date or the Amalgamation Agreement is terminated or POCML announces to the public by way of press release, or advises the Lead Agent and TSX Trust in writing, that it does not intend to satisfy the Escrow Release Conditions, then (a) all proceeds from the POCML Financing together with any interest thereon will be returned to holders of POCML Subscription Receipts (other than Agents' Subscription Receipts of POCML) and (b) each Agents' Subscription Receipt of POCML shall automatically convert into one POCML Share on a post-Consolidation basis.

The Subscription Receipts were issued on a prospectus exempt basis to accredited investors (as defined in National Instrument 45-106 – *Prospectus Exemptions*).

Procedure for the Transaction to Become Effective

The Amalgamation will be carried out pursuant to the provisions of the OBCA. The following procedural steps must be taken in order for the Transaction to become effective:

- (a) the Amalgamation Agreement must be entered into between Lithium Ionic, POCML and POCML Subco;
- (b) the satisfaction of all conditions precedent to the Transaction as set forth in the Amalgamation Agreement, including receipt of approval by the Exchange for the Listing; and
- (c) articles of amalgamation in the form prescribed by the OBCA must be filed. The Transaction will become effective when a certificate of amalgamation is issued in respect of the Amalgamation.

Approvals Necessary for the Transaction

Shareholder Approval

No approval of the Transaction by the POCML Shareholders is required.

Pursuant to the provisions of the OBCA, the Amalgamation requires the approval of the Lithium Ionic Shareholders. Lithium Ionic Shareholders approved the Amalgamation on April 14, 2022.

Exchange Approval

On May 3, 2022, the Exchange conditionally approved the Listing of the Resulting Issuer Common Shares, including those to be issued pursuant to the Amalgamation to the former Lithium Ionic Shareholders. The Listing is subject to the fulfillment of all of the requirements of the Exchange on or before August 2, 2022.

Legally, the Effective Date of the Amalgamation will be on the date a certificate of amalgamation is issued in respect of the Amalgamation. However, the Listing will be completed on the date the Exchange issues a Final Exchange Bulletin in respect of the Listing, which is expected to be within three (3) days after the Effective Date, provided all required documentation is filed with the Exchange.

PART III – INFORMATION CONCERNING POCML

The following information is presented prior to giving effect to the Transaction as at the date hereof or as otherwise specified herein. See "*Part VI – Information Concerning the Resulting Issuer*" for pro forma business, financial and share capital information relating to the Resulting Issuer.

Corporate Structure

Name and Incorporation

POCML was incorporated under the OBCA on December 21, 2020 under the name "POCML 6 Inc. " POCML's registered office and principal place of business is located at 130 King Street West, Suite 2210, Toronto, Ontario, M5X 1E4.

Intercorporate Relationships

POCML has one wholly-owned subsidiary, POCML Subco, formed for the purposes of completing the Amalgamation.

General Development of the Business

Overview and History of POCML

POCML was incorporated under the OBCA on December 21, 2020.

On April 6, 2021, POCML closed its initial public offering ("**IPO**") of 2,800,000 POCML Shares at a price of \$0.10 per share for gross proceeds of \$280,000. In connection with the IPO, POCML granted to the agent, iA Private Wealth Inc. (the "**IPO Agent**"), an option to acquire up to an aggregate of 196,000 POCML Shares at a price of \$0.10 per share for a period of 24 months from the date the POCML Shares are listed on the Exchange. In addition, the IPO Agent received a commission of \$19,600, representing 7% of the aggregate gross proceeds raised under the IPO. At the closing of the IPO, POCML also granted 1,100,000 POCML Options to directors and officers of POCML to acquire an aggregate of 1,100,000 POCML Shares. The POCML Options may be exercised any time prior to April 6, 2026 at an exercise price of \$0.10.

On April 6, 2021, POCML Shares were listed for trading on the Exchange under the stock symbol "POCC.P".

On January 7, 2022, POCML entered into the Letter of Intent with Lithium Ionic, in respect of the Transaction.

On February 7, 2022, POCML entered into the Amalgamation Agreement with Lithium Ionic and POCML Subco, in respect of the Transaction.

Narrative Description of the Business

POCML has never commenced commercial operations and has no assets other than cash. POCML has not carried on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. See *General Development of the Business – Overview and History of POCML*.

Financing

Neither POCML nor any Non-Arm's Length Party to the Qualifying Transaction are proceeding with any manner of financing in conjunction with the Qualifying Transaction. For information regarding the Lithium Ionic Financing, see "*Part IV – Information Concerning Lithium Ionic – General Description of the Business – Overview & History of Lithium Ionic*" and *"Part IV – Information Concerning Lithium Ionic – Description of Securities – Subscription Receipts*".

Selected Consolidated Financial Information

The following table sets forth selected audited consolidated financial information for POCML for the year ended

December 31, 2021. Such information has been derived from and should be read in conjunction with the POCML Financial Statements and the POCML MD&A, attached to this Filing Statement as Appendix "A" and Appendix "B", respectively.

	Year Ended December 31, 2021 ($)	Year Ended December 31, 2020 ($)
Total assets	621,789	410,000
Total liabilities	32,525	0
Shareholders' equity	589,264	410,000
Total revenue	Nil	Nil
Net and comprehensive loss	142,414	Nil
Basic and diluted income (loss) per share	(0.01)	Nil

Quarterly Information

The following table sets forth selected financial information for POCML for each of the five most recently completed quarters ending at the end of the most recently completed financial year. Such information has been derived from and should be read in conjunction with the POCML Financial Statements and the POCML MD&A, attached to this Filing Statement as Appendix "A" and Appendix "B", respectively.

	Quarter ended December 31, 2021 ($)	Quarter ended September 30, 2021 ($)	Quarter ended June 30, 2021 ($)	Quarter ended March 31, 2021 ($)	Quarter ended December 31, 2020 ($)
Total revenue	Nil	Nil	Nil	Nil	Nil
Loss and comprehensive loss	(11,873)	(14,667)	(86,986)	(28,888)	Nil

Management's Discussion & Analysis

The POCML MD&A is attached hereto at Appendix "B" and should be read in conjunction with the POCML Financial Statements which are attached hereto at Appendix "A".

Description of the Securities

Common Shares

The authorized capital of POCML consists of an unlimited number of POCML Shares, of which 12,204,958 POCML Shares are currently outstanding (7,500,000 POCML Shares after giving effect to the Consolidation). The POCML Shares are without par value and entitle the holders thereof to receive notice of, attend and vote at all meetings of POCML Shareholders. Each POCML Share carries one vote at such meetings. Holders of POCML Shares are entitled to dividends as and when declared by the POCML Board. In the event of the voluntary or involuntary liquidation, dissolution or winding-up of POCML, after payment of all outstanding debts, the remaining assets of POCML available for distribution will be distributed to the holders of POCML Shares. The following table sets forth the capitalization of POCML as at the date hereof and following the Share Split, on a non-diluted basis:

Capital	Authorized		Outstanding post Consolidation
POCML Shares	Unlimited	12,204,958	7,500,000

Warrants

There are 91,042 POCML IPO Broker Warrants outstanding to purchase 91,042 POCML Shares and 234,825 POCML Financing Broker Warrants outstanding to purchase 234,825 Resulting Issuer Shares.

Options

Stock Option Plan

POCML Shareholders approved the POCML Option Plan at the POCML Meeting on March 28, 2022.

The purpose of the POCML Option Plan is to advance the interests of POCML by encouraging equity participation in the Company through the acquisition of POCML Shares. The POCML Option Plan is administered by the board of directors of POCML, which has full and final authority with respect to the granting of all Options thereunder.

The POCML Option Plan provides that the aggregate number of securities reserved for issuance under the POCML Option Plan, combined with any other compensation securities of POCML will not exceed 10% of the number of POCML Shares issued and outstanding from time to time. POCML Options may be granted under the POCML Option Plan to service providers of POCML and its affiliates, as the board of directors of POCML may from time to time designate. The exercise price of each POCML Option shall be determined by the board of directors of POCML in its sole discretion, at the time such POCML Option is allocated under the POCML Option Plan, and cannot be less than the Discounted Market Price (as defined in the policies of the TSXV). All POCML Options granted under the POCML Option Plan will expire no later than the date that is ten (10) years from the date that such POCML Options are granted.

The POCML Option Plan provides for the following restrictions: (a) no Service Provider (as defined in the POCML Option Plan) may be granted a POCML Option if that option would result in the total number of stock options granted to the Participant in the previous 12 months, exceeding 5% of the issued and outstanding POCML Shares unless the POCML has obtained disinterested shareholder approval in accordance with TSXV Policies; (b) the aggregate number of POCML Options granted to Service Providers conducting Investor Relations Activities (as defined in TSXV Policies) in any 12 month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant; and (c) the aggregate number of POCML Options granted to any one consultant in any 12 month period must not exceed 2% of the issued and outstanding POCML Shares, calculated at the time of grant, without prior consent of the TSXV.

If a holder of POCML Options ("**Optionee**") ceases to be a director of POCML or ceases to be employed by POCML (other than by reason of death), or ceases to be a consultant of POCML as the case may be, POCML Options may be exercised after the Optionee has left his/her employ/office or has been advised by POCML that his/her services are no longer required or his/her service contract has expired, until the term applicable to such POCML Options expires, except as follows: (a) in the case of the death of an Optionee, any vested POCML Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such POCML Option; (b) a POCML Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the board of directors of POCML as at the date of grant or agreed to by the board of directors of POCML and the Optionee at any time prior to expiry of the POCML Option) after the date of termination, and only to the extent that such POCML Option was vested at the date of termination; and (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's POCML Options, whether or not vested at the date of dismissal, will immediately terminate on the date of termination without right to exercise same.

Optionees may elect to exercise a POCML Option, in whole or in part, on a "cashless exercise" ("**Cashless Exercise**") basis or a "net exercise" ("**Net Exercise**") basis. In connection with a Cashless Exercise of Options, a brokerage firm will loan money to an Optionee to purchase POCML Shares underlying the POCML Options, and will sell a sufficient number of POCML Shares to cover the exercise price of the POCML Options in order to repay the loan made to the Optionee and the Optionee retains the balance of the POCML Shares. In connection with a Net Exercise of POCML Options, an Optionee would receive such number of POCML Shares equal in value to the difference between the POCML Option price and the fair market value of the POCML Shares on the date of exercise, computed in accordance with the terms of the POCML Option Plan.

There are no outstanding options under the POCML Option Plan.

POCML Subscription Receipt Financing

In connection with the Transaction, on February 8, 2022, POCML completed the POCML Financing pursuant to which it issued 3,354,644 POCML Subscription Receipts (excluding Agents' Subscription Receipts) at a price of \$0.70 per Subscription Receipt for aggregate gross proceeds of \$2,348,250.80. See *"Part II – Information Concerning the Transaction – The Financings"*.

Prior Sales

The following table set outs the securities of POCML that have been issued within the twelve (12) months before the date of this Filing Statement:

Date	Type of Security	Number of Securities	Price Per Security	Aggregate Gross Proceeds
April 6, 2021(1)	POCML Shares	2,800,000	\$0.10	\$280,000
April 6, 2021(1)	POCML IPO Broker Warrants	196,000	N/A	N/A
February 8, 2022(2)	POCML Subscription Receipts	3,354,644	\$0.70	\$2,348,250.80
February 8, 2022(2)	POCML Financing			

Broker Warrants | 234,825 | N/A | N/A | | February 8, 2022(3) | Agents' Subscription
Receipts | 192,525 | \$0.70 | N/A |

Notes

- (1) Issued pursuant to initial public offering in British Columbia, Alberta and Ontario.
- (2) Issued pursuant to the POCML Financing.
- (3) Issued to the Agents as partial satisfaction of the Agents' Fee issued at a price equal to the Issue Price.

Trading Price and Volume

The POCML Shares are listed on the Exchange under the trading symbol "POCC.P". The closing price of the POCML Shares on January 7, 2022, being the last day the POCML Shares traded on the Exchange was \$0.48.

The following table sets forth the high and low daily closing prices and the volumes of trading of POCML Shares on the Exchange for the periods indicated.

Period	\$ High	\$ Low	Volume
April 2021	-	-	-
May 2021	-	-	-
June 2021	0.40	0.40	5,100
July 2021	-	-	-
August 2021	-	-	-
September 2021	-	-	-
October 2021	-	-	-
November 2021	0.30	0.30	5,000
December 2021	0.48	0.28	22,000
January 2022(1)	-	-	-

Notes

(1) Halted in accordance with the Exchange Policies in connection with the Letter of Intent.

Arm's Length Transactions

The Transaction is not a Non-Arm's Length Qualifying Transaction within the meaning of the policies of the Exchange.

Legal Proceedings

To POCML's knowledge, POCML is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to POCML to be contemplated by any party since the beginning of the fiscal year ended 2021, being the most recently completed financial year for which POCML Financial Statements are being included in this Filing Statement.

Auditor, Transfer Agent and Registrar

The auditor of POCML MNP LLP, 111 Richmond Street West, Suite 300, Toronto, Ontario M5H 2G4. MNP LLP is independent with respect to POCML in accordance with the Code of Professional Conduct of Chartered Professional Accountants of Ontario.

Material Contracts

POCML has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

- (a) the Amalgamation Agreement;
- (b) the Agency Agreement; and
- (c) the Subscription Receipt Agreements.

Copies of these agreements are available for inspection at the head office of POCML at TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 1S3, during normal business hours until the completion of the Transaction and for a period of 30 days thereafter.

PART IV – INFORMATION CONCERNING LITHIUM IONIC

The following information has been provided by Lithium Ionic and is reflective of the current business, financial and share capital position of Lithium Ionic. See also the Lithium Ionic Financial Statements and the Lithium Ionic MD&A attached hereto at Appendix "C" and "D", respectively. See "*Part VI – Information Concerning the Resulting Issuer*" for pro forma business, financial and share capital information relating to the Resulting Issuer following the Transactions.

Although POCML has no knowledge that would indicate any statements contained herein relating to Lithium Ionic, its affiliates or the Lithium Ionic Shares taken from or based upon such information provided by Lithium Ionic are untrue or incomplete, neither POCML nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to Lithium Ionic, its affiliates or the Lithium Ionic Shares, or for any failure by Lithium Ionic to disclose facts or events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to POCML.

Corporate Structure

Name and Incorporation

The full corporate name of Lithium Ionic, and the full name under which it currently exists and carries its business is "Lithium Ionic Inc." Lithium Ionic was incorporated under the OBCA on July 5, 2021 under the name "LI-Ionic Inc.", which was subsequently changed to its current name on November 17, 2021. Lithium Ionic's registered office and principal place of business is located at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3.

Intercorporate Relationships

Lithium Ionic currently has one wholly-owned subsidiary, Lithium Ionic Brazil.

Lithium Ionic Brazil was incorporated on October 29, 2018 under Brazilian corporate law.

General Development of the Business

Lithium Ionic is a private company existing under the laws of the Province of Ontario. Lithium Ionic' only business is the identification of resource properties for exploration and development and its principal asset is its interest in the Itinga Property located in Minas Gerais State (MG), Brazil.

In December 2021, Lithium Ionic completed a non-brokered private placement offering of an aggregate of 40,610,000 Lithium Ionic Shares at a price of \$0.20 per Lithium Ionic Share and, in connection therewith, issued 2,372,750 Lithium Ionic 2021 Warrants.

On February 8, 2022, Lithium Ionic completed the Lithium Ionic Financing. For further details, please see "*The Financings*" below.

In October 2021, 998 of 1,000 quotas (equivalent of shares) of Lithium Ionic Brazil, which holds a 100% interest in the Itinga Property, were transferred from Helio Diniz to Lithium Ionic and Forbes Empreendimentos Minerais Ltda transferred its one (1) quota of Lithium Ionic Brazil to Lithium Ionic. In January 2022, the remaining quota of Lithium Ionic Brazil was transferred from Helio Diniz to Lithium Ionic.

Narrative Description of the Business

Lithium Ionic' current principal asset is its 100% interest in the Itinga Property.

Itinga Property

The following disclosure regarding the Itinga Property is derived from the NI 43-101 technical report prepared by Leonardo Soares, MAIG, titled "Independent Technical Report – MGLIT – Itinga Project, Minas Gerais State, Brazil" with an effective date of March 20, 2022. The Itinga Property Technical Report is incorporated by reference herein.

Leonardo Soares, MAIG, author of the Itinga Property Technical Report, is a "qualified person" for the purposes of NI 43-101, and have reviewed and approved the scientific and technical disclosure contained in this Filing Statement.

Property Location

The Itinga Property is in Minas Gerais state northeast in Brazil's southwest region. It is approximately 40 kilometers northeast of the city of Araçuaí. The Itinga Property's seven tenements are located in the Municipalities of Araçuaí and Itinga. The Itinga Property is located at the following coordinates: latitude 6°51'31 South, and longitude 42° 2'20." West, with an average altitude of 307 meters.

History

Regionally, the first records of pegmatite exploitation in Araçuaí - Itinga region comes from the 18th century when small artisanal miners and diggers explored beryl, topaz, aqua marine and tourmalines for gem production. During the 1950's, tin, and lithium minerals (amblygonite) started to be extracted in the area by *Estanífera do Brasil*. During the 1960's, Companhia Arqueana de Minérios e Metais LTDA, a Brazilian concern, started their activities in the region extracting tin (cassiterite). During this time, feldspar, lithium and cassiterite, and, to a lesser degree tantalite, were mined from over 100 small pits developed on outcropping weathered pegmatite.

With the increase in lithium prices due to the technology boom in the 1990's due to the increased need for lithium-powered batteries, the Companhia Brasileira de Lítio (CBL), another Brazilian concern, began operations at Cachoeira Mine in 1991 processing spodumene from the Itinga region pegmatites as main source of metallic lithium.

In 2014, all the lithium tenements belonging to Arqueana de Minérios e Metais in the region were transferred to Sigma Mineração S.A., who began a major exploration program in Araçuaí and Itinga region leading to a reserve definition and entering the pre-construction phase of their mine in Itinga region.

The Itinga Project tenements were first acquired by Falcon Metais between 2009 and 2016. In 2021, Falcon Metals, an entity that that held a series of lithium tenements in the Araçuaí Pegmatitic District, transferred the tenements to Lithium Ionic Brazil. In October 2021, Lithium Ionic acquired 99% of Lithium Ionic Brazil. At the end of 2021, Lithium Ionic Brazil contracted GE21 to execute their exploration program in Itinga region. Finally, in January 2022, Lithium Ionic acquired 100% of Lithium Ionic Brazil.

Therefore, there are no previous mineral exploration activity carried out by another company or landowner and no historical mineral resources estimates or reserves, only the presence of tourmaline artisanal mining. It was the informal activity prospecting for tourmalines that allowed the discovery, under the extensive layer of red soil, the finding of spodumene rich pegmatite.

The only systematic exploration work on adjacent areas is the research carried out by Sigma Mineração (Sigma Lithium Resources), tenement number 831703/2016, and the exploration and mining activity of CBL – Companhia Brasileira de Litio in the tenement 832439/2009.

Property Geology

Based on the first geologic studies and exploration work reviewed and the presence of a pegmatite swarm, it is concluded that the Itinga Property is located on a prospective lithium bearing pegmatite province corroborated by the geologic characteristic potential, and with several occurrences of proved lithium mineralized pegmatites worked or in development on adjacent properties.

Exploration

Initial remote sensed work by Lithium Ionic Brazil was executed using multispectral satellite images and digital elevation model. Through the use of the aforementioned method, Li-pegmatite signatures were evaluated, and follow-up initial field checks are inconclusive at this stage with positive and negative results. A targeting processing will be refined on the positive results achieved. The initial scouting using mapping and soil geochemistry on the Itinga Property, which returned significant lithium and related elements anomalies (Sn, Nb, Zn, V and Sr) anomalies in two tenements.

In tenement 832.439/2009 five soil anomalies returned lithium grades above 121ppm. The anomalies guided the identification of two main pegmatitic bodies: one of them extends for 1200m with 9m width and it is spodumene bearing on rock samples collected from trench that returned 1.2% and 2.23% Li2O and samples from the trench resulted in 8.8m@1.46%Li2O including 5.8m@1.82%Li2O; the other pegmatitic body has 400m in extension and width of 2m with rock samples returning 0.21% and 0.28% Li2O. These two pegmatitic bodies are oriented in the NE-SW direction, that coincides with the same local trend of the Li-pegmatites being exploited immediately NW by CBL and the direction found in most of Sigma`s deposits.

In tenement 831703/2016the soil geochemistry results identified at least seven anomalies varying from 300 to 1000m in extension with significant grades above 269ppm Lithium. These anomalies are ENE-SWS oriented similar to the regional structural trend. Lepidolite was discovered associated with these pegmatites and chip samples results associated to these anomalies ranged from 0.15 to 1.2% Li

Conclusions

The lithium-pegmatites to be explored are in the Li- fertile Araçuaí Pegmatite District (APD), situated in the northern part of the major East Pegmatite Province of Minas Gerais.

Within the Araçuaí Pegmatite District, more than a hundred pegmatitic occurrences are currently known and several of said occurrences were previously targeted by a number of smaller miners and diggers looking for feldspar, spodumene, quartz, coltan, tin and gems. The pegmatites present on the Itinga Property are typical L-C-T pegmatites (Lithium-Cesium-Tantalum). The Єγ4S granite suite and the salinas formation hosts the richest lithium pegmatites within the Itinga Property.

Today the focus in the region is spodumene due to the increase in market value in the last years. The region in which the Itinga Property is situated holds the biggest lithium reserves in all of Brazil. Based on the first geologic studies and exploration work reviewed and the presence of a pegmatite swarm, it is concluded that the Itinga Property is located on a prospective lithium bearing pegmatite province corroborated by the geologic characteristic potential, and with several occurrences of proved lithium mineralized pegmatites worked or in development on adjacent properties.

The first results identified from detail mapping, and soil and rock assaying identified two areas with consistent lithium soil anomalies and grades above 121ppm Li. The extension reaching 1200m associated with the presence of artisanal pits and significant Lithium rock assay results. In tenement 832439/2009 two main anomalies associated with spodumene bearing pegmatite were mapped: Galeria and Shatf, with width of 9m and 2m respectively exposed in trenches and galleries and significant rock assay results from 0.23% to 2.23% Li_2O. In tenement 831703/2016, one Lithium soil anomaly with 1000m in extension has a 300m section, associated with artisanal pits, and with rock assay results up to 1.20% de Li_2O.

Based on this premise, considering the extent and location of the tenements and the already identified occurrences, it is reasonable to expect good results, thus justifying a systematic exploration program on the Itinga Property.

Recommendations

Phase I Work Program

- (a) Perform detailed lithological and structural mapping;
- (b) Cover all the claims with systematic rock sampling and soil geochemistry;
- (c) Cover the most potential areas with an IP and Mag survey for structural mapping and for identification of higher Resistivity zones below overburden;
- (d) Detailed mapping supported by trenching and exploratory auger drilling of soil anomalies and occurrences;
- (e) A 1,500m exploratory DDH program covering the most important anomalies and Pegmatite zones;
- (f) Develop a regional targeting project and a geological reconnaissance of new potential areas, occurrences and prospects taking advantage of third-part available areas and the regional continuity of the Pegmatite District.

Phase II Work Program

- (a) Perform an initial diamond drilling campaign of 5,000m supported and designed based on Phase I results
- (b) Develop systematic exploration on new selected and confirmed regional targets
- (c) Implement a consistent QAQC program, density tests and accurate topographic survey;
- (d) Execute a preliminary metallurgical tests;
- (e) Execute a NI 43-101 compliant mineral resource estimation and complete a PEA (Preliminary Economic Assessment)

For more information, please see the Itinga Property Technical Report posted on the Resulting Issuer's SEDAR profile at www.sedar.com.

Selected Consolidated Financial Information

The following table sets forth selected consolidated financial information of Lithium Ionic for the period from incorporation, July 5, 2021, to December 31, 2021. Such information has been derived from and should be read in conjunction with the Lithium Ionic Financial Statements and the Lithium Ionic MD&A, attached to this Filing Statement as Appendix "C" and Appendix "D", respectively.

	Period Ended December 31, 2021
Total assets	\$7,813,111
Total liabilities	\$945,956
Shareholder's equity (deficit)	\$6,867,155
Total revenue	Nil
Net and comprehensive loss	\$779,368
Basic and diluted loss per share	\$0.02

Management's Discussion and Analysis

The Lithium Ionic MD&A is attached hereto at Appendix "D" and should be read in conjunction with Lithium Ionic Financial Statements attached hereto at Appendix "C".

Description of Securities

Authorized Capital

Lithium Ionic is currently authorized to issue an unlimited number of Lithium Ionic Shares, of which 71,710,001 Lithium Ionic Shares are issued and outstanding. Also, 17,710,201 Lithium Ionic Subscription Receipts (including 1,064,845 Agents' Subscription Receipts), 1,165,174 Lithium Ionic Financing Broker Warrants and 2,372,750 Lithium Ionic 2021 Warrants are issued and outstanding. There are no other Lithium Ionic securities, including securities exchangeable or exercisable for or convertible into Lithium Ionic Shares, outstanding.

Holders of Lithium Ionic Shares have the right to receive notice of any meeting of shareholders of Lithium Ionic, to attend such meeting and to vote thereat, with the exception of meetings at which only holders of other classes of shares are entitled to vote. Holders of Lithium Ionic Shares are entitled to receive, *pari passu* with one another, non-cumulative dividends if, as and when declared by the Lithium Ionic Board. Lithium Ionic Shares will be entitled to receive dividends or other distributions on the Lithium Ionic Shares. Furthermore, holders of Lithium Ionic Shares are entitled to receive, on a *pari passu* basis, (i) the remaining property of Lithium Ionic upon its liquidation, dissolution or winding-up, and (ii) the remaining proceeds in the event of a change of control.

None of the securities of Lithium Ionic are currently listed or quoted for trading on any stock exchange.

Options

As of the date hereof, there are 6,720,000 Lithium Ionic Options outstanding. The Lithium Ionic Options were granted under the Lithium Ionic Option Plan to certain, directors, officers, employees and consultants of Lithium Ionic. Each Lithium Ionic Option entitles the holder thereof to purchase one Lithium Ionic Share at an exercise price of \$0.70 per Lithium Ionic Share at any time until April 20, 2027.

Stock Option Plan

The policies of the Exchange provide that the Lithium Ionic Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of Lithium Ionic and its Affiliates and to consultants and management company employees ("**Lithium Ionic Optionees**"), nontransferable Lithium Ionic Options to purchase Lithium Ionic Shares for a period of up to ten years from the date of the grant, provided that the number of Lithium Ionic Shares reserved for issuance may not exceed 10% of the total issued and outstanding Lithium Ionic Shares at the date of the grant.

The purposes of the Lithium Ionic Option Plan established by Lithium Ionic, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of Lithium Ionic by facilitating the efforts of Lithium Ionic to obtain and retain employees, officers, directors and consultants. The Lithium Ionic Option Plan provides an incentive for, and encourages ownership of the Lithium Ionic Shares, by these key individuals so that they may increase their stake in Lithium Ionic and benefit from increases in the value of the Lithium Ionic Shares.

The maximum number of Lithium Ionic Shares issuable from time to time under the Lithium Ionic Option Plan may not exceed 10% of the number of issued Lithium Ionic Shares at the date the option is effectively granted. In addition, if the Lithium Ionic Shares are listed only on the TSXV, the Lithium Ionic Shares issuable pursuant to Lithium Ionic Options shall be subject to the following limitations:

- (a) the number of Lithium Ionic Shares reserved for issuance under Lithium Ionic Options granted to Insiders under the Lithium Ionic Option Plan, and any other equity compensation plan of Lithium Ionic, shall not exceed 10% of the issued Lithium Ionic Shares;
- (b) the grant to Insiders, within a 12 month period, of Lithium Ionic Options under the Lithium Ionic Option Plan, and any other equity compensation plan of Lithium Ionic, shall not exceed 10% of the issued Lithium Ionic Shares;
- (c) the issuance of Lithium Ionic Shares on exercise of Lithium Ionic Options to any one Lithium Ionic Optionee under the Lithium Ionic Option Plan and any other equity compensation plan of Lithium Ionic, shall not exceed 5% of the issued Lithium Ionic Shares in any 12-month period;

- (d) the number of Lithium Ionic Options granted to any one Lithium Ionic Optionee under the Lithium Ionic Option Plan, and any other equity compensation plan of Lithium Ionic, shall not exceed 5% of the issued Lithium Ionic Shares in any 12-month period;

- (e) the number of Lithium Ionic Options granted to any one consultant under the Lithium Ionic Option Plan, and any other equity compensation plan of Lithium Ionic, shall not exceed 2% of the issued Lithium Ionic Shares in any 12-month period; and
- (f) the aggregate number of Lithium Ionic Options granted to persons employed to provide investor relations activities shall not exceed 2% of the issued Lithium Ionic Shares in any 12-month period.

Notwithstanding the terms of the Lithium Ionic Option Plan described above, the Exchange Policy 2.4 imposes certain restrictions on incentive stock options during the period that Lithium Ionic remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under Exchange Policy 2.4, Lithium Ionic, while it remains a CPC, is limited to granting incentive stock options to only directors, officers and technical consultants of Lithium Ionic. In addition, the total number of Lithium Ionic Shares reserved under option for issuance pursuant to the Lithium Ionic Option Plan may not exceed 10% of the Lithium Ionic Shares outstanding at the time of grant. The maximum number of Lithium Ionic Shares reserved under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding Lithium Ionic Shares to be outstanding at the date of grant. The maximum number of Lithium Ionic Shares reserved under option for issuance to all technical consultants may not exceed 2% of the issued and outstanding Lithium Ionic Shares to be outstanding at the date of grant. In addition, while Lithium Ionic is a CPC, it is prohibited from granting incentive stock options to any person providing investor relations activities, promotional or market making services. The exercise price per Lithium Ionic Share under any incentive stock option granted by Lithium Ionic while it is a CPC may not be less than the greater of \$0.05 and the Discounted Market Price (as defined in the policies of the Exchange). Any Lithium Ionic Shares acquired pursuant to the exercise of incentive stock options prior to the completion of the Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

The maximum term of Lithium Ionic Options is not to exceed ten years from the date of the grant to an Lithium Ionic Optionee. Unless the Lithium Ionic Board determines otherwise, Lithium Ionic Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are contained in the Lithium Ionic Option Plan or as the Lithium Ionic Board may from time to time impose, or as may be required by the Exchange or under applicable securities law. Each Lithium Ionic Option and all rights thereunder shall expire at the Expiry Time (as defined in the Lithium Ionic

Option Plan), but will be subject to earlier termination in accordance with the terms of the Lithium Ionic Option Plan.

Subject to the terms of the applicable stock option agreement, in the event that an Lithium Ionic Optionee ceases to be a director, officer, employee or consultant of Lithium Ionic for any reason other than death, the Lithium Ionic Option may be exercised at any time up to the earlier of (a) the Expiry Time and (b) a date that is 90 days following the effective date of the resignation, retirement or notice of termination of employment or, if the Lithium Ionic Shares are only listed on the TSXV and if Lithium Ionic is designated as a "Tier 2" listed company by the TSXV, then in the case of a person employed to provide investor relations activities, not more than 30 days after such person ceases to be employed to provide investor relations activities . Notwithstanding the foregoing, in the event of termination for cause, such Lithium Ionic Option shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Lithium Ionic Optionee by Lithium Ionic. In the event of death of a Lithium Ionic Optionee on or prior to the Expiry Time, the Lithium Ionic Options may be exercised within a maximum period of one year after such death.

Lithium Ionic Subscription Receipt Financing

In connection with the Transaction, on February 8, 2022, Lithium Ionic completed the Lithium Ionic Financing pursuant to which it issued 16,645,356 Lithium Ionic Subscription Receipts (excluding Agents' Subscription Receipts) at a price of \$0.70 per Subscription Receipt for aggregate gross proceeds of \$11,651,749.20. See *"Part II – Information Concerning the Transaction – The Financings"*.

Consolidated Capitalization

The following table sets forth Lithium Ionic' capitalization and outstanding debt as at the dates indicated below, as more particularly described in the Lithium Ionic Financial Statements, which are attached hereto at Appendix "C".

Designation of Security or Debt	Amount Outstanding as at December 31, 2021	Amount Outstanding as at the Filing Statement Date (prior to giving effect to the Transaction)
Lithium Ionic Shares	71,710,001	89,420,202(1)
Lithium Ionic Warrants	2,372,750	3,537,924
Lithium Ionic Options	Nil	6,720,000

Notes:

Prior Sales

The following table set outs the securities of Lithium Ionic that have been issued within the 12 months before the date of this Filing Statement:

Date	Type of Security	Number of Securities	Issue Price per Security	Aggregate Issue Price
July 6, 2021(1)	Lithium Ionic Shares	31,100,001	\$0.0000001	\$3.11
December 1, 2021(2)	Lithium Ionic Shares	24,950,000	\$0.20	\$4,990,000
December 1, 2021(3)	Lithium Ionic 2021 Warrants	2,372,750	N/A	N/A
December 14, 2021(2)	Lithium Ionic Shares	13,235,000	\$0.20	\$2,647,000
December 14, 2021(4)	Lithium Ionic Shares	300,000	\$0.20	\$60,000
December 17, 2021(2)	Lithium Ionic Shares	1,625,000	\$0.20	\$325,000
December 21, 2021(2)	Lithium Ionic Shares	500,000	\$0.20	\$100,000
February 8, 2022(5)	Lithium Ionic Subscription Receipts	16,645,356	\$0.70	\$11,651,749.20
February 8, 2022(5)	Lithium Ionic Financing Broker Warrants	1,165,174	N/A	N/A
February 8, 2022(6)	Agents' Subscription Receipts	1,064,845	\$0.70	N/A
April 20, 2022	Lithium Ionic Options	6,720,000	N/A	N/A

Notes:

- (1) Issued on incorporation.
- (2) Issued pursuant to a non-brokered private placement.
- (3) Issued as finder warrants in connection with non-brokered private placement.
- (4) Issued as remuneration for services rendered to Lithium Ionic.
- (5) Issued pursuant to the Lithium Ionic Financing.
- (6) Issued to the Agents as partial satisfaction of the Agents' Fee issued at a price equal to the Issue Price.

Executive Compensation

Compensation Discussion and Analysis

At no time prior to the date of this Filing Statement was Lithium Ionic a reporting issuer for the purposes of Canadian securities laws. Significant elements of the compensation to be awarded to, earned by, paid to or payable to named executive officers of the Resulting Issuer following the Closing, to the extent it has been determined, is set forth in "*Part VI – Information Concerning the Resulting Issuer*".

(1) Includes the 17,710,201 Lithium Ionic Shares issued upon conversion of Lithium Ionic Subscription Receipts.

Management Contracts

Management functions of Lithium Ionic are, and since incorporation have been, performed by the directors of Lithium Ionic, and are not to any substantial degree performed by any other person or corporation.

Non-Arm's Length Party Transactions

In October 2021, 998 of 1,000 quotas (equivalent of shares) of Lithium Ionic Brazil, which holds a 100% interest in the Itinga Property, were transferred from an officer and director of Lithium Ionic, Helio Diniz, to Lithium Ionic and Forbes Empreendimentos Minerais Ltda (a corporation controlled by Helio Diniz) transferred its one (1) quota of Lithium Ionic Brazil to Lithium Ionic. In January 2022, the remaining quota of Lithium Ionic Brazil was transferred from Helio Diniz to Lithium Ionic.

As at December 31, 2021, an amount of \$450,000 included in accounts payable and accrued liabilities was owed to directors and officers of Lithium Ionic. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment. Subsequent to December 31, 2021, an amount of \$300,000 was paid.

Other than the foregoing, to the knowledge of Lithium Ionic, there have been no transactions before the date of this Filing Statement, or proposed, in which any director, officer, Promoter or principal stockholder of Lithium Ionic or Associates or Affiliates thereof have or have had a material interest.

Legal Proceedings

To the knowledge of Lithium Ionic, there are no legal proceedings to which Lithium Ionic is a party to, or in respect of which any of its assets are the subject of, which is or will be material to Lithium Ionic, and Lithium Ionic is not aware of any such legal proceedings that are contemplated.

Auditor, Transfer Agent and Registrar

The auditor of Lithium Ionic is McGovern Hurley LLP at its principal office in Toronto, Ontario. McGovern Hurley LLP is independent with respect to Lithium Ionic within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Lithium Ionic does not currently employ a transfer agent or registrar.

Material Contracts

Except for contracts entered into by Lithium Ionic in the ordinary course of business, the only current material contracts entered into or currently anticipated to be entered into by Lithium Ionic which can reasonably be regarded as presently material are:

- (a) the Amalgamation Agreement;
- (b) the Agency Agreement;
- (c) the Lithium Ionic Subscription Receipt Agreement; and
- (d) conveyance documents transferring 100% of the quotas of Lithium Ionic Brazil to Lithium Ionic.

After completion of the Transaction, the material agreements listed above will be considered to be the material agreements of the Resulting Issuer.

Copies of all material agreements referred to in this Filing Statement may be inspected at the head office of Lithium Ionic located at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3 during normal business hours until the closing of the Transaction and for a period of thirty (30) days thereafter.

PART V – INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the completion of the Transaction, the Resulting Issuer will carry on the businesses currently carried on by Lithium Ionic. See the various headings under "Information Concerning POCML" and "Information Concerning Lithium Ionic" for additional information regarding POCML and Lithium Ionic, respectively. See also the Pro Forma Financial Statements of the Resulting Issuer attached hereto as Appendix "G".

Corporate Structure

Name and Incorporation

The Resulting Issuer will continue under the name "*Lithium Ionic Corp.*", or such other name as may be determined by Lithium Ionic, subject to applicable Exchange approval. The Resulting Issuer will be governed under the OBCA. It is expected that, following the completion of the Transaction, the Resulting Issuer's head office and registered office will be located at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3.

Intercorporate Relationships

Following the Qualifying Transaction, the Resulting Issuer will be the sole shareholder of Amalco and Amalco will thereby be a wholly owned subsidiary of the Resulting Issuer. The chart below represents the anticipated corporate structure of the Resulting Issuer.

Narrative Description of the Business, Business Objectives and Milestones

Upon completion of the Transaction, the Resulting Issuer will carry on the businesses of Lithium Ionic. See "*Part IV – Information Concerning Lithium Ionic – Narrative Description of the Business", "Part VI – Information Concerning the Resulting Issuer – Available Funds" and "Part VI – Information Concerning the Resulting Issuer – Principal Purposes*".

The Resulting Issuer's intended primary business objectives and milestones following the completion of the Transaction is to continue its multi-phase plan to systematically explore and develop the Itinga Property, and implement the Phase I Work Program and Phase II Work Program, as further described under "Part IV –

Information Concerning Lithium Ionic – Itinga Property". The Resulting Issuer intends to implement the work plan based upon the recommendations of the authors in the Technical Report. The current work plan will span over two phases and the proposed budget for the work plan is set out above. See "Part IV – Information Concerning Lithium Ionic – Itinga Property – Recommendations".

Description of the Securities

Upon completion of the Transaction, the authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares and will continue to be the same as the current authorized capital of POCML. See *"Part III – Information Concerning POCML – Description of the Securities"* of this Filing Statement.

See "*Part V – Information Concerning the Resulting Issuer – Fully Diluted Share Capital*" of this Filing Statement for the total issued and outstanding share capital of the Resulting Issuer and securities convertible into Resulting Issuer Shares.

Selected Pro Forma Financial Information of the Resulting Issuer

The following table sets forth selected historical financial information for Lithium Ionic for the period ended December 31, 2021, based on the *pro forma* statement of financial position contained in this Filing Statement at Appendix "G" – *Unaudited Pro Forma Financial Statements of the Resulting Issuer*.

	Lithium Ionic as at December 31, 2021 ($)	POCML as at December 31, 2021 ($)	Pro Forma Adjustments(1)

(\$) | Pro Forma
Consolidated(1)
(\$) |
|---|---|---
| Cash | 7,788,687 | 621,789 | 14,000,000 | 22,120,989 | | Total Assets | 7,833,111 | 621,789 | 13,710,513 | 22,165,413 | | Total Liabilities | 945,956 | 32,525 | - | 955,014 |
| Total Shareholders' Equity
(Common Shares) | 7,487,282 | 589,264 | 18,133,409 | 26,273,442 |

Notes:

Fully Diluted Share Capital

Lithium Ionic is seeking to list the Resulting Issuer Shares on the Exchange. The following table sets forth the expected fully-diluted share capital of the Resulting Issuer on a pro forma basis as at May 12, 2022 based on the share capital of Lithium Ionic, and POCML as at the same date:

| | Number of
Common Shares | Percentage
(undiluted) |
|---|---|---
| Resulting Issuer Shares: | | | | Held by Lithium Ionic Current Shareholders | 71,710,001 | 71.38% | | Held by Subscription Receipt Investors
(including the Agents' Subscription Receipts) | 21,257,370 | 21.16% | | Held by POCML Current Shareholders (post
Consolidation) | 7,500,000(1) | 7.47% | | Total | 100,467,371 | 100% | | Resulting Issuer Convertible Securities: | | | | Resulting Issuer
Warrants issuable to holders of | 3,537,924(2) | |

(1) Includes proceeds of the Financings.

the Lithium Ionic Warrants

Resulting Issuer Warrants issuable to holders of the POCML Financing Broker Warrants 234,825(3) Resulting Issuer Warrants issuable to holders of the POCML IPO Broker Warrants (post-Consolidation) 55,946(4) Resulting Issuer Options exchanged for Lithium Ionic Options 6,720,000(5)

Total 10,548,695

Notes:

(1) Represents the 12,204,958 POCML Shares currently outstanding after applying the Consolidation Ratio.

- (2) Comprised of the following: (a) 2,372,750 Resulting Issuer Warrants issuable to holders of Lithium Ionic 2021 Warrants exercisable to purchase Resulting

Issuer Shares at a price of \$0.20 per Resulting Issuer Share until December 1, 2023; and (b) 1,165,174 Resulting Issuer Warrants issuable to holders of Lithium Ionic Financing Broker Warrants exercisable to purchase Resulting Issuer Shares at a price of \$0.70 per Resulting Issuer Share until the date that is 24 months from the date of the issuance of the Release Notice.

- (3) Resulting Issuer Warrants issuable to holders of POCML Financing Broker Warrants are exercisable to purchase Resulting Issuer Shares at a price of \$0.70 per Resulting Issuer Share until the date that is 24 months from the date of the issuance of the Release Notice.
- (4) Resulting Issuer Warrants issuable to holders of POCML IPO Broker Warrants (post-Consolidation) are exercisable to purchase Resulting Issuer Shares at a price of \$0.1627 per Resulting Issuer Share until April 12, 2023.
- (5) Resulting Issuer Options issuable to holders of Lithium Ionic Options are exercisable to purchase Resulting Issuer Shares at a price of \$0.70 per Resulting Issuer Share until April 20, 2027.

Available Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer on a consolidated basis after giving effect to the Transaction:

Source of Funds	**Amount**
Estimated working capital of Lithium Ionic	
as at April 30, 2022	\$6,100,000
Estimated working capital of POCML	
as at	
April	
30, 2022	\$600,000
Net proceeds from the Financings(1)	\$13,797,860
Total Estimated Funds Available(2)	\$20,497,860

Notes:

- (1) After deduction of the cash portion of the Agents' Fee.
- (2) Does not include expenses incurred in connection with the Transaction in the amount of \$175,000.

Dividends

It is not expected that the Resulting Issuer will declare any dividends for the foreseeable future. There are no restrictions in the Resulting Issuer's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. The Resulting Issuer Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. Holders of Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid on the Resulting Issuer Shares on a per share basis.

Principal Purposes

The following table summarizes the expenditures anticipated by the Resulting Issuer required to achieve its business objectives during the 12 months following completion of the Transaction:

Uses of Funds	Amount of Funds (\$)
Phase I Work Program –	
Itinga Property	
Mapping and Geochemistry (soil and rock)	\$150,000
Line opening and IP / Mag Geophysics	\$100,000
Trenching and Auger drilling of anomalies	\$100,000
Management and Basic Staff	\$200,000
Diamond	
drilling	
campaign	
of	
1500m	
(exploratory)	\$200,000
Regional	
targeting	
and	
geological	
reconnaissance	\$250,000
Phase 2	
Work Program –	
Itinga Property	
Diamond drilling campaign of 5.000m	\$550,000
Geologging and Sampling	\$300,000
Geochemistry ,QAQC, density, etc	\$150,000

Uses of Funds	Amount of Funds (\$)
Management and Basic Staff	\$300,000
NI	
43-101 Mineral Resource Estimation	\$100,000
PEA –	
Preliminary Economic Evaluation	\$100,000
Preliminary Metallurgical Tests	\$100,000
Contingency	\$250,000
Other Expenses	
Salaries	\$720,000
Investor Relations	\$200,000
Legal Fees(1)	\$150,000
Audit Fees(2)	\$75,000
Accounting Fees	\$60,000
Public Company Costs(3)	\$100,000
Administrative(4)	\$350,000
Miscellaneous(5)	\$390,000
Total Estimated Uses of Funds	\$4,895,000
Unallocated Working Capital(6)	\$15,602,860

Notes:

- (1) Includes \$125,000 for legal fees relating to the Transaction.
- (2) Includes \$50,000 for audit fees relating to the Transaction.
- (3) Includes regulatory filing fees.
- (4) Includes accounting fees, legal fees, renewal fees and land management costs.
- (5) Includes travel, office costs and internet.
- (6) Possible uses of the unallocated working capital: to fund ongoing operations; future due diligence of other mining claims and concessions; and other uses as may be necessary.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Issuer. For these reasons, management of POCML and Lithium Ionic consider it to be in the best interests of the Resulting Issuer and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises.

Principal Securityholders

To the best of the knowledge of management and the directors of POCML and Lithium Ionic, upon completion of the Transaction, no person will beneficially own, directly or indirectly, or exercise control or direction over, Resulting Issuer Shares carrying more than 10% of the voting rights attached to all Resulting Issuer Shares as of the date of this Filing Statement.

Directors, Officers and Promoters

The following table provides the names, province or state and country of residence, position, and principal occupations of each executive officer and director expected to be an executive officer and/or director of the Resulting Issuer, as well as the number and percentage of Resulting Issuer Common Shares that are expected to be beneficially owned, directly or indirectly, or which control or direction is expected to be exercised, by each such person. It is expected that the term of each director listed below will conclude at the end of the Resulting Issuer's next annual meeting of shareholders following closing of the Transaction, subject to reappointment by the shareholders of the Resulting Issuer at such meeting.

Name and Residence	Positions Held with Resulting Issuer	Principal Occupation or Employment During the Past Five Years	Start Date with Resulting Issuer	Number of Resulting Issuer Common Shares Beneficially Owned, or Controlled	Percentage of Resulting Issuer Common Shares Beneficially Owned, or

Controlled(1) |
|--|---|--

| Blake Hylands
Toronto, Ontario | CEO and
Director | Senior Vice
President of
Exploration, Troilus
Gold Corporation | On the
Effective Date | Nil | - | | Helio Diniz
Belo Horizonte, Brazil | President
and
Director | Managing Director of
Brazil Potash Corp. | On the
Effective Date | 8,200,000 | 8.2% | | Greg Duras
Toronto, Ontario | CFO | CFO of Emerita
Resources Corp. and
CFO of Lithium Ionic
Resources Corp. | On the
Effective Date | 500,000 | 0.5% | | Damian Lopez
Toronto, Ontario | Corporate
Secretary | Legal and
management
consultant to various
publicly traded
companies | On the
Effective
Date | 3,000,001 | 3.0% | | Patrizia Ferrarese
Toronto, Ontario | Director | Vice President of
Business Design and
Innovation at
Investment Planning
Counsel | On the
Effective Date | Nil | - | | David Gower
Toronto, Ontario | Director | CEO of Emerita
Resources Corp. and
CEO of Lithium Ionic
Resources Corp. | On the
Effective Date | 4,000,000 | 4.0% | | Lawrence Guy
Toronto, Ontario | Director | CEO of North 52nd
Asset Management
Inc. | On the
Effective Date | 8,000,000 | 8.0% |

| Name and
Residence | Positions

Held with
Resulting
Issuer | Principal
Occupation or
Employment During
the Past Five Years | Start Date
with Resulting
Issuer | Number of
Resulting
Issuer
Common
Shares
Beneficially
Owned, or
Controlled | Percentage of
Resulting
Issuer
Common
Shares
Beneficially
Owned, or
Controlled(1) |
|----------------------------------|---|--
| Michael Shuh
Toronto, Ontario | Director | Managing Director,
Investment Banking,
at Canaccord Genuity | On the
Effective Date | Nil | - |

Notes:

The executive officers and directors of the Resulting Issuer are expected to own, directly or indirectly, or exercise control or direction over 28,700,001 Resulting Issuer Common Shares, representing approximately 28.6% of the Resulting Issuer Common Shares expected to be issued and outstanding following the Transaction.

Biographies of Management and Directors

Biographical information regarding each such director and executive officer is presented below.

Blake Hylands, Chief Executive Office and Director, 34 – Mr. Hylands is a Professional Geoscientist with over a decade of experience in advanced and early-stage exploration. Mr. Hylands is currently the Senior Vice President of Exploration for Troilus Gold Corp. where he has built and led a substantial technical team to the discovery of over eight million gold equivalent ounces at their development stage asset in northern Quebec. He has successfully trained and managed large teams with a focus in gold, base metals, and iron ore in Canada and internationally including South America and Europe. He has held numerous board positions for junior mining companies and has extensive professional experience in capital markets and community outreach including executive roles in corporate development and communications with First Nations. Mr. Hylands has a B.Sc in Geology from the University of Western in London Ontario.

Helio Diniz, President and Director, 64 – Mr. Diniz, has 40 years of experience with exploration and mining activities and has served as the Managing Director of Brazil Potash Corp. since July 2009. Mr. Diniz started his career with GENCOR South Africa where he was involved in the evaluation and development of the Sao Bento gold mine in Brazil currently operated by Eldorado Gold Corp. He then went on to work for Xstrata (now Glencore) as Managing Director Brazil during which he discovered the world class Araguaia Nickel Deposit (over 100 million tonnes, 1.5% Ni). He then went on to set up several companies, such as Falcon Metais and HDX Consultoria, as an entrepreneur to identify, explore and develop mining opportunities in Brazil. During this time, he founded and developed several companies for the Forbes & Manhattan Inc. group in different commodities such as potash – Brazil Potash, phosphate – Aguia Metais, gold – Belo Sun Mining and oil shale – Irati Petroleo e Energia Ltda.

Patrizia Ferrarese, Director, 50 – Ms. Ferrarese has more than 20 years of experience in capital markets, entrepreneurship, and strategy consulting. She is currently Vice President (VP) of Business Design and Innovation at Investment Planning Counsel (IPC), overseeing strategic growth initiatives in wealth management. Prior to joining IPC as VP of Product Management, Ms. Ferrarese held senior roles in product management and performance optimization at Tangerine Bank and Praxair, with responsibility for strategic growth across Canada. Her management consulting experience includes engagements in South America and EMEA spanning graphite, oil and gas, and potash industries focused on identifying new market opportunities. Her career includes equity and options market making and trading in North America, culminating in portfolio and commodity trading manager roles as co-founder of an investment management company. Beyond her professional career, Ms. Ferrarese mentors case competition teams at the Rotman School of Management and is a Volunteer Advisor with the Canadian Executive Service Organization (CESO). Ms. Ferrarese is currently pursuing her Doctorate in Business Administration at SDA Bocconi and holds an MBA from Wilfrid Laurier University and a Bachelor of Arts (Honours) in Economics from York University.

(1) Prior to completion of the Proposed Qualifying Transaction.

David Gower, *Director*, 63 – Mr. Gower has held Executive and Director positions with several junior and midsize mining companies for the past 12 years, including Chief Executive Officer and Director of Emerita Resources, Lithium Ionic Resources and President of Brazil Potash Corp. David spent over 20 years with Falconbridge (now Glencore) as Director of Global Nickel and PGM exploration and as a member of the Senior Operating Team for mining projects and operations. He led exploration teams that made brownfield discoveries at Raglan and Sudbury, Matagami, Falcondo, in the Dominican Republic, and greenfield discoveries at Araguaia in Brazil, Kabanga in Tanzania and Amazonas in Brazil. Mr. Gower is a Director of Alamos Gold.

Lawrence Guy, Director, 51 – Mr. Guy is Chief Executive Officer of North 52nd Asset Management Inc. and Chair of Emerita Resources Corp. Previously, Larry was a Portfolio Manager with Aston Hill Financial Inc. Prior to Aston Hill, Mr. Guy was Chief Financial Officer and Director of Navina Asset Management Inc., a company he co-founded that was subsequently acquired by Aston Hill Financial Inc. Mr. Guy has also held senior offices at Fairway Capital Management Corp., and First Trust Portfolios Canada Inc. Mr. Guy holds a Bachelor of Arts (Economics) degree from the University of Western Ontario and is a Chartered Financial Analyst.

Michael Shuh, Director, 52 – Mr. Shuh is a Managing Director, Investment Banking, at Canaccord Genuity. Mr. Shuh has over 20 years of investment banking experience and leads the Financial Institutions Group at Canaccord Genuity, Canada's largest independent investment bank. In addition to covering traditional financial institutions, Mr. Shuh has deep expertise in structured finance and special purpose acquisition corporations (SPACs). Mr. Shuh is also is the CEO and Chairman of Canaccord Genuity Growth II Corp., a publicly-listed SPAC that raised \$100MM to pursue acquisitions. Mr. Shuh received an Honours, Bachelor of Business Administration from the Lazaridis School of Business & Economics at Wilfrid Laurier University and a Masters of Business Administration from the Richard Ivey School of Business at Western University.

Greg Duras, Chief Financial Officer, 53 – Mr. Duras is a senior executive with over 20 years of experience in the resource sector in corporate development, financial management and cost control positions. He's held the position of CFO at several publicly traded companies, including Savary Gold Corp., Nordic Gold Corp and Avion Gold Corp. Greg is a Certified General Accountant and a Certified Professional Accountant and holds a Bachelor of Administration from Lakehead University.

Damian Lopez, Corporate Secretary, 39 – Mr. Lopez is a corporate securities lawyer who works as a legal consultant to various TSX and TSX Venture Exchange listed companies. He previously worked as a securities and merger & acquisitions lawyer at a large Toronto corporate legal firm, where he worked on a variety of corporate and commercial transactions. Mr. Lopez obtained a Juris Doctor from Osgoode Hall and he received a Bachelor of Comme/f rce with a major in Economics from Rotman Commerce at the University of Toronto.

Other Reporting Issuer Experience

The following table describes each director's and officer's personal experience as a director or officer of another reporting issuer (or the equivalent in another jurisdiction) in the last five-year period:

| Name | Name and
Jurisdiction of

	Reporting Issuer	Name of Trading Market	Position	From	To
Blake Hylands	Troilus Gold Corp.	TSXV	Sr. VP Exploration	January 2018	Present
	Jourdan Resources Inc.	TSXV	Director	June 2018	Present
	Lucky Minerals Inc.	TSXV	Director	March 2020	Present
David Gower	Emerita Resources Corp.	TSXV	CEO and Director	January 2013	Present
	Aguia Resources (Australia)	ASX	Director	November 2012	July 2018
	Apogee Opportunities	TSXV	Director	May 2007	January 2018

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Lithium Ionic Resources Corp.	TSXV	CEO and Director	April 2021	Present
Lawrence Guy	Emerita Resources Corp.	TSXV	Director	October 2019	Present
	Lithium Ionic Resources Corp.	TSXV	Director	April 2021	Present
	Crossover Acquisitions Inc.	TSXV	Director	September 2021	Present
Michael Shuh	Canaccord Genuity Growth II Corp.	NEO Equitas	Chairman & CEO	April 2019	Present
	Canaccord Genuity Growth Corp.	NEO Equitas	Chairman & CEO	September 2018	December 2020
Greg Duras	Emerita Resources Corp.	TSXV	CFO	January 2013	Present
	Lithium Ionic Resources Corp.	TSXV	CFO	April 2021	Present
	Consolidated Uranium Inc.	TSXV	CFO	October 2020	Present
	Red Pine Exploration Inc.	TSXV	CFO	November 2019	October 2021
	SEMAFO (Holding) Limited (formerly, Savary Gold Corp.)	TSXV	CFO	July 2013	June 2019
	Troilus Gold Corp. (formerly Pitchblack Resources Ltd.)	TSXV	CFO	June 2007	August 2017
Damian Lopez	Black Iron Inc.	TSX	Corporate Secretary	August 2015	April 2021
	Routemaster Capital Inc.	TSXV	Corporate Secretary	August 2015	December 2018
	Valencia Ventures Inc.	TSXV	CEO and Director	May 2016	January 2019
	Fura Gems Inc.	TSXV	Corporate Secretary	August 2015	October 2020
	TRU Precious Metals				

	Inc.	TSXV	Chairman	September 2017	Present
	Emerita Resources Corp.	TSXV	Corporate Secretary	August 2015	Present
	AnalytixInsight Inc.	TSXV	Corporate Secretary	August 2015	April 2021
	Trigon Metals Inc.	TSXV	Corporate Secretary	August 2015	Present
	African Gold Group Inc.	TSXV	Corporate Secretary	August 2017	June 2019
	Braingrid Limited	CSE	Director	April 2020	November 2020

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
	Holly Street Capital Corp.	TSXV	Director	June 2019	Present
	Wolf Acquisition Corp.	TSXV	CEO and Director	June 2018	March 2021
	Lithium Ionic Resources Corp.	TSXV	Corporate Secretary	April 2021	Present

Audit Committee

Composition of the Audit Committee

The following will be the members of the Audit Committee: Lawrence Guy (chair), Patrizia Ferraresa and Michael Shuh. All such members are financially literate, and each of Patrizia Ferraresa and Michael Shuh is independent.

For additional details regarding the relevant experience of each member of the Resulting Issuer's Audit Committee, see the relevant biographical experiences for each of the Resulting Issuer's directors and officers under the heading "Part VI – Directors, Officers and Promoters – Name, Occupation and Security Holding of Directors and Officers".

Audit Committee Oversight

The primary function of the Audit Committee will be to assist the Resulting Issuer Board in fulfilling its financial oversight responsibilities by reviewing the Resulting Issuer's (i) financial reports and other financial information provided by the Resulting Issuer to regulatory authorities and shareholders, and (ii) auditing, accounting and financial reporting processes.

The Resulting Issuer Board will adopt a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Resulting Issuer and public disclosure documents containing financial information and reporting on such review to the Resulting Issuer Board, ensuring that adequate procedures are in place for the review of the Resulting Issuer's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, setting policies and procedures for the engagement of non-audit services and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

Reliance on Certain Exemptions

As the Resulting Issuer will be listed on the Exchange, it will be a "venture issuer" and may avail itself of exemptions from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110, which require the independence of each member of an audit committee, subject to limited exceptions and the disclosure of audit committee information in an annual information form, respectively. It is expected that the Resulting Issuer will rely on the exemption in Part 3 because not all the members of its Audit Committee will be independent, and it is expected that it also will rely on exemption in Part 5 because, as a venture issuer, it is not required to file an annual information form.

External Auditor Services Fees

Lithium Ionic' auditor McGovern Hurley LLP. The following table provides the aggregate fees billed by Lithium Ionic' external auditor since incorporation.

Nature of Services

Fees Billed by Auditor during the period from incorporation to December 31, 2021

Audit Fees(1)

Nature of Services Fees Billed by Auditor during the period from incorporation to December 31, 2021

Audit-Related Fees(2)	Nil
Tax Fees(3)	Nil
All Other Fees(4)	Nil
Total	Nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Lithium Ionic's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee

benefit audits, due diligence assistance, accounting consultations on the Transaction, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services, in the aggregate.

Corporate Governance

Canadian securities regulatory policy as reflected in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires that venture issuers like the Resulting Issuer must disclose on an annual basis their approach to corporate governance. National Policy 58-201 – *Corporate Governance Guidelines* provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Resulting Issuer's approach to corporate governance in the context of NI 58-101 and NP 58-201 as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The policies of the Exchange require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director's interest in or other relationship with the issuer. Under the policies of the Exchange, the applicable definition of independence is that contained in National Instrument 52-110 – *Audit Committees*, under which a director is "independent" where he or she "has no direct or indirect material relationship" with the issuer. A "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. National Instrument 52-110 – *Audit Committees* also deems certain individuals as having a material relationship with the issuer, and who are therefore not independent.

The Resulting Issuer intends to have six (6) directors, three (3) of whom will be independent.

Orientation and Continuing Education

It is anticipated that the Resulting Issuer Board will have formal orientation and training programs, each new director will receive an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Resulting Issuer's business and processes. The commitment needed from directors, particularly the commitment of time and energy, will be emphasized to directors prior to their appointment nomination.

Directors will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to keep themselves up to date with best director and corporate governance practices. The Resulting Issuer intends to provide continuing education for its directors as the need arises. Directors will have full access to the Resulting Issuer's records.

Ethical Business Conduct

The Resulting Issuer Board intends to adopt the Code of business conduct and ethics and a whistleblower policy for its directors, officers, employees, and contractors. The Resulting Issuer Board will be responsible for monitoring compliance with the Code.

The Resulting Issuer Board will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors

The Resulting Issuer Board does not intend to establish a nominating committee. The Resulting Issuer Board as a whole will be responsible for filling vacancies on the Resulting Issuer Board and recommending potential nominees for directors, and will use an informal consultative process. The Resulting Issuer Board will analyze the needs of the board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Resulting Issuer Board will be encouraged to recommend nominees for the Resulting Issuer Board.

Compensation

The Resulting Issuer does not intend to establish a compensation committee. The Resulting Issuer Board will review directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Resulting Issuer Board will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation.

Other Board Committees

The Resulting Issuer Board does not intend to have committees other than the Audit Committee. The Resulting Issuer Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board.

Assessments

The Resulting Issuer Board will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board and management and the strategic direction and processes of the Resulting Issuer Board and the Audit Committee.

Promoter Consideration

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a promoter of Lithium Ionic or any Subsidiary of Lithium Ionic, as such term is defined in the *Securities Act* (Ontario).

Bankruptcies, Penalties and Sanctions

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Lithium Ionic' knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer:

(a) is, as of the date of this Filing Statement, or has been within 10 years preceding the date of this Filing Statement, a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No person expected to be a director or executive officer of the Resulting Issuer, or to the best of Lithium Ionic' knowledge, a shareholder holding a sufficient number of shares to materially affect control of the Resulting Issuer, has been subject to:

- (c) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Cease Trade Orders

Other than as set out below, no person expected to be a director or executive officer of the Resulting Issuer, is, as of the date of this Filing Statement, or has been, within the 10 years preceding the date of this Filing Statement, a director, chief executive officer or chief financial officer of any company, that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Damian Lopez was a director of Braingrid Limited, a Canadian Securities Exchange listed company, which was cease-traded on July 24, 2020 for failing to file its financial statements. The financial statements have since been filed and the cease trade order has been lifted.

Personal Bankruptcies

None of the proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the 10 years before the date of this Filing Statement, has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interests

To the knowledge of Lithium Ionic, there are no known material existing or potential conflicts of interest among Lithium Ionic' directors, officers or other members of management, or any person expected to be a director or executive officer of the Resulting Issuer, as a result of their outside business interests as of the date of this Filing Statement.

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon completion of the Transaction are also directors and/or officers of other reporting and non-reporting issuers or are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services Lithium Ionic intends to provide. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise.

Executive Compensation

Compensation Discussion and Analysis

At no time prior to the date of this Filing Statement was Lithium Ionic a reporting issuer for the purposes of Canadian securities laws. Significant elements of the compensation to be awarded to, earned by, paid to or payable to NEOs of the Resulting Issuer following the Closing, to the extent it has been determined, is set forth in "*Part VI – Information Concerning the Resulting Issuer*".

Summary Compensation Table

The following table sets forth all annual and long-term compensation for the periods paid or payable by Lithium Ionic for services rendered during the period from incorporation on July 5, 2021 to December 31, 2021 to NEOs and directors.

					Non-equity Incentive Plan Compensation				
Name and Principal Position	Period Ended Dec 31, 2021	Salary / Consulting Fees	Share based Awards (1)	Option based Awards (2)	Annual Incentive Plans	Long term Incentive Plans	Pension Value	All Other Compensation	Total Compensation(3)
Helio Diniz Chief Executive									

Officer | \$176,178 | \$26,178 | Nil | Nil | Nil | Nil | Nil | \$150,000 | \$176,178 | |
Greg Duras
Chief Financial
Officer | \$6,353.50 | \$6,353.50 | Nil | Nil | Nil | Nil | Nil | Nil | \$6,353.50 |

Notes:

- (1) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
- (3) For the 12-month period following the completion of the Transaction, it is anticipated that the Resulting Issuer will pay the Chief Executive Officer and the Chief Financial Officer \$300,000 per annum, respectively.

Director Compensation

Upon completion of the Transaction, the directors of the Resulting Issuer will determine if, and to what extent, compensation will be paid to directors for services rendered to the Resulting Issuer in their capacity as directors. It is anticipated that non-management directors will be reimbursed for transportation and other out-of-pocket expenses incurred for attendance at board of directors meetings and in connection with discharging their director functions. It is currently anticipated that any additional incentives paid to directors will be in the form of monthly director fees or through security-based compensation.

Pension and Retirement Plans

Lithium Ionic has no pension or retirement plans or other forms of retirement compensation. Furthermore, it is not anticipated that the Resulting Issuer will have any pension or retirement plan or deferred compensation plan in the 12 months following completion of the Transaction.

Indebtedness of Directors and Officers

No director, executive officer or senior officer of Lithium Ionic, or expected director, executive officer or senior officer of the Resulting Issuer, or any associates of such persons, is indebted to Lithium Ionic or is expected to be indebted to the Resulting Issuer immediately following the completion of the Transaction and no indebtedness of such persons in the Filing Statement subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by Lithium Ionic or the Resulting Issuer.

Investor Relations Agreements

No written or oral agreement or understanding has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Market-Making Agreements

On March 16, 2022, Lithium Ionic entered into an issuer trading services agreement (the "**Trading Services Agreement**") with Generation IACP Inc. ("**GIACP**"), a registered broker headquartered in Toronto, Ontario to provide trading services with respect to the Resulting Issuer Shares. Lithium Ionic and GIACP act at arm's length and are unrelated and unaffiliated entities. Pursuant to the Trading Services Agreement, GIACP is to use its commercially reasonable efforts to trade the Resulting Issuer Shares with the objective of contributing to market liquidity of the Resulting Issuer Shares (the "**Services**"). The Services shall be provided by GIACP for an initial term of six (6) months (the "**Initial Term**") commencing upon the listing of the Resulting Issuer Shares on the Exchange and shall automatically be renewed for subsequent six (6) month periods (each a "**Renewal Term**") unless the Resulting Issuer provides written notice of termination to GIACP at least thirty (30) days prior to the end of the Initial Term or a Renewal Term, as applicable. Notwithstanding the foregoing, GIACP shall have the right to terminate the Trading Services Agreement at any time upon prior written notice to the Resulting Issuer.

In consideration for the Services, the Resulting Issuer shall pay GIACP a monthly fee (the "**Fee**") of CAD\$7,500, plus applicable taxes, payable quarterly in advance at the direction of GIACP. Commencing on the first anniversary of the Trading Services Agreement, the Fee shall automatically increase annually by 3.0% on each anniversary of the Trading Services Agreement. For greater certainty, GIACP shall not be entitled to any other remuneration from the Resulting Issuer in connection with the Services and any capital required for the acquisition of the Resulting Issuer Shares and corresponding trading activity undertaken by GIACP shall be provided by GIACP, acting as principal. GIACP is owned by Randall Abramson, Randall Abramson will not have beneficial ownership of, or control or direction over any securities of the Resulting Issuer.

Incentive Securities

The Option Plan

Upon completion of the Transaction, the Resulting Issuer will retain the POCML Option Plan adopted by POCML and the POCML Option Plan as disclosed under the heading *"Part III – Information Concerning POCML – Description of the Securities – Stock Option Plan*. The shareholders of the Resulting Issuer may approve a resolution at a meeting of the shareholders of the Resulting Issuer adopting a new stock option plan or amending the existing POCML Option Plan.

Escrowed Securities

CPC Escrow Agreement

POCML Escrow Securities are POCML Shares and POCML Options held in escrow pursuant to Exchange Policy 2.4. Following the issuance of the Final Exchange Bulletin, it is expected that the Resulting Issuer will be a "Tier 2" issuer on the Exchange. As such, the POCML Escrow Securities will be subject to the POCML Escrow Agreement.

Pursuant to the POCML Escrow Agreement, all POCML Escrow Securities would be released from escrow in accordance with the following release schedule (the "**Tier 2 Value Release Schedule**"):

Percentage of POCML Escrow Securities Released	Release Date
25%	Completion of the Transaction
25%	6 months from Completion of the Transaction
25%	12 months from Completion of the Transaction
25%	18 months from Completion of the Transaction
100%	

The table below sets out the names of the anticipated securityholders whose POCML Shares will be subject to the POCML Escrow Agreement, as amended. A total of POCML Shares (on a post-Consolidation basis) will be held in escrow pursuant to the POCML Escrow Agreement, as amended.

		Prior to Giving Effect to the Transaction(1)		After Giving Effect to the Transaction(3)	
Name and Municipality of Residence of Securityholder	Designation of Class	Number of securities held in escrow(1)	Percentage of class(2)	Number of securities to be held in escrow	Percentage of class(3)
PowerOne Capital Corp. Toronto, ON	Common	7,000,000	57%	4,301,530	4.3%
2180447 Ontario Inc. Toronto, ON	Common	700,000	5.7%	430,153	0.43%
1999611 Ontario Inc. Toronto, ON	Common	150,000	1.2%	92,175	0.15%
1999609 Ontario Inc. Toronto, ON	Common	150,000	1.2%	92,175	0.15%

Notes:

- (1) On a pre-Consolidation basis.
- (2) Calculation on an undiluted basis and based on 12,204,958 POCML Shares outstanding prior to the completion of the Consolidation and the Transaction.
- (3) Calculation on an undiluted basis and based on 100,467,371 Resulting Issuer Shares outstanding upon the completion of the Transaction.

Resulting Issuer Escrow Agreement

Resulting Issuer Escrow Securities are Common Shares held in escrow pursuant to Exchange Policy 5.4 and released in accordance with the following schedule (the "**Tier 2 Value Release Schedule**"):

Release Dates	**Percentage to be Released**
Completion of the Transaction	10%
6 months from Completion of the Transaction	15%
12 months from Completion of the Transaction	15%
18 months from Completion of the Transaction	15%

Total	**100%**
36 months from Completion of the Transaction	15%
30 months from Completion of the Transaction	15%
24 months from Completion of the Transaction	15%

Following the closing of the Transaction, the following executive officers and directors of the Resulting Issuer, together with any companies controlled by the foregoing individuals have agreed to enter into a Value Security Escrow Agreement (as defined in Exchange Policy 5.4) with TSX Trust pursuant to which their securities will be released from escrow in accordance with the Tier 2 Value Release Schedule. The following table sets out, as of the date hereof and to the knowledge of POCML and Lithium Ionic, the name and municipality of residence of the securityholders whose securities will be Value Securities (as defined in Exchange Policy 5.4):

| Name and Municipality of
Residence of Securityholder | Designation of
Class | Number of
securities to be
held
in escrow | Percentage
of class(1) |
|---|------------------------|---|--
| Helio Diniz | Common Shares | 8,200,000 | 8.2% | | Gregory Duras | Common

	Shares	500,000	0.5%
David Gower	Common Shares	4,000,000	4.0%
Lawrence Guy	Common Shares	8,000,000	8.0%
Damian Lopez	Common Shares	3,000,001	3.0%

Notes:

Seed Share Resale Restrictions

To the knowledge of the Resulting Issuer, based on the Exchange's analysis, certain "seed share resale restrictions" will be applicable to Resulting Issuer Shares held by non-"principals" of the Resulting Issuer (the "**Seed Shares**"). An aggregate of 43,010,000 Resulting Issuer Shares issued to former Lithium Ionic Shareholders in exchange for Lithium Ionic Shares under the Transaction are expected to be subject to the Exchange's seed share resale matrix under Exchange Policy 5.4.

The following table sets out, on a non-diluted basis, as of the date of this Filing Statement and to the knowledge of the Resulting Issuer, the details of the seed resale restrictions of each Resulting Issuer shareholder who will be subject to the Exchange's seed share resale matrix.

Designation of Class	Aggregate number of Resulting Issuer Shares subject to resale restrictions(1)	Percentage of Class(1)	Expiry Date
Resulting Issuer Shares (issued to former holders of Lithium Ionic Shares)	2,400,000	2.4%	In accordance with Tier 2 Value Release Schedule.

(1) Calculation on an undiluted basis and based on 100,467,371 Resulting Issuer Shares outstanding upon the completion of the Transaction.

Designation of Class	Aggregate number of Resulting Issuer Shares subject to resale restrictions(1)	Percentage of Class(1)	Expiry Date
Resulting Issuer Shares (issued to former holders of Lithium Ionic Shares)	40,610,000	40.4%	20% released upon completion of the Transaction, 20% released one month from completion of the Transaction, 20% released two months from completion of the Transaction, 20% released three months

from completion of the Transaction, and
20% released four months from completion
of the Transaction. |

Legal Proceedings

In the ordinary course of business, Lithium Ionic and the Resulting Issuer may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to its business.

Auditors, Transfer Agent and Registrar

The auditor of the Resulting Issuer is expected to be McGovern Hurley LLP, at its principal office in Toronto, Ontario. McGovern Hurley LLP is independent with respect to Lithium Ionic and the Resulting Issuer within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar of the Resulting Issuer Shares shall be TSX Trust, at its office located in Toronto, Ontario.

PART VI – RISK FACTORS

An investment in the securities of Lithium Ionic or the Resulting Issuer is highly speculative, involves a high degree of risk and should be undertaken only by Persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prior to investing in such securities, you should carefully consider the risks described below, together with other information included in or incorporated by reference into this Filing Statement and filed on SEDAR at www.sedar.com. If any of the following risks materialize, the business, financial condition, results of operation and future prospects of Lithium Ionic and the Resulting Issuer will likely be materially and adversely affected. This could cause actual future events to differ materially from those described in forward-looking statements and may cause the trading price of the Resulting Issuer's securities to decline.

The risks presented below should not be considered exhaustive and may not be all the risks the Resulting Issuer may face. Management of Lithium Ionic believes that factors set out below could cause actual results to be different from expected and historical results. Other sections of this Filing Statement include additional factors that could have an effect on the business and financial performance of the Resulting Issuer's business following the completion of the Transaction. New risks may emerge from time to time and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. You should not rely upon forward-looking statements as a prediction of future results.

References below to "Lithium Ionic" will, as the context permits or requires, be read to include the "Resulting Issuer" upon the completion of the Transaction. Furthermore, references below to the "Resulting Issuer" refer to the Resulting Issuer and all of its subsidiaries, as applicable.

Risks Related to the Transaction

Completion of the Transaction and Exchange Approval

The completion of the Transaction is subject to several conditions precedent. There can be no assurance that the Transaction will be completed on the terms set out in the Amalgamation Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Transaction may not be completed. In addition, there is no guarantee that the Resulting Issuer will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin. See *"Part II – Information Concerning the Transaction – The Amalgamation Agreement and the Transaction – Conditions of the Transaction".* There is no certainty that these conditions will be satisfied on a timely basis or at all.

If the Transaction is not completed, Lithium Ionic and POCML will each remain liable for significant consulting, accounting, legal and other costs relating to the Transaction and will not realize anticipated benefits of the Transaction.

Termination of the Amalgamation Agreement in Certain Circumstances

Each of Lithium Ionic and POCML has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurances that the Amalgamation Agreement will not be terminated by any of Lithium Ionic and POCML before the completion of the Transaction. Certain costs related to the Transaction, such as legal and accounting fees, must be paid by Lithium Ionic and POCML irrespective of whether the Transaction is completed. See *"Part II – Information Concerning the Transaction – The Amalgamation Agreement and the Transaction – Termination Rights".*

The Transaction Will Have a Dilutive Effect on the Ownership Interest of POCML Shareholders

The issuance of Resulting Issuer Shares pursuant to the Transaction if it is completed will have a very significant dilutive effect on the ownership interest of the current POCML Shareholders.

The Transaction May Divert the Attention of Management of Lithium Ionic

The Transaction could cause the attention of management of Lithium Ionic to be diverted from their day-to-day operations. These disruptions could be exacerbated by a delay in completion of the Transaction and could have an adverse effect on the business, operating results or prospects of Lithium Ionic regardless of whether the Transaction is ultimately completed, or of the Resulting Issuer if the Transaction is completed.

Tax Consequences

The transactions described herein may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Lithium Ionic May Not Realize Anticipated Benefits of the Transaction

The Transaction is proposed to strengthen the position of Lithium Ionic in the mining and exploration industry and to create the opportunity to realize certain benefits. Achieving the benefits of the Transaction depends in part on the ability of Lithium Ionic to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities. A variety of factors, including those risk factors set forth in this Filing Statement may adversely affect the ability of Lithium Ionic to achieve the anticipated benefits of the Transaction.

Pro-forma Financial Statements

The pro-forma financial statements attached to this Filing Statement and information derived therefrom contained in this Filing Statement are presented for illustrative purposes only and may not be an indication of Lithium Ionic's financial condition following the Transaction for several reasons. For example, such pro-forma financial statements have been derived from the historical financial statements of Lithium Ionic and certain assumptions have been made. The information upon which these assumptions have been made is historical, preliminary and subject to change. Moreover, the pro-forma financial statements do not reflect all costs that are expected to be incurred by Lithium Ionic in connection with the Transaction. In addition, the assumptions used in preparing the pro-forma financial statements may not prove to be accurate.

Risk Factors Relating to the Resulting Issuer Shares

Market Price and Listing of Resulting Issuer Shares

The Resulting Issuer is seeking to have the Resulting Issuer Shares listed and posted for trading on the Exchange. The listing of the Resulting Issuer Shares will be subject to the satisfaction of all of the Exchange's initial listing requirements. If the Resulting Issuer receives final approval for listing the Resulting Issuer Shares on the Exchange, there is no assurance that it will maintain such listing on the Exchange or a listing on any other exchange or quotation service. There can be no assurance that an active trading market will develop or be sustained for the Resulting Issuer Shares. Shareholders may not be able to resell the Resulting Issuer Shares, which may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Resulting Issuer Shares. If an active or liquid market for the Resulting Issuer Shares fails to develop or be sustained, the price at which the Resulting Issuer Shares trade may be adversely affected. An investment in Lithium Ionic's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of the Resulting Issuer may lose their entire investment.

If the Resulting Issuer Shares are publicly traded, the market price of the Resulting Issuer Shares may be affected by many variables not directly related to the corporate performance of Lithium Ionic, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for its shares. The effect of these and other factors on the market price of the Resulting Issuer Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Resulting Issuer Shares.

The Market Price of Resulting Issuer Shares May Be Volatile

The market price of Resulting Issuer Shares could be subject to significant fluctuations following completion of

the Transaction. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions and the risk factors described in this Filing Statement could subject the market price of Resulting Issuer Shares to wide price fluctuations regardless of the Resulting Issuer's operating performance.

The Resulting Issuer May Issue Additional Equity Securities

Following completion of the Transaction, the Resulting Issuer may issue equity securities and or securities convertible into equity securities to finance its activities, including in order to finance acquisitions. If the Resulting Issuer were to issue additional equity securities the ownership interest of existing shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced.

Value Assigned to Lithium Ionic May Be Incorrect

The valuation placed on Lithium Ionic for the purposes of the Transaction has been determined by negotiation among Lithium Ionic and POCML. There can be no assurance that the number of Resulting Issuer Shares will not, in the fullness of time, prove to be excessive. If the market determines that the number of Resulting Issuer Shares is excessive, the market price of the Resulting Issuer Shares will be adversely affected.

No Assurance of Payment of Dividends

The declaration, timing, amount and payment of dividends are at the discretion of the board of directors of the Resulting Issuer and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

Risks Related to Resulting Issuer's Business

Limited Operating History

Lithium Ionic was incorporated on July 5, 2021 and has a limited operating history. Lithium Ionic does not have any history of earnings or profitability. The likelihood of success of the Resulting Issuer must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business particularly in the junior mineral exploration sector. The Resulting Issuer will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Resulting Issuer will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Exploration and Development Risk

Mining operations generally involve a high degree of risk. The Resulting Issuer's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of mineral properties, including unusual and unexpected geologic formations, seismic activity, explosions, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, delays in mining, monetary losses and possible legal liability.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines and no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations or that funds required for development can be obtained on a timely basis. Mineral exploration involves many risks and uncertainties, and success in exploration is dependent on a number of factors, including the quality of management, quality and availability of geological expertise and the availability of exploration capital. Substantial expenditures are required to establish mineral resources and mineral reserves, complete drilling and to develop processes to extract the minerals, develop mining and processing facilities and suitable infrastructure at any site chosen for mining, and establish commercial operations. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically. Even if an exploration program is successful and economically recoverable minerals are found, it can take a number of years from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and the minerals that were economically recoverable at the time of discovery cease to be economically recoverable. There can be no assurance that the minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale operations.

The commercial viability of the lithium projects and other properties in which the Resulting Issuer has or may acquire an interest in the future depends upon on a number of factors, all of which are beyond the control of the Resulting Issuer, including, but not limited to: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; lithium prices, which are highly cyclical; general and local labour market conditions; the proximity and capacity of milling facilities; local, provincial, federal and international government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; ongoing costs of production; and availability and cost of additional funding. The exact effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Resulting Issuer not being able to economically extract minerals from any identified mineral resource or mineral reserve which, in turn, could have a material and adverse impact on the Resulting Issuer's cash flows, earnings, results of operations and financial condition and prospects. The Resulting Issuer cannot provide any certainty that the exploration or development programs planned by the Resulting Issuer will result in a profitable commercial mining operation in respect of the gold projects or other properties in which the Resulting Issuer may acquire an interest in the future.

Negative Cash Flow

Lithium Ionic has a limited history of operations, and no history of earnings, cash flow or profitability; it has had negative operating cash flow since its date of incorporation, and will continue to have negative operating cash flow for the foreseeable future. The Itinga Property is at the initial exploration stage only. The Resulting Issuer will have no source of operating cash flow and no assurance that additional funding will be available for further exploration and development of the property when required. No assurance can be given that the Resulting Issuer will ever attain positive cash flow or profitability.

Dependence on the Itinga Property

Presently, the Itinga Property will account for all of the Resulting Issuer's future revenue. Any adverse development affecting the progress of the Itinga Property such as, but not limited to, obtaining development financing on commercially suitable terms, hiring suitable personnel and mining contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Resulting Issuer's financial performance and results of operations. Ongoing activity at the Itinga Property will be undertaken without established Mineral Resources or Mineral Reserves and the economic viability of the operations on either project have not been established.

Uncertainty of Resource Estimates

No assurance can be given that any tonnages and grades will be achieved or that any level of recovery will be realized. The grade of mineralization recovered may differ materially and adversely from the estimated average grades in any current or future resource estimates. Future production could differ dramatically from resource estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect Mineral Resources;
- the grade of the Mineral Resources may vary significantly from time to time and there is no assurance that any particular grade may be recovered from the Mineral Resources; and
- declines in the market price of minerals may render the mining of some or all the Mineral

Resources uneconomic.

Any of these factors may require the Resulting Issuer to reduce its Mineral Resource estimates or increase its cost estimates. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair the Resulting Issuer's profitability. Should the market price of minerals fall, the Resulting Issuer could be required to materially write down its investment in mining properties or delay or discontinue production or the development of new projects.

Commodity Prices

The profitability of the Resulting Issuer's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Resulting Issuer. These factors include interest rates, the rate of inflation or deflation, global and regional supply and demand, consumption patterns, forward sales by producers, currency exchange fluctuations, speculative activities and increased production due to improved mining and production methods. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political and economic developments in major lithium-producing countries throughout the world. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable.

The Resulting Issuer's future revenues and earnings also could be affected by the prices of other commodities such as fuel and other consumable items, although to a lesser extent than by the price of lithium. The prices of these commodities are affected by numerous factors beyond the Resulting Issuer's control.

Mining Operations May Not Be Established or Profitable

The future development of the Itinga Property will require additional financing, permits, design, construction, processing plant, and related infrastructure. As a result, Lithium Ionic will be subject to all of the risks associated with establishing mining operations and business enterprises, including: (a) the timing and cost, which will be considerable, of obtaining all necessary permits including environmental, construction, and operating permits; (b) the timing and cost, which will be considerable, of the construction of mining and processing facilities; (c) the availability and costs of skilled labour, power, water, transportation, and mining equipment; (d) the availability and cost of appropriate smelting and/or refining arrangements; (e) the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and (f) the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during permitting, construction, and development. In addition, delays in the commencement of mineral production often occur, and once commenced, the production of a mine may not meet expectations or the estimates set forth in feasibility or other studies. Accordingly, there are no assurances that Lithium Ionic will successfully establish mining operations or become profitable.

The Resulting Issuer May Not Use the Available Funds as Described in this Filing Statement

The Resulting Issuer currently intends to use its available funds as set out in this Filing Statement. However, the Resulting Issuer Board and/or management will have discretion in the actual application of the available funds and may elect to allocate them differently from that described in the Filing Statement if they believe it would be in the Resulting Issuer's best interests to do so. Shareholders may not agree with the manner in which the Resulting Issuer Board and/or management chooses to allocate and spend the net proceeds. The failure by the Resulting Issuer Board and/or management to apply these funds effectively could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Ability to Exploit Future Discoveries

It may not always be possible for the Resulting Issuer to participate in the exploitation of successful discoveries. Such exploitation may involve the need to obtain licenses or clearance from the relevant authorities, which may not be available on a timely basis or may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied, and such conditions may prove uneconomic or not practical. Furthermore, the decision to proceed to further exploitation may require the participation of other companies whose interest and objectives may not be consistent with those of the Resulting Issuer. Such further exploitation may also require the Resulting Issuer to meet or commit to financial obligations which it may not have anticipated or may not be able to commit to due to a lack of funds or an inability to raise funds.

Financing Risks

Lithium Ionic expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional investments. There can be no assurance that such financing will be available to Lithium Ionic on acceptable terms or at all.

From time to time, the Resulting Issuer may rely on debt financing for a portion of its business activities, including capital and operating expenditures. There are no assurances that the Resulting Issuer will be able to comply at all times with any covenants under its debt arrangements, if applicable; nor are there assurances that the Resulting Issuer will be able to secure new financing that may be necessary to finance its operations and capital growth program. Any failure of the Resulting Issuer to secure financing or refinancing, to obtain new financing or to comply with applicable covenants under its borrowings could have a material adverse effect on the Resulting Issuer's financial results. Further, any inability of the Resulting Issuer to obtain new financing may limit its ability to support future growth.

Additional equity or debt financings may significantly dilute positions held by shareholders of Lithium Ionic, increase Lithium Ionic's leverage or require Lithium Ionic to grant security over its assets. If Lithium Ionic is unable to obtain such financing, it may not be able to develop the Itinga Property or execute on its business strategy. If Lithium Ionic is unable to obtain financing for business activities, it may determine to allocate income, if any, from other investments to finance business activities.

Operations and Exploration Subject to Governmental Regulations

Lithium Ionic's operations and exploration and development activities are subject to extensive laws and regulations governing various matters, including: (a) environmental protection; (b) management and use of toxic substances and explosives; (c) management of natural resources; (d) management of tailings and other wastes; (e) mine construction; (f) exploration, development of mines, production and post-closure reclamation; (g) exports; (h) price controls; (i) taxation and mining royalties; (j) regulations concerning business dealings with indigenous groups; (k) labour standards and occupational health and safety, including mine safety; and (l) historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities, enjoining or curtailing operations, or requiring corrective measures, installation of additional equipment, or remedial actions, any of which could result in Lithium Ionic incurring significant expenditures. Lithium Ionic may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of Lithium Ionic's operations, if any, and delays in the development of the Itinga Property.

Operation and Exploration Activities are Subject to Environmental and Endangered Species Laws and Regulations

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of government laws and regulations, including laws and regulations relating to the protection of endangered and threatened species. Compliance with such laws and regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, which may be material. In addition, such laws and regulations can constrain or prohibit the exploration and development of new projects or the development or expansion of existing projects. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, increases in land use restrictions, larger fines and liability and potentially increased capital expenditures and operating costs. Any breach of environmental legislation by owners or operators of the property underlying the Resulting Issuer's asset portfolio could have a material impact on the viability of the Itinga Property and impair the revenue derived from the owned property or applicable interest, which could have a material adverse effect on the Resulting Issuer's operations, financial condition and the trading price of its securities.

Mineral Properties May Be Subject to Rights of Indigenous Peoples

Various international, national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties and other principles and considerations relate to the rights of indigenous peoples. The Resulting Issuer will hold, exploration interests in respect of operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these impose obligations on government to respect the rights of indigenous peoples. Some mandate consultation with indigenous peoples regarding actions which may affect indigenous peoples, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to indigenous peoples continue to evolve and be defined. The Itinga Property in respect of which the Resulting Issuer will hold a joint venture interest are subject to the risk that one or more groups of indigenous peoples may oppose operation or new development. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the operator's activities. Opposition by indigenous peoples to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous peoples. Claims and protests of indigenous peoples may disrupt or delay activities of the operators of assets in respect of which the Resulting Issuer holds an exploration interest which may result in a material adverse effect on the Resulting Issuer profitability, results of operations and financial condition and the trading price of its securities.

Permits and Licences

The mining and exploration activities of the Resulting Issuer will require permits from various governmental authorities and such operations are, and will be, governed by laws and regulations governing exploration, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety, mine permitting and other matters. Companies engaged in mining and exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. While Lithium Ionic believes that it will have all permits and licences necessary to carry on activities on the Itinga Property after completion of the Transaction, a substantial number of additional permits and licenses may be required after the completion of the Transaction. The Resulting Issuer anticipates that it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct, and that it intends to comply in all material respects with the terms of such licenses and permits; however, there can be no assurance that all permits that the Resulting Issuer may require for mining and exploration will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Resulting Issuer may undertake. Lithium Ionic believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities of the Resulting Issuer resulting from exploration and/or mining activities and these may be costly to remedy.

Operational Risks

Mineral exploration and mining involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. These hazards include unusual or unexpected formations, formation pressures, inclement weather conditions, seismic activity, fires, power outages, industrial accidents, flooding, explosions, rock bursts, cave-ins or pit wall failures and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, technological failure of mining methods, equipment failure or the inability to obtain suitable or adequate machinery, equipment or labour. Operations in which the Resulting Issuer will have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Resulting Issuer intends to maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Resulting Issuer could incur significant costs that could have a materially adverse effect upon its financial condition.

Environmental Matters

The Resulting Issuer's operations will be subject to laws and regulations regarding environmental matters, the use or abstraction of water, and the discharge of mining wastes and materials. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Resulting Issuer, including the suspension or cessation of operations. Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could harm the Resulting Issuer. The Resulting Issuer cannot predict how agencies or courts in foreign countries will interpret existing laws and regulations or the effect that these adoptions and interpretations may have on the Resulting Issuer's business or financial condition.

The Resulting Issuer may be required to make significant expenditures to comply with governmental laws and regulations. Any significant mining operations will have some environmental impact, including land and habitat impact, arising from the use of land for mining and related activities, and certain impact on water resources near the project sites, resulting from water use, rock disposal and drainage run-off. No assurances can be given that such environmental issues will not have a material adverse effect on the Resulting Issuer's operations in the future. Environmental hazards may exist on the Property in which the Resulting Issuer holds interests which are unknown to Lithium Ionic at the present time and which have been caused by previous or existing owners or operators of the properties. While Lithium Ionic believes it does not currently have any material unsatisfied environmental obligations, exploration activities may give rise in the future to significant liabilities on the Resulting Issuer's part to the government and third parties and may require the Resulting Issuer to incur substantial costs of remediation.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, 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. Additionally, the Resulting Issuer may not maintain insurance against environmental risks. As a result, any claims against the Resulting Issuer may result in liabilities the Resulting Issuer will not be able to afford, resulting in the failure of the Resulting Issuer's business. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, 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 mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation of existing laws, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new exploration properties.

Additional Costs May Be Incurred by Mineral Property Operators as a Result of International Climate Change Initiatives

The Resulting Issuer acknowledges climate change as an international and community concern. The Resulting Issuer supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. In addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Resulting Issuer expects this may result in increased costs at the Itinga Property, which could have a material impact on the viability of the property and impair the revenue derived from the interest, which could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of the Resulting Issuer's securities.

Community Relations

Lithium Ionic's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of exploration activities on the environment and on communities impacted by such activities. Publicity adverse to Lithium Ionic, its operations or extractive industries generally, could have an adverse effect on Lithium Ionic and may impact relationships with the communities in which Lithium Ionic operates. While Lithium Ionic is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to Lithium Ionic's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easy for individuals and groups to communicate and share opinions and views in regards to Lithium Ionic and its activities, whether true or not. While Lithium Ionic strives to uphold and maintain a positive image and reputation, Lithium Ionic does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of Lithium Ionic.

Changes in Technology or Other Developments Could Result in Preferences for Substitute Products.

Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. Lithium Ionic cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization Lithium Ionic discovers and reducing or eliminating any reserves it identifies.

New Production of Lithium Hydroxide or Lithium Carbonate from Current or New Competitors in the Lithium Markets Could Adversely Affect Prices.

In recent years, new and existing competitors have increased the supply of lithium hydroxide and lithium carbonate, which has affected its price. Further production increases could negatively affect prices. There is limited information on the status of new lithium hydroxide production capacity expansion projects being developed by current and potential competitors and, as such, Lithium Ionic cannot make accurate projections regarding the capacities of possible new entrants into the market and the dates on which they could become operational. If these potential projects are completed in the short term, they could adversely affect market lithium prices, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization Lithium Ionic discovers and reducing or eliminating any reserves it identifies.

Defects in Title to Mineral Properties

Establishing title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. While Lithium Ionic has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its properties are in good standing, mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by such undetected defects. There may be valid challenges to the title of Lithium Ionic's properties which, if successful, could impair exploration, development and/or operations. Lithium Ionic's mineral properties may be subject to aboriginal land claims, prior unregistered agreements or transfers and title may be affected by undetected defects. Lithium Ionic cannot give any assurance that title to its properties will not be challenged.

Defects in or disputes relating to the interests the Resulting Issuer holds or acquires may prevent it from realizing the anticipated benefits from these interests. Material changes could also occur that may adversely affect management's estimate of the carrying value of the Resulting Issuer's interests and could result in impairment charges. While Lithium Ionic currently seeks, and the Resulting Issuer will seek, to confirm the existence, validity, enforceability, terms and geographic extent of the interests it acquires, there can be no assurance that disputes or other problems concerning these and other matters or other problems will not arise. Confirming these matters is complex and is subject to the application of the laws of each jurisdiction to the particular circumstances of each parcel of mineral property and to the documents reflecting the interest. The discovery of any defects in, or any disputes in respect of, the Resulting Issuer's interests, could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

A defect in the chain of title to one of the Resulting Issuer's interests or necessary for the anticipated development or operation of a particular project to which an interest relates may arise to defeat or impair the claim of the operator to a property which could in turn result in a loss of the Resulting Issuer's interest in respect of that property. In addition, claims by third parties or aboriginal groups in Brazil and elsewhere may impact on the operator's ability to conduct activities on a property to the detriment of the Resulting Issuer's interests. To the extent an owner or operator does not have title to the property, it may be required to cease operations or transfer operational control to another party. Certain interests can be contractual in nature, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner will result in the loss of any effective interest in a particular property. Further, even in those jurisdictions where there is a right to record or register interests held by the Resulting Issuer in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the Resulting Issuer. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in respect of which the Resulting Issuer has an interest and may result in a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Amalgamations and Integration

From time to time, the Resulting Issuer may pursue opportunities to acquire additional mining assets and businesses. Any acquisition that the Resulting Issuer may choose to complete may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new geographic, political, operating, financial and geological risks. The Resulting Issuer's success in its acquisition activities will depend on its ability to identify suitable acquisition candidates that fit its business strategy, negotiate acceptable terms for any such acquisition, obtain approvals from regulatory authorities in the jurisdiction of the business or property to be acquired, and integrate the acquired operations successfully with those of the Resulting Issuer. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Resulting Issuer has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Resulting Issuer may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Resulting Issuer's ongoing business and its relationships with employees, customers, suppliers and contractors; and, to the extent that the Resulting Issuer makes an acquisition outside of markets in which it has previously operated, the Resulting Issuer may have difficulty conducting and managing operations in a new operating environment.

Acquiring additional business or properties could place increased pressure on the Resulting Issuer's cash flow if such acquisitions involve a cash consideration. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisition, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisition with its existing resources. The integration of the Resulting Issuer's existing operations with any acquired business will require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation would require the Resulting Issuer to incur significant costs in connection with, among other things, implementing financial and planning systems. The Resulting Issuer may not be able to integrate the operations of a recently acquired business or restructure the Resulting Issuer's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Resulting Issuer's management team, which may detract attention from the Resulting Issuer's day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on the Resulting Issuer's business. In addition, the acquisition of mineral properties may subject the Resulting Issuer to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Resulting Issuer. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Future Litigation Could Affect Title

Potential litigation may arise with respect to the Itinga Property, or any other property on which the Resulting Issuer may hold an interest (for example, litigation between joint venture partners or between operators and original property owners or neighboring property owners). As a holder of such interests, the Resulting Issuer will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) or the expropriation or loss of rights to a property could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Deficient Third Parties' Reviews, Reports and Projections

The Resulting Issuer relies upon third parties to provide analysis, reviews, reports, advice and opinions regarding the Resulting Issuer's projects. There is a risk that such analysis, reviews, reports, advice, opinions are inaccurate, in particular with respect to resource estimation, process development and recommendations for products to be produced as well as with respect to economic assessments including estimating the capital and operation costs of the Resulting Issuer's project and forecasting potential future revenue streams. Uncertainties are also inherent in such estimations.

Dependence on Key Individuals

Locating and developing mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration, development and production personnel involved. The success of the Resulting Issuer is largely dependent on the performance of its key personnel. The Resulting Issuer's success is also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as mineral exploration. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for this workforce is intense. As the Resulting Issuer's business activity grows, the Resulting Issuer will require additional key executive, financial, operational, administrative and mining personnel. The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. These individuals are in high demand and the Resulting Issuer may not be able to attract the personnel it needs. Failure to retain key personnel or to attract and retain additional key individuals with necessary skills could have a materially adverse impact upon the Resulting Issuer's business, its operating results as well as its overall financial condition. The Resulting Issuer has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Directors and Officers May Have Conflicts of Interest

Certain of the proposed directors and/or officers of the Resulting Issuer, are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Resulting Issuer intends to provide. Situations may arise where the other interest of these directors and officers conflict with, or diverge from, the Resulting Issuer's interest. Certain of such conflicts may be required to be disclosed in accordance with procedures and remedies, as applicable, under corporate law, however, such procedures and remedies may not fully protect the Resulting Issuer. In addition, in conflict of interest situations, the directors and officers of the Resulting Issuer may owe the same duty to another company and will need to balance their competing interest. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Resulting Issuer.

Global Financial Conditions May Be Volatile

Market events and conditions, including the ongoing COVID-19 pandemic, disruptions in the international credit markets and other financial systems, along with political instability have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Resulting Issuer's control may have on commodity prices, demand for metals, including gold and silver, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect Resulting Issuer's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and emerging markets, as well as concerns over global growth rates and conditions. These and other factors may impact the ability of Resulting Issuer to obtain equity or debt financing in the future and, if obtained, the favourability of the terms of such financing to Resulting Issuer. Increased levels of volatility and market turmoil can adversely impact Resulting Issuer's operations and the price of the Resulting Issuer Shares.

The Ongoing Spread of COVID-19 May Negatively Impact Lithium Ionic's Business.

Lithium Ionic's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Lithium Ionic's operations, and the operations of suppliers, contractors and service providers.

Lithium Ionic may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of Lithium Ionic's control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity. As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how Lithium Ionic may be affected if the pandemic persists for an extended period of time. Lithium Ionic's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place Lithium Ionic's workforce at risk.

Future Acquisitions and Partnerships

As part of the Resulting Issuer's business strategy, it may seek to grow by acquiring companies and/or assets or establishing new joint ventures that it believes will complement its future business. In pursuit of such opportunities, the Resulting Issuer may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions or integrate the acquired businesses or their personnel into the Resulting Issuer. There can be no assurance that the Resulting Issuer will complete any acquisition or business arrangement that it pursues on favorable terms or at all, or that any acquisitions or business arrangements completed will ultimately benefit the Resulting Issuer.

There are risks inherent in such activities. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Resulting Issuer is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Resulting Issuer's financial performance and results of operations. The Resulting Issuer may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. The Resulting Issuer could encounter additional transaction and integration related costs or experience an impact to its operations or results of operation as a result of the failure to realize all of the anticipated benefits from such acquisitions or partnerships, or an inability to successfully integrate an acquisition as anticipated. As a result of integration efforts, the Resulting Issuer may experience interruptions in its business activities, costs of integration and harm to its reputation, all of which could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. The Resulting Issuer may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on management of the Resulting Issuer. There is no assurance that these acquisitions will be successfully integrated in a timely manner or without additional expenses incurred.

CRA's Recent Focus on Foreign Income Earned by Canadian Companies May Result in Adverse Tax Consequences

There has been a recent focus by the CRA on income earned by foreign subsidiaries of Canadian companies. Some of the Resulting Issuer's assets will be owned by and the related revenue received by the Resulting Issuer's subsidiaries. Although management believes that the Resulting Issuer will be in full compliance with Canadian tax law, there can be no assurance that the Resulting Issuer's structure may not be challenged in future. In the event the CRA successfully challenges the Resulting Issuer's structure, this could potentially result in additional federal and provincial taxes and penalties, which may have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Anti-Bribery Laws (Such as the Corruption of Foreign Public Officials Act of Canada ("CFPOA")

The Resulting Issuer's business is subject to the CFPOA which generally prohibits companies and company employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. The CFPOA also requires companies to maintain accurate books and records and internal controls, including all foreign-controlled subsidiaries. In addition, the Resulting Issuer is subject to other antibribery laws of the nations in which it conducts business that apply similar prohibitions as the CFPOA. The Resulting Issuer's employees or other agents may, without the Resulting Issuer's knowledge and despite its efforts, engage in prohibited conduct under the CFPOA or other anti-bribery laws that the Resulting Issuer may be subject to and for which it may be held responsible. If employees or other agents are found to have engaged in such practices, the Resulting Issuer could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

The Resulting Issuer will be Subject to Strong Competition in Brazil and in the Global Mining Industry.

The mining industry is competitive in all of its phases and requires significant capital, as well as technical and operational resources. Competition is also intense for mining equipment, supplies and qualified service providers, particularly in Brazil where mining personnel are in high demand and short supply. If qualified expertise cannot be sourced and at cost effective rates within Brazil, the Resulting Issuer may need to procure those services outside of Brazil, which could result in additional delays and higher costs to obtain work permits, particularly during the COVID-19 pandemic. Because of the high costs associated with exploration, the expertise required to analyze a project's potential and the capital required to develop a mine, larger companies with significant resources may have a competitive advantage over the Resulting Issuer. The Resulting Issuer may face strong competition from other mining companies, some with greater financial resources, operational experience and technical capabilities. As a result of this competition, the Resulting Issuer may be unable to maintain or acquire financing, personnel, technical resources or attractive mining properties on terms it considers acceptable.

Equipment, Materials and Skilled Technical Workers

The Resulting Issuer is dependent on the availability of affordable and accessible equipment, replacement parts, and repair services and the absence or disrepair of such equipment, parts and services could affect or halt exploration or eventual production on the properties of the Resulting Issuer. There can be no guarantee that such equipment, parts or repair services will be available to the Resulting Issuer, or that such equipment, replacement parts or repair work will be available on commercially reasonable terms.

The Resulting Issuer is dependent on the availability of affordable and accessible materials. There can be no guarantee of the availability, quality and reliability of the supply of neither such materials, nor that such materials will continue to be available to the Resulting Issuer on commercially reasonable terms.

The Resulting Issuer is also dependent on the availability of skilled technical workers to carry out various

functions on the properties of the Resulting Issuer. There can be no guarantee that such skilled workers will be available to carry out such activities on behalf of the Resulting Issuer or that such workers will be available on commercially reasonable terms.

The Resulting Issuer Will Be Exposed to Foreign Exchange Risk

Business will be transacted by the Company primarily in Brazilian, U.S. and Canadian currencies. The majority of the Resulting Issuer's operating costs will most likely be denominated in the Brazilian currency. Certain costs associated with imported equipment and international supplies and consultants and sales prices for product are denominated in U.S. dollars. Fluctuations in exchange rates may have a significant effect on the cash flows of the Resulting Issuer. Future changes in exchange rates could materially affect the Resulting Issuer's results in either a positive or negative direction. The Resulting Issuer has not hedged its exposure to any exchange rate fluctuations applicable to its business and is therefore exposed to currency fluctuation risks.

Currently, the Brazilian Real is permitted to float against the U.S. Dollar and allows the purchase and sale of foreign currency and the international transfer of Reais. There can be no assurance that the Brazilian Central Bank or the Brazilian government will continue to permit the Real to float freely and not intervene in the exchange rate market through the return of a currency band system or otherwise.

Lithium Ionic's Operations Are Subject to Human Error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Lithium Ionic's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Lithium Ionic. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Lithium Ionic might undertake and legal claims for errors or mistakes by Lithium Ionic personnel.

Disruption from Non-Governmental Organizations

As is the case with any businesses which operate in the mining industry, the Resulting Issuer may become subject to pressure and lobbying from non-governmental organizations. There is a risk that the demands and actions of non-governmental organizations may cause significant disruption to the Resulting Issuer's business which may have a material adverse effect on its operations and financial condition.

Health & Safety

Mining, like many other exploration or extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Resulting Issuer and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Resulting Issuer as an employer.

There is no assurance that the Resulting Issuer has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Resulting Issuer from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Resulting Issuer's business, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in exploration expenses, capital expenditures or production costs, reduction in the levels of production at producing properties, or abandonment or delays in development of new mining properties.

Nature and Climatic Conditions

The Resulting Issuer and the mining industry continuingly face geotechnical challenges which could adversely impact the Resulting Issuer's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as severe rainfall, floods, landslides, droughts, pit wall failures and rock fragility may occur, and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict are often affected by risks and hazards outside of the Resulting Issuer's control. Such conditions could result in limited access to mine sites, suspensions or reductions in operations, government investigations, increased monitoring costs, remediation costs, loss or ore and other impacts which could cause the Resulting Issuer's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Resulting Issuer's results of operations and financial position.

Uninsured or Uninsurable Risks

In the course of exploration, development and production of mineral resource properties, several risks and, in particular, significant risks that could result in damage to, or destruction of vessels and producing or processing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability, may occur. It is not always possible to fully insure against such risks, and the Resulting Issuer may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Resulting Issuer. The Resulting Issuer cannot be certain that insurance will be available on acceptable terms or conditions. In some cases, coverage may not be acceptable or may be considered too expensive relative to the perceived risk.

Disruption in Lithium Ionic's Activities Due to Acts of God May Adversely Affect Lithium Ionic

Disruptions in the activities of Lithium Ionic may be caused by natural disasters, effects of climate change and man-made activities, pandemics, trade disputes and disruptions, war, terrorism, and any other form of economic, health, or political disruptions. Lithium Ionic's financial condition is reliant on continued operations, and in circumstances where continued operations are not possible, Lithium Ionic is likely to experience a decline in its revenue, and may suffer additional disruptions in the form of lack of access to its workforce, customers, technology, or other assets. The extent of the impact on Lithium Ionic will vary with the extent of the disruption and cannot be adequately predicted in advance.

Risks related to Brazil

The Resulting Issuer's financial condition, operations and results of any future operations are subject to political, economic, social, regulatory and geographic risks of doing business in Brazil.

Investments in emerging markets like Brazil generally pose a greater degree of risk than investments in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments and exposes the Resulting Issuer to heightened risks related to prevailing and changing political and socioeconomic conditions. Changes in mining, investment or other applicable policies or shifts in political attitude in Brazil may adversely affect the Resulting Issuer's operations or profitability and may affect the Resulting Issuer's ability to fund its ongoing expenditures. Regardless of the economic viability of the Resulting Issuer's properties, such political changes, which are beyond the Resulting Issuer's control, could have a substantive impact and prevent or restrict (or adversely impact the financial results of) mining of some or all of any deposits on the Itinga Property.

The Brazilian economy has been characterized by frequent, and occasionally material, intervention by the Brazilian federal government, which has often modified monetary, credit and other policies intending to influence Brazil's economy. The Brazilian government's actions to control inflation and effect other policy changes have involved wage and price controls, changes in existing, or the implementation of new, taxes and fluctuations of base interest rates. Actions taken by the Brazilian federal government concerning the economy may have important effects on Brazilian companies or companies with Brazilian assets and on market conditions and the competitiveness of Brazilian products abroad. In addition, actions taken by the Brazilian state and local governments with respect to labor and other laws affecting operations may have an effect on the Resulting Issuer.

The Resulting Issuer's financial condition and results of any future operations may also be materially adversely affected by any of the following, and the Brazilian federal government's actions, or failure to act, in response to them:

- currency depreciations and other exchange rate movements;
- monetary policies
- inflation rate fluctuations
- economic, political and social instability

- environmental regulation
- energy shortages or changes in energy prices
- interest rates
- disasters at third party mineral projects
- corruption or political scandal
- exchange rate controls and restrictions on remittances abroad
- liquidity of the domestic capital and lending markets
- tax policy, including international tax treaties
- other political, diplomatic, social and economic policies or developments in or affecting Brazil

Uncertainty over whether the Brazilian federal government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the market value of securities issued by Brazilian companies or companies with Brazilian assets. The Brazilian government has frequently implemented changes to tax laws, tax treaties and other regulations, including modifications to tax rates. Any such changes, as well as changes in the interpretation of such tax laws and regulations, may result in increases to the Resulting Issuer's overall tax burden, which would negatively affect its profitability.

Political instability or changes in government policy (which may be arbitrary) may result in changes to laws affecting the ownership of assets, mining activities, taxation, rates of exchange, environmental regulations and labour relations. This may affect both the Resulting Issuer's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that a future government may adopt substantially different policies cannot be ruled out.

Brazil's long-term foreign and local currency debt is rated sub-investment grade. Brazil's ratings or outlooks may be downgraded further or placed on watch by the various rating agencies in the future. Downgrades of Brazil's sovereign credit ratings could limit access to funding and/or raise the cost of funding for the Resulting Issuer. Downgrades of Brazil's sovereign credit ratings could also heighten investors' perception of the risk of having operations in Brazil. These and other future developments in the Brazilian economy and governmental policies may materially adversely affect the Resulting Issuer.

Violations of anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations could materially adversely affect the Resulting Issuer's business, reputation, results of any future operations and financial condition.

Brazilian markets have historically experienced heightened volatility due to the uncertainties generated by corruption and bribery allegations and investigations of certain senior politicians, including congressmen and officers and directors of some of the major state-owned and private companies in Brazil. In addition, certain media posts and reports of corruption, or allegations of corruption, in Brazil may have an adverse effect on the public perception and reputation of Brazilian companies and may adversely affect the trading price of the Resulting Issuer's securities. The Resulting Issuer's value and share price could also be adversely affected by illegal activities by others, corruption or by claims, even if groundless, implicating the Resulting Issuer in illegal activities.

Inflation in Brazil

Inflation in Brazil, along with Brazilian governmental measures to combat inflation, may have a significant negative effect on the Brazilian economy and, as a result, on the Resulting Issuer's financial condition and results of operations.

In the past, high levels of inflation have adversely affected the economies and financial markets of Brazil, and the ability of its government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation in Brazil and have created general economic

uncertainty. As part of these measures, the Brazilian government has at times maintained a restrictive monetary policy and high interest rates that have limited the availability of credit and economic growth. Brazil may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in Brazil and lead to further government intervention in the economy, including interest rate increases, restrictions on tariff adjustments to offset inflation, intervention in foreign exchange markets and actions to adjust or fix currency values, which may trigger or exacerbate increases in inflation, and consequently have an adverse impact on the Resulting Issuer. In an inflationary environment, the value of uncollected accounts receivable, as well as of unpaid accounts payable, declines rapidly. If Brazil experiences high levels of inflation in the future and price controls are imposed, the Resulting Issuer may not be able to adjust the rates the Resulting Issuer charges the Resulting Issuer's customers to fully offset the impact of inflation on the Resulting Issuer's cost structures, which could adversely affect the Resulting Issuer's results of operations or financial condition.

*Exchange rate instability may have a material adverse effect on the Brazilian economy***.**

The Brazilian Real has experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies during the last decades. Depreciation of the Brazilian Real against the U.S. dollar could create inflationary pressures in Brazil and cause increases in interest rates, which could negatively affect the growth of the Brazilian economy as a whole and harm the Resulting Issuer's financial condition and results of operations. On the other hand, appreciation of the Brazilian Real relative to the U.S. dollar and other foreign currencies could lead to a deterioration of the Brazilian foreign exchange current accounts, as well as dampen export-driven growth. Depending on the circumstances, either depreciation or appreciation of the Brazilian Real could have a material adverse effect on the Brazilian economy.

PART VII – GENERAL MATTERS

Sponsorships/Relationships

Lithium Ionic is requesting an exemption from the sponsorship requirements under Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements of the Exchange* of the Exchange's Corporate Finance Manual. Under Section 3.4(a)(ii) of Policy 2.2, an exemption from the sponsorship requirement may be available where, among other things, there is: (a) significant involvement of a bank or other major financial institution in the transaction; or (b) the issuer conducts a concurrent brokered financing of at least \$500,000 in connection with the transaction, and the agent for that transaction has provided the Exchange with confirmation that it has completed appropriate due diligence on both the transaction and the accompanying disclosure document describing it. Such conditions will have been satisfied given the role of the Agents (including the Agents' due diligence investigations) in connection with the Financings. Lithium Ionic expects that the Exchange will correspondingly grant the request for an exemption from the sponsorship requirements, subject to the Agents submitting to the Exchange the due diligence confirmation letter contemplated by Section 3.4(a)(ii)(B)(II) of Exchange Policy 2.2.

Except as disclosed herein, there are no actual or anticipated agreements with any registrant to provide sponsorship or corporate finance services either now or in the future.

Opinions

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this Filing Statement:

- 1. MNP LLP has provided auditor's reports on the consolidated financial statements of POCML Financial Statements included in this Filing Statement as Appendix "A". MNP LLP confirmed its independence of POCML as determined by the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.
- 1. McGovern Hurley LLP, Chartered Professional Accountants, has provided auditor's reports on the Lithium Ionic Financial Statements and the Lithium Ionic Brazil Financial Statements included in this Filing Statement as Appendix "C" and Appendix "E", respectively. McGovern Hurley LLP confirmed its independence of Lithium Ionic as determined by the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Interests of Experts

No individual or company whose profession or business gives authority to a statement made by the individual or corporation and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds, or will hold immediately following the completion of the Transaction, any direct or indirect interest in any securities or property of the Resulting Issuer.

Other Material Facts

There are no other material facts in respect of the securities to be listed that are not disclosed in this Filing Statement, or the documents incorporated herein by reference and that are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to the securities to be listed.

Exemptions

No discretionary exemption from a securities regulator or securities regulatory authority has been applied for or received by Lithium Ionic within the 12 months preceding the date of this Filing Statement.

Board Approval

The contents and the filing of this Filing Statement have been approved by the board of directors of each of POCML and Lithium Ionic. Where information contained in this Filing Statement rests particularly within the

| knowledge of a person other than POCML
furnished by such person.	and Lithium Ionic, POCML	and Lithium Ionic	relied upon information

CERTIFICATE OF POCML 6 INC.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Filing Statement and of any material fact not otherwise required to be disclosed under an item of this Filing Statement.

DATED May 12, 2022.

(signed) "David D'Onofrio"

David D'Onofrio Director

On behalf of the Board of Directors

(signed) "Adam Parsons"

Adam Parsons Director

CERTIFICATE OF LITHIUM IONIC INC.

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Filing Statement and of any material fact not otherwise required to be disclosed under an item of this Filing Statement.

DATED May 12, 2022.

(signed) "Helio Diniz"	**(signed) "Greg Duras"**
Helio Diniz	
Chief Executive Officer	Greg Duras
Chief Financial Officer	
	On behalf of the Board of Directors
(signed) "David Gower"	(signed) "Lawrence Guy"
David Gower	Lawrence Guy
Director	Director

APPENDIX "A" POCML AUDITED FINANCIAL STATEMENTS

(*See attached*)

(a Capital Pool Company)

Financial Statements

(in Canadian Dollars)

For the Year Ended December 31, 2021

And for the period from the date of incorporation (December 21, 2020) to December 31, 2020

Independent Auditor's Report

To the Shareholders of POCML 6 Inc.:

Opinion

We have audited the financial statements of POCML 6 Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and December 31, 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2021 and the period from the date of incorporation (December 21, 2020) to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and December 31, 2020, and its financial performance and its cash flows for the year ended December 31, 2021 and the period from the date of incorporation (December 21, 2020) to December 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

Toronto, Ontario Chartered Professional Accountants April 29, 2022 Licensed Public Accountants

(a Capital Pool Company) Statements of Financial Position (in Canadian Dollars)

As at	**December 31, 2021**	**December 31, 2020**
Assets		
Current		
Cash and cash equivalents	\$ 621,789	\$ 410,000
Total current assets	621,789	410,000
Liabilities		
Current		
Accounts payable & accrued liabilities	32,525	-
Shareholders' equity		
Share capital (Note 3)	645,251	410,000
Contributed surplus (Note 3)	86,427	
Accumulated deficit	(142,414)	-
Total shareholders' equity	589,264	410,000
Total Liabilities and shareholders' equity	\$ 621,789	\$ 410,000

Subsequent events (Note 7)

The accompanying notes are an integral part of these financial statements.

Approved on Behalf of the Board:

"David D'Onofrio" (signed) **David D'Onofrio Director**

"Adam Parsons" (signed) **Adam Parsons Director**

(a Capital Pool Company) Statements of Loss and Comprehensive Loss (in Canadian Dollars)

	Year ended December 31, 2021	Period from the date of incorporation (December 21, 2020) to December 31, 2020
Expenses		
Operating, general and administrative	$ 31,816	$ -
Stock based compensation	81,485	-
Professional Fees	29,692	-
Loss for the year/period	142,993	-
Interest Income	(579)	-
Total comprehensive loss	$ 142,414	$ -
Net loss per common share		
Basic and diluted	$ 0.01	$ 0.00
Weighted average of number of common shares outstanding		
Basic and diluted	10,285,127	8,200,000

(a Capital Pool Company) Statements of Changes in Shareholders' Equity

(in Canadian Dollars)

For the Year Ended December 31, 2021 and for the period from the date of incorporation (December 21, 2020) to December 31, 2020

	Note	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit		Shareholders' Equity
Balance at December 21, 2020		-	$ -	$ -	$	-	$ -
Issuance of common shares	3	8,200,000	410,000	-		-	410,000
Balance at December 31, 2020		8,200,000	$ 410,000	$ -	$	-	$ 410,000
Initial Public Offering Issuance of common shares Share issuance costs	3	2,800,000 -	280,000				

(60,193) | -
10,243 | | -
- | 280,000
(49,950) | | Shares issued – Warrants
exercised
Stock based compensation
Net loss for the period | 3
3 | 101,430
-
- | 15,444
-
- | (5,301)
81,485
- | | -
-
(142,414) | 10,143
81,485
(142,414) | | Balance at December 31, 2021 | | 11,101,430 | \$ 645,251 | \$
86,427 | | \$ (142,414) | \$ 589,264 |

(a Capital Pool Company) Statements of Cash Flows

(in Canadian Dollars)

For the Year Ended December 31, 2021 and

for the period from the date of incorporation

(December 21, 2020) to December 31, 2020

		Period from the	
			date of
		incorporation	
		(December 21,	
			2020) to
	Year ended	December 31,	
	December 31,		
2021		2020	
Cash flows used in operating activities:			
Loss for the year/period	\$ (142,414)	\$	-

		Period from the	
Adjustments for:			
Stock based compensation	81,485		-
Changes in non-cash working capital:			-
Accounts payable	32,525		-
Financing			
Net proceeds from issuance of common shares	230,050		410,000
Net proceeds from exercise of warrants	10,143		-
Net change in cash and cash equivalents	211,789		410,000
Cash and cash equivalents, beginning of year/ period	410,000		-
Cash and cash equivalents, end of year/period	\$ 621,789		\$ 410,000

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 and for the period from the date of incorporation (December 21, 2020) to December 31, 2020

1. INCORPORATION AND NATURE OF BUSINESS

POCML 6 Inc. (the "Company" or "POCML6") was incorporated under the Business Corporations Act (Ontario) on December 21, 2020 and is classified as a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"), as defined under the policies of the Exchange. The Company has not commenced commercial operations and has no assets other than cash and cash equivalents. Given the nature of the activities, no separate segmented information is reported.

The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \ $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange.

The head office and the registered head office of the Company is located at 130 King Street West, Suite 2210, Toronto, Ontario M5X 1E4.

The Company does not generate revenue from operations. The Company incurred a net loss of \$142,414 during the year ended December 31, 2021 (December 31, 2020 - \$Nil) and, as of that date the Company's deficit was \$142,414 (December 31, 2020 - \$Nil). However, the Company believes that its working capital of \$589,264 as at December 31, 2021 (December 31, 2020 - \$410,000) will provide the Company with sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

On April 29, 2022, the Board of Directors approved the financial statements for the year ended December 31, 2021.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 and for the period from the date of incorporation (December 21, 2020) to December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Loss Per Share

Basic loss per common share is determined by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Company has implemented the following classifications:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents are classified as assets at fair value and any period change in fair value is recorded in profit or loss. Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset tor financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash and cash equivalents are a level 1 financial instrument measured at fair value on the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock-based Compensation

The Company accounts for all stock-based compensation awarded to directors and officers and non-employees using the fair value method. Under this method, cost is measured at the grant date at fair value using the Black-Scholes options pricing model that takes into account the exercise price, the expected life of the option, the current price of the underlying stock, the expected volatility, the expected dividends and the risk-free interest rate for the expected term of the option. The compensation cost will be expensed in the statement of operations over the service period, that is the vesting period for directors and officers and over the performance period for awards provided to non-employees in exchange for goods and services.

Share Issuance Costs

Share issuance costs relate to expenditures incurred in connection with the Company's share issuance (note 3) and are charged against share capital.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates used in the financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash held in financial institutions and funds held in a money market fund.

3. SHARE CAPITAL

Authorized

Unlimited number of common shares Unlimited number of special shares

Issued

Number of Shares		Amount
Balance		
at		
December 21, 2020	-	\$
-		
Issuance of common shares	8,200,000	410,000
Balance		
at December 31, 2020	8,200,000	\$ 410,000
Issuance of common shares	2,800,000	280,000
Share Issuance costs	-	(60,193)
Compensation warrant exercises	101,430	15,444
Balance		
at December 31, 2021	11,101,430	\$ 645,251

Escrowed Shares

On December 21, 2020, the Company issued 8,200,000 common shares at \$0.05 per common share for total proceeds of \$410,000.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months and 18 months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 **and for the period from the date of incorporation (December 21, 2020) to December 31, 2020**

3. SHARE CAPITAL (continued)

Initial Public Offering

On April 6, 2021, the Company completed an Initial Public Offering (the "Offering") of 2,800,000 common shares at \$0.10 per common share for aggregate gross proceeds of \$280,000 pursuant to a prospectus dated March 17, 2021. The Company paid issuance costs of \$49,950 and prior to listing, granted the agent 196,000 compensation warrants to purchase common shares at a price of \$0.10 per common share for a period ending twenty-four months from the date the Company's common shares are listed on the TSX Venture Exchange. The cash raised from the Offering will be primarily used to pursue a Qualifying Transaction.

At the closing of the Offering and prior to listing, the Company granted stock options to directors and officers of the Company to acquire up to an aggregate of 1,100,000 common shares. The options may be exercised at any time prior to April 6, 2026, at a price of \$0.10 per common share.

Contributed Surplus

The Company has established a stock option plan for its directors, officers and consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are nontransferable and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire one year thereafter.

The following table reflects the continuity of stock options and compensation warrants:

	Number of stock options and compensation warrants	Weighted average exercise price (\$)	Fair Value

Balance, December 31, 2020	-	-	$ -
Compensation warrants Issued April 6, 2021 (i)	196,000	$0.10	10,243
Options issued April 6, 2021 (ii)	1,100,000	$0.10	81,485
Compensation warrants exercised (iii)	(101,430)	$0.10	(5,301)
Balance, December 31, 2021	1,194,570	$0.10	$86,427

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 **and for the period from the date of incorporation (December 21, 2020) to December 31, 2020**

3. SHARE CAPITAL (continued)

- i. Prior to listing on April 6, 2021, the Company granted 196,000 compensation warrants to the agent, which are exercisable at an exercise price of $0.10 per share for a period of 24 months following the date that the common shares are listed on the Exchange. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price $0.10, dividend yield 0%, risk-free interest rate of 0.44%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was $10,243.
- ii. Prior to listing on April 6, 2021, the Company granted 1,100,000 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: share price $0.10, dividend yield 0%, risk-free interest rate of 0.64%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $81,485. The options vested immediately.
- iii. During the year ended December 31, 2021, 101,430 common shares were issued from compensation warrants exercised at an average price of $0.10 per common share, with fair value of $5,301 being reallocated from contributed surplus to share capital respectively.

The following table reflects the actual options and compensation warrants issued and outstanding as of December 31, 2021:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options and Warrants Outstanding	Number of Options and Warrants Vested (Exercisable)
April 6, 2023	$0.10	1.26	94,570	94,570
April 6, 2026	$0.10	4.26	1,100,000	1,100,000
	$0.10	4.02	1,194,570	1,194,570

4. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Capital management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the Exchange.

Risk disclosures and fair values

The Company's financial instruments, consisting of cash and cash equivalents and accounts payable and accrued liabilities approximate fair value due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

Key management personnel and directors received \$81,485 (2020 - \$nil) of stock based compensation during the year ended December 31, 2021.

There were no other transactions with related parties during the year ended December 31, 2021.

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 and for the period from the date of incorporation (December 21, 2020) to December 31, 2020

6. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% and the Corporation's effective income tax expense is as follows:

	2021	20	)20_
Net loss for the year/period	\$		
142,414	\$	-	
Expected income tax recovery	(37,740)		-
Non-deductible	21,594		-
Share issuance costs	(13,237)		-
Deferred tax assets not recognized	29,383		
Income taxes recovery	\$		
-	\$		

At December 31, 2021, the Corporation has non – capital losses for income tax purposes of approximately \$70,919 which can be carried forward to be applied against future taxable income. These losses expire to the extent unutilized against future taxable income in 2041. The Corporation has not recorded deferred tax assets related to these unused carry forward losses as it is not probable that future taxable profits will be available against which these can be deducted.

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 and for the period from the date of incorporation (December 21, 2020) to December 31, 2020

7. SUBSEQUENT EVENTS

- (a) On February 7, 2022, the Company entered into a definitive amalgamation agreement (the "Amalgamation Agreement") with Lithium Ionic Inc. ("Lithium Ionic"), a private company incorporated under the Business Corporations Act (Ontario) (the "OBCA"), pursuant to which POCML6 will acquire all of the issued and outstanding securities of Lithium Ionic by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Company ("Subco") incorporated under the laws of the Province of Ontario, with such acquisition (the "Proposed Transaction") constituting a reverse take-over of the Company (the "RTO"). Prior to the closing of the RTO, the Company shall consolidate (the "Consolidation") its common shares ("POCML Shares") on the basis 0.61983471 post-Consolidation Company Share for each one pre-Consolidation Company Share, subject to certain adjustments as set out in the Amalgamation Agreement. The Company, as the resulting issuer following the completion of the Proposed Transaction (the "Resulting Issuer"), will continue on the business of Lithium

Ionic. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction, as such term is defined in TSXV Policy 2.4 - Capital Pool Companies. It is anticipated that the common shares of the Resulting Issuer (the "Resulting Issuer Shares") will be listed for trading on the TSXV. For more detail, see The Company press release dated February 7, 2022, available on SEDAR.com.

- (b) On February 8, 2022 Lithium Ionic and the Company (together with Lithium Ionic, the "Issuers"), announced that Lithium Ionic and the Company have closed their previously-announced brokered private placements (collectively, the "Offering") of subscription receipts (each, a "Subscription Receipt"). Under the Offering, Lithium Ionic and the Company issued an aggregate of 20,000,000 Subscription Receipts at a price of \$0.70 per Subscription Receipt (the "Issue Price") for gross proceeds of \$14,000,000. The Offering was completed pursuant to an agency agreement (the "Agency Agreement") dated February 8, 2022, between Lithium Ionic, the Company, Clarus Securities Inc. (the "Lead Agent"), PowerOne Capital Markets Limited, iA Private Wealth Inc., Haywood Securities Inc. and Research Capital Corporation (collectively with the Lead Agent, the "Agents"). The gross proceeds from the sale of the Subscription Receipts, less the cash portion of the Agents' commission and Agents' expenses, are being held in escrow by TSX Trust in accordance with the Subscription Receipt Agreements and will be released to the Issuers upon satisfaction and/or waiver of certain escrow release conditions (the "Escrow Release Conditions"), including completion of all conditions precedent to the RTO.

Notes to Financial Statements (a Capital Pool Company)

For Year Ended December 31, 2021 and for the period from the date of incorporation (December 21, 2020) to December 31, 2020

7. SUBSEQUENT EVENTS (continued)

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt of Lithium lonic will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one common share of Lithium Ionic (a "Lithium Ionic Share") and each Subscription Receipt of the Company will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one post-Consolidation Company Share, Immediately following the issuance of the Lithium Ionic Shares upon the conversion of the Subscription Receipts of Lithium Ionic, each Lithium Ionic Share will be exchanged for one Resulting Issuer Share. In connection with the Offering, Lithium Ionic paid the Agents a commission satisfied by an aggregate cash payment of \$70,230.25 and the issuance of 1,064,845 Subscription Receipts of Lithium Ionic at the Issue Price. As additional consideration, Lithium Ionic issued 1,165,174 broker warrants (each, a "Broker Warrant") to the Agents, each entitling the Agents to purchase one Lithium Ionic Share (and subsequently one Resulting Issuer Share) at the Issue Price for a period of 24 months following the date of issuance of the Release Notice (as defined in the Agency Agreement). Also, in connection with the Offering, the Company paid the

Agents a commission satisfied by an aggregate cash payment of \$29,609.50 and the issuance of 192,525 Subscription Receipts of the Company at the Issue Price. As additional consideration, the Company issued 234,825 Broker Warrants to the Agents, each entitling the Agents to purchase one Resulting Issuer Share at the Issue Price for a period of 24 months following the date of issuance of the Release Notice. For more detail, see the Company's press release dated February 8, 2022, available on SEDAR.com.

In connection with the Offering, PowerOne Capital Markets Limited ("PowerOne") will receive 46,966 broker warrants and 38,505 subscription receipts of POCML6 as compensation for acting as one of the Agents. PowerOne is considered a related and connected issuer to POCML6 because: (i) officers and directors of PowerOne own, control or direct more than 20% of the issued and outstanding common shares of POCML6, assuming the exercise of the options of POCML6 that they own and no other convertible securities; and (ii) officers and directors of PowerOne are officers and directors of POCML6. The terms of the Offering were determined by the Lithium Ionic and POCML6, and no proceeds from the Offering will be applied for the benefit of PowerOne other than the previously mentioned fees. The interests of PowerOne and/or its officers and directors in the Resulting Issuer may be subject to such escrow periods as may be imposed by the Exchange and/or securities regulators and such additional contractual hold period as they may be agreed to.

APPENDIX "B" POCML MANAGEMENT'S DISCUSSION AND ANALYSIS

(*See attached*)

(a Capital Pool Corporation)

Management's Discussion and Analysis

For the Period Ended: December 31, 2021

Date of Report: April 29, 2022

This management's discussion and analysis of the financial condition and results of operation ("**MD&A**") of POCML 6 Inc. ("**POCML**" or the "**Company**") should be read in conjunction with POCML's audited financial statements and notes thereto for the year ended December 31, 2021.

Results are reported in Canadian dollars, unless otherwise noted. All financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**").

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results and financing activities, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Selected forward-looking statements, assumptions, and risk factors are as follows:

Forward-looking statements	Assumptions	Risk factors
The Company proposes to work towards completing a Qualifying transaction.	The Company expects to identify an asset or business to acquire and close a Qualifying Transaction, on terms favourable to the Company.	The Company's inability to find a target, the inability to satisfy all of the conditions precedent (due diligence, shareholder and regulatory approval, financing)

to complete a Qualifying
Transaction, resulting in the
Company remaining as a public
shell. | | The Company's ability to meet
its working capital needs at
the current level for the
twelve-month period ending
December 31, 2022. | The operating activities of the
Company for the twelve-month
period ending December 31,
2022, and the costs associated
therewith, will be consistent
with the Company's current
expectations; debt and equity
markets, exchange and interest
rates and other applicable
economic conditions are
favourable to the Company. | Changes in debt and equity
markets; timing and availability
of external financing on
acceptable terms; increases in
costs; regulatory compliance
and changes in regulatory
compliance and other local
legislation and regulation;
interest rate and exchange rate
fluctuations; changes in
economic conditions; ongoing
uncertainties relating to the
COVID-19 virus. |

Nature of the Business and Incorporation:

The Company was incorporated under the Business Corporations Act (Ontario) on December 21, 2020 and is classified as a Capital Pool Company, as defined in the Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The Company's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's-length transaction, of the majority of the minority shareholders.

The Company is domiciled in the province of Ontario, Canada and the head office and the registered head office of the Company is located at 130 King Street West, Suite 2210, Toronto, Ontario M5X 1E4.

The Company currently has one employee, Pat DiCapo, who is the Chief Executive Officer and Chief Financial Officer.

Operational Highlights

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing a Qualifying Transaction. At December 31, 2021, the Company had a net working capital of \$589,264 (December 31, 2020 – \$410,000). The Company had cash of \$621,789 (December 31, 2020 - \$410,000). Working capital and cash and cash equivalents increased during the twelve months ended December 31, 2021 due to cash raised on the issuance of common shares (each, a "**POCML Share**") in the capital of the Company and cash received on the exercise of POCML Share purchase warrants.

The Company has sufficient capital to meet its ongoing operating expenses and continue to meet its obligations on its current projects for the twelve-month period ending December 31, 2022. Management may increase or decrease budgeted expenditures depending on exploration results and ongoing volatility in the economic environment. See "Liquidity and Capital Resources" below.

Trends

The Company plans to continue to search for suitable assets or businesses to acquire or merge with in order to maximize value for shareholders and, in connection therewith, on Janaury 12, 2022, the Company announced that it entered into a binding letter of intent with Lithium Ionic Inc. ("**Lithium Ionic**"). See "Subsequent Events" below. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longerterm strategic decisions. Strong equity markets are favourable conditions for completing a public merger or acquisition transaction.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete a RTO;
- Purchasing power of the Canadian dollar; and

- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Results of Operations – Three months ended December 31, 2021

The Company recorded a net loss and comprehensive loss of \$11,873 during the three months ended December 31, 2021. There was no comparative period as the Company incorporated on December 21, 2020.

The net loss for the three months ended December 31, 2021 is represented by the following income and expenses incurred in the period:

Interest income	\$ (303)
Operating, general and administrative	\$ 4,676
Professional Fees	\$ 7,500
	\$ 11,873

The Company, during the three month period ended December 31, 2021, incurred expenses related to ongoing administration.

Results of Operations – Year ended December 31, 2021

The Company recorded a net loss and comprehensive loss of \$142,414 during the year ended December 31, 2021. There was no comparative period as the Company incorporated on December 21, 2020.

The net loss for the year ended December 31, 2021 is represented by the following income and expenses incurred in the period:

Interest income	\$ (579)
Operating, general and administrative	\$ 31,816
Stock based compensation	\$

81,485 | | Professional Fees | \$
29,692 | | | \$ 142,414 |

The Company, during the year ended December 31, 2021, incurred expenses related to ongoing administration, as well as listing and filing fees all relating to the Company's listing on the Exchange and included in Office and general (see information elsewhere in this MD&A).

Liquidity and capital resources

As at December 31, 2020, the Company had cash of \$410,000, and as of December 31, 2021, the Company had cash of \$621,789.

As of December 31, 2020, the Company had no liabilities, and as at December 31, 2021 had total liabilities of \$32,525.

Shareholder equity increased to \$589,264 as at December 31, 2021 (December 31, 2020 - \$410,000).

Quarterly Financial Results

Quarter Ended	Revenue	Income / (Loss)	Income/ (Loss) per share
December 31, 2021	-	(11,873)	-
September 30, 2021	-	(14,667)	-
June 30, 2021	-	(86,986)	(0.01)
March 31, 2021	-	(28,888)	-
December 31, 2020	-	Nil	Nil

Segmented Information

The Company has a single reportable geographic segment – Canada – and all of the Company's assets are located in Canada.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Investor Relations

During the year ended December 31, 2021, the Company's management handled the Company's investor relations activities.

Outstanding Share Capital as at December 31, 2021

(a) Authorized

Unlimited number of common shares Unlimited number of special shares

(b) Issued

11,101,430 common shares \$645,251

On April 6, 2021, the Company completed an Initial Public Concurrent Financing (the "**Concurrent Financing**") of 2,800,000 common shares at \$0.10 per common share for gross proceeds of \$280,000 pursuant to a prospectus dated March 17, 2021. The Company paid share issuance costs of \$49,950 and prior to listing, granted the agent 196,000 compensation options to purchase common shares at a price of \$0.10 per common share for a period ending twenty-four months from the date the Company's common shares are listed on the Exchange. The cash raised from the Concurrent Financing will be primarily used to pursue a Qualifying Transaction.

At the closing of the Concurrent Financing and prior to listing, the Company granted stock options to directors and officers of the Company to acquire up to an aggregate of 1,100,000 common shares. The options may be exercised at any time prior to April 6, 2026, at a price of \$0.10 cents per common share.

During the twelve months ended December 31, 2021, 101,430 common shares were issued from options exercised at an average of \$0.10 per common share, with fair value of \$5,301 being reallocated from contributed surplus to share capital respectively.

(c) Escrowed shares:

On December 21, 2020, the Company issued 8,200,000 common shares at \$0.05 per common share for total proceeds of \$410,000.

The issued and outstanding common shares will be held in escrow pursuant to the requirements of the Exchange. 25% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months and 18 months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

Transactions with Related Parties

Key management personnel and directors received \$81,485 (2020 - \$nil) of stock based compensation during the year ended December 31, 2021. In addition, certain officers, directors and shareholders of the Compnay participated in the Offering (as defined below). See "Subsequent Events" below.

Financial Instruments

The carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate fair value due to the relatively short term maturities of these instruments.

Management of Capital

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \ $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

Contingency

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

Risk Disclosures and Fair Value

The Company's financial instruments, consisting of cash, amounts receivable and accounts payable and accrued liabilities approximates fair value due to the relatively short term maturities of the instrument. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Outlook

Management believes the Company is well positioned to seek and complete a Qualifying Transaction. The Company believes that it has sufficient cash and capital resources.

Subsequent Events

On January 12, 2022, the Company announced that it entered into a binding letter of intent with Lithium Ionic negotiated at arm's length and effective as of January 7, 2022 (the "**Letter of Intent**") in respect of a proposed business combination transaction pursuant to which POCML will acquire all of the issued and outstanding securities of Lithium Ionic (the "**Proposed Transaction**"). In connection with the Proposed

Transaction, Lithium Ionic has also executed an engagement letter to complete a concurrent subscription receipt financing (the "**Offering**") for up to \$10,000,000 with Clarus Securities Inc., PowerOne Capital Markets Limited ("**PowerOne**") and a syndicate of agents. For more detail, see the Company's press release dated January 12, 2022, available on SEDAR at [www.SEDAR.com.](http://www.SEDAR.com)

On February 7, 2022, the Company announced that it entered into a definitive amalgamation agreement dated February 7, 2022 (the "**Amalgamation Agreement**") with Lithium Ionic, a private company incorporated under the Business Corporations Act (Ontario), pursuant to which the Company will acquire all of the issued and outstanding securities of Lithium Ionic by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Company ("Subco") incorporated under the laws of the Province of Ontario, with such acquisition (the "**Proposed Transaction**") constituting a reverse take-over of the Company (the "**RTO**"). Prior to the closing of the RTO, the Company shall consolidate (the "**Consolidation**") its common shares ("**POCML Shares**") on the basis 0.61983471 post-Consolidation POCML Share for each one pre-Consolidation POCML Share, subject to certain adjustments as set out in the Amalgamation Agreement. The Company, as the resulting issuer following the completion of the Proposed Transaction (the "**Resulting Issuer**"), will continue on the business of Lithium Ionic. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction, as such term is defined in TSXV Policy 2.4 – Capital Pool Companies. It is anticipated that the common shares of the Resulting Issuer (the "**Resulting Issuer Shares**") will be listed for trading on the Exchange. For more detail, see the Company's press release dated February 7, 2022, available on SEDAR at [www.SEDAR.com.](http://www.SEDAR.com)

On February 8, 2022, Lithium Ionic and the Company (the Company together with Lithium Ionic, the "**Issuers**"), announced that Lithium Ionic and the Company closed the Offering of subscription receipts (each, a "**Subscription Receipt**"). Under the Offering, Lithium Ionic and the Company issued an aggregate of 20,000,000 Subscription Receipts at a price of \$0.70 per Subscription Receipt (the "**Issue Price**") for gross proceeds of \$14,000,000. The Offering was completed pursuant to an agency agreement (the "**Agency Agreement**") dated February 8, 2022, between Lithium Ionic, the Company, Clarus Securities Inc. (the "**Lead Agent**"), PowerOne, iA Private Wealth Inc., Haywood Securities Inc. and Research Capital Corporation (collectively with the Lead Agent, the "**Agents**"). The gross proceeds from the sale of the Subscription Receipts, less the cash portion of the Agents' commission and Agents' expenses, are being held in escrow by TSX Trust Company in accordance with the Subscription Receipt Agreements and will be released to the Issuers upon satisfaction and/or waiver of certain escrow release conditions (the "**Escrow Release Conditions**"), including completion of all conditions precedent to the RTO.

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt of Lithium Ionic will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one common share of Lithium Ionic (a

"**Lithium Ionic Share**") and each Subscription Receipt of the Company will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one post-Consolidation POCML Share. Immediately following the issuance of the Lithium Ionic Shares upon the conversion of the Subscription Receipts of Lithium Ionic, each Lithium Ionic Share will be exchanged for one Resulting Issuer Share. In connection with the Offering, Lithium Ionic paid the Agents a commission satisfied by an aggregate cash payment of \$70,230.25 and the issuance of 1,064,845 Subscription Receipts of Lithium Ionic at the Issue Price. As additional consideration, Lithium Ionic issued 1,165,174 broker warrants (each, a "**Broker Warrant**") to the Agents, each entitling the Agents to purchase one Lithium Ionic Share (and subsequently one Resulting Issuer Share) at the Issue Price for a period of 24 months following the date of issuance of the Release Notice (as defined in the Agency Agreement). Also, in connection with the Offering, the Company paid the Agents a commission satisfied by an aggregate cash payment of \$29,609.50 and the issuance of 192,525 Subscription Receipts of the Company at the Issue Price. As additional consideration, the Company issued 234,825 Broker Warrants to the Agents, each entitling the Agents to purchase one Resulting Issuer Share at the Issue Price for a period of 24 months following the date of issuance of the Release Notice. For more detail, see the Company's press release dated February 8, 2022, available on SEDAR at www.SEDAR.com.

In connection with the Offering, PowerOne will receive 46,966 broker warrants and 38,505 subscription receipts of POCML6 as compensation for acting as one of the Agents. PowerOne is considered a related and connected issuer to POCML6 because: (i) officers and directors of PowerOne own, control or direct more than 20% of the issued and outstanding common shares of POCML6, assuming the exercise of the options of POCML6 that they own and no other convertible securities; and (ii) officers and directors of PowerOne are officers and directors of POCML6. The terms of the Offering were determined by the Lithium Ionic and POCML6, and no proceeds from the Offering will be applied for the benefit of PowerOne other than the previously mentioned fees. The interests of PowerOne and/or its officers and directors in the Resulting Issuer may be subject to such escrow periods as may be imposed by the Exchange and/or securities regulators and such additional contractual hold period as they may be agreed to. In addition, David D'Onofrio and Adam Parsons, directors of POCML6, participated in the Offering, purchasing 125,000 and 50,000 of subscription receipts of POCML6, respectively. As a result, the Offering constituted a related party transaction as defined in MI 61-101, as further set out in the subsection "g" of the definition of "related party transaction" in Section 1.1 of MI 61-101.

APPENDIX "C" LITHIUM IONIC AUDITED FINANCIAL STATEMENTS

(See attached)

LITHIUM IONIC INC.
Consolidated Financial Statements

For the period from the date of incorporation (July 5, 2021) to December 31, 2021
(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Lithium Ionic Inc.

Opinion

We have audited the consolidated financial statement of Lithium Ionic Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the period from incorporation (July 5, 2021) to December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and its consolidated financial performance and its consolidated cash flows for the period from incorporation (July 5, 2021) to December 31, 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McGovern Hurley LLP

Chartered Professional Accountants Licensed Public Accountants

Toronto, Ontario May 12, 2022

Consolidated Statements of Financial Position

Expressed in Canadian Dollars

		December 31,
As at:	Note	2021
\$		
ASSETS		
Current		

		December 31,
Cash		7,788,687
Amounts receivable		43,424
Prepaid expenses		1,000
Total assets		7,833,111
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	9, 10	945,956
Total liabilities		945,956
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Common shares	6	7,487,282
Warrant reserve	7	179,241
Accumulated deficit		(779,368)
Total shareholders' equity (deficiency)		6,887,155
Total liabilities and shareholders' equity (deficiency)		7,833,111
Nature of operations and going concern	1	
Commitments and contingencies	13	
Subsequent events	14	

Approved on behalf of the Board of Directors:

Signed: *Helio Diniz* , Director

Signed: *David Gower* , Director

Consolidated Statements of Loss and Comprehensive Loss For the period ended:

Expressed in Canadian Dollars

Consolidated Statements of Changes in Shareholders' Equity

Expressed in Canadian Dollars

| | Number of
Shares | Common
Shares | Warrant
Reserve | Deficit | Shareholders' equity/(deficiency) |
|---|--------------------|------------------|--------------------|-----------|---------------
| | # | \$ | \$ | \$ | \$ | | Balance, July 5, 2021 | - | - | - | - | - | | Incorporation |

31,100,001 | 3 | _ | - | 3 | | Private placement - Tranche I | 24,950,000 | 4,990,000 | - | - | 4,990,000 | | Private placement - Tranche II | 15,360,000 | 3,072,000 | - | - | 3,072,000 | | Private placement - Shares issued for services | 300,000 | 60,000 | - | - | 60,000 | | Share issue costs | - | (455,480) | - | - | (455,480) | | Private placement - Finder's warrants | - | (179,241) | 179,241 | - | - | | Loss and comprehensive loss | - | - | - | (779,368) | (779,368) | | Balance, December 31, 2021 | 71,710,001 | 7,487,282 | 179,241 | (779,368) | 6,887,155 |

	Note	\$
Cash (used in)/provided by:		
Operating activities		
Net loss for the period		(779,368)
Items not involving cash:		
Shares issued for services	6	60,000
Working capital adjustments:		
Change in amounts receivable		(43,424)
Change in prepaid expenses		(1,000)
Change in accounts payable and accrued liabilities		945,956
Net cash provided by operating activities		182,164
Financing activities		
Proceeds from issuance of common shares	6	8,062,003
Cost of issue	6	(455,480)
Net cash provided by financing activities		7,606,523
Change in cash		7,788,687
Cash, beginning of the period		-
Cash, end of the period		7,788,687

Notes to the Consolidated Financial Statements For the period ended December 31, 2021

Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

Lithium Ionic Inc. (the "Company", or "Lithium Ionic") was incorporated on July 5, 2021 as a Province of Ontario registered corporation pursuant to the *Business Corporations Act of Ontario*. The Company changed its name from Li-Ionic Inc. on November 17, 2021 to Lithium Ionic Inc.

The Company owns the following subsidiary:

• A 99.9% interest in MGLIT Empreendimentos Ltda. ("MGLIT"), a company incorporated on October 29, 2018 under Brazilian corporate law. The remaining 0.1% interest is owned by an officer and director of Lithium Ionic and was acquired by the Company subsequent to December 31, 2021.

The Company is currently engaged in the acquisition, exploration, and development of mineral properties in Brazil. The head office and principal address of the Company is 36 Lombard Road, Toronto Ontario, M5C 2X3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral exploration properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

At December 31, 2021, the Company had working capital of \$6,887,155 and a deficit of \$779,368. The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation.

These consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. Despite the severity of the COVID-19 pandemic, there were no material impacts on the Company's operations and finances for the period ended December 31, 2021.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies set out were consistently applied to the period presented unless otherwise noted below.

Basis of presentation

These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis.

Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

Subsidiaries

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Generally, the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

These consolidated financial statements include the accounts of the Company and its subsidiary, MGLIT Empreendimentos Ltda. ("MGLIT"). All material intercompany transactions and balances have been eliminated on consolidation.

Approval of the consolidated financial statements

These consolidated financial statements of the Company for the period ended December 31, 2021 were reviewed, approved and authorized for issue by the Board of Directors of the Company on May 12, 2022.

Notes to the Consolidated Financial Statements For the period ended December 31, 2021

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES

Critical judgements and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments and warrants

Management determines costs for share-based payments and warrants issued in financing transactions using market-based valuation techniques. The fair value of the market-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Rehabilitation provisions

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Contingencies

Refer to Note 13.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments, such as guaranteed investment certificates and deposit accounts with chartered banks, trust accounts held with lawyers, cashable within three months of the date of original issue.

Financial Assets and Liabilities

Financial Assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement - financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss. The Company's cash and amounts receivable are recorded at amortized cost.

Subsequent measurement - financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of earnings (loss). The Company does not measure any financial assets at FVPL.

Subsequent measurement - financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of earnings (loss) when the right to receive payments is established.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and long-term loans payable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term loans payable, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Exploration and evaluation properties

All expenditures on exploration and evaluation activities, including costs incurred to acquire and secure exploration property licenses, are recorded as project evaluation expenses until it has been established that a mineral property is commercially viable.

Notes to the Consolidated Financial Statements For the period ended December 31, 2021

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and share options are recognized as a deduction from equity, net of any tax effects.

Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each 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.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

Income taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All the Company's outstanding warrants were anti-dilutive for the period ended December 31, 2021.

Provisions

(a) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the consolidated statement of loss.

(a) Rehabilitation provisions

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in loss.

The Company does not currently have any such significant legal or constructive obligations and therefore, no rehabilitation provision has been recorded as at December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future accounting changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Updates that are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was revised in January 2020 and July 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended in May 2020 to prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. IAS 16 is effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

IAS 8 – Definition of Accounting Estimates ("IAS 8") was amended in February 2021 to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to management uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves management uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. IAS 8 is effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

4. ACQUISITION OF SUBSIDIARY

On October 21, 2021, Lithium Ionic acquired 99.9% of the issued and outstanding shares of MGLIT Empreendimentos Ltda. ("MGLIT"), a company incorporated on October 29, 2018 under Brazilian corporate law, in exchange for BRL999.00 (CAD227.00). MGLIT was acquired from a corporation controlled by an officer and director of the Company. The remaining 0.1% of the issued and outstanding shares is owned by an officer and director of Lithium Ionic and was acquired by the Company subsequent to December 31, 2021. The Company reimbursed the vendor for certain staking costs. The Company assessed the acquisition and determined it to be an asset acquisition for accounting purposes, as the requirements of IFRS 3, *Business Combinations*, were not met.

MGLIT is the holder of certain exploration permits located in Minas Gerais, Brazil. All the exploration permits are valid until September 27, 2024, except for one exploration permit, until September 28, 2023.

5. EXPLORATION AND EVALUATION EXPENSES

Lithium Ionic owns a 100-per-cent ownership interest in the Itinga lithium project in Brazil.

The Itinga project is located in Minas Gerais state (MG), Brazil and comprises certain exploration permits.

Exploration and evaluation expenses are detailed in the following table.

| | · · | e period ended
cember 31, 2021 | | |---------------------------------|-----|----------------------------------|--| |
Staking costs reimbursement | \$ | 11,092 | | | Technical reports | | 16,245 | | |
Total project evaluation expenses | \$ | 27,337 | |

6. COMMON SHARES

Authorized

On December 31, 2021, the authorized share capital consisted of an unlimited number of common shares without par value.

Common Shares Issued

	Number of shares		
	outstanding	Amount	
Balance, July 5, 2021	- \$	-	
Incorporation (i)	31,100,001	3	
Private placement, net of issuance costs (ii)	40,310,000	7,606,520	
Private placement - Shares issued for services (iii)	300,000	60,000	
Private placement - Finder's warrants valuation (ii)	-	(179,241)	
Balance, December 31, 2021	71,710,001	7,487,282	

- (i) On July 5, 2021, the Company issued 31,100,001 common shares at \$0.0000001 per share for gross proceeds of \$3 upon its incorporation. A total of 23,500,001 common shares were issued to directors and or officers of the Company for gross proceeds of \$2.
- (ii) On December 1, 2021, the Company completed the first tranche of a private placement financing by issuing 24,950,000 common shares at a price of \$0.20 per share for gross proceeds of \$4,990,000.

In December 2021, the Company completed the second and final tranche of a private placement financing by issuing 15,360,000 common shares at a price of \$0.20 per share for gross proceeds of \$3,072,000.

In connection with the offering, the Company paid \$1,505 in filing fees, \$169,425 in advisory fees, \$284,550 in finder's fees and issued 2,372,750 non-transferable finder's warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.20 per warrant until December 1, 2023. The grant date fair value of the finder's warrants issued was estimated at \$179,241 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.20; expected volatility of 68% (based on the volatility of comparative companies); risk-free interest rate of 0.95% and an expected life of 2 years.

Notes to the Consolidated Financial Statements

For the period ended December 31, 2021

Expressed in Canadian Dollars

6. COMMON SHARES (continued)

(iii) In December 2021, the Company issued 300,000 common shares to settle amounts related to services received from vendors. Such shares were measured at \$60,000, based on the value of shares issued in the previous private placement.

7. EQUITY RESERVES

Warrants

As at December 31, 2021, the Company had 2,372,750 warrants outstanding and exercisable at \$0.20. See Note 6(ii). These warrants expire in December 2023.

8. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to consist of common shares and warrants.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company must raise additional amounts.

The Company may continue to assess new properties and may seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the period ended December 31, 2021.

The Company and its subsidiary are not subject to any capital requirements imposed by a lending institution or regulatory body.

9. 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.

9. FINANCIAL INSTRUMENTS (continued)

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued 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 December 31, 2021, the Company had no instruments to classify in the fair value hierarchy.

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

(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.

a. *Trade credit risk*

The Company is not exposed to significant trade credit risk.

b. *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.

(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 December 31, 2021, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

	Decem	**ber 31, 2021**
Cash	\$	41,368
Accounts payable and accrued liabilities		(12,703)
	\$	28,664

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian Real would decrease (increase) net loss by approximately \$2,866.

(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 December 31, 2021, the Company had a cash balance of \$7,788,687 to settle current liabilities and other liabilities of \$945,956. The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

9. FINANCIAL INSTRUMENTS (continued)

(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.

10. RELATED PARTY TRANSACTIONS

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, including any directors (executive and non-executive) of the Company. During the year ended December 31, 2021, the remuneration of directors and other key management personnel is as follows:

	For the	**period ended**
		December 31,
		2021
Management fees	\$	653,326
Total	\$	653,326

As at December 31, 2021, an amount of \$450,000, included in accounts payable and accrued liabilities, was owed to directors and officers of the Company. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment. Subsequent to December 31, 2021, an amount of \$300,000 was paid.

In connection with the July 5, 2021 incorporation of the Company, 23,500,001 common shares were issued to directors and or officers of the Company for gross proceeds of \$2.

Acquisition of Subsidiary – see Note 4.

11. SEGMENT INFORMATION

The Company conducts its business as a single operating segment, being mineral exploration and evaluation in Brazil. The following table summarizes the total assets and liabilities by geographic segment as et December 31, 2021:

December 31, 2021	Brazil	Canada	Total
Cash	\$		
41,368	\$		
7,747,319	\$		
7,788,687			
Other current assets	-	44,424	44,424
Total Assets	\$		
41,368	\$		
7,791,743	\$		
7,833,111			
Accounts payable and accrued liabilities	\$		
12,703	\$		
933,253	\$		
945,956			
Total liabilities	\$		
12,703	\$		
933,253	\$		
945,956			

Notes to the Consolidated Financial Statements

For the period ended December 31, 2021

Expressed in Canadian Dollars

12. INCOME TAXES

Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% were as follows:

	2021 \$
(Loss) before income taxes	(779,368)
Expected income tax recovery based on statutory rate	

Expressed in Canadian Dollars

Adjustment to expected income tax benefit:	(206,533)
Change in unrecorded tax asset	206,533
Income tax expense	_

Deferred income taxes

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2021
	$
Non-capital loss carry-forwards	862,000
Share issue costs	508,000
Total	1,370,000

Non-capital losses in Canada expire in 2041. Non-capital losses in Brazil expire in 2036.

The potential future benefit of these losses has not been recognized in the consolidated financial statements because it is not probable that future taxable profit will be available against which the Company can use the benefits.

13. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming 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.

General

The Company may be 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.

13. COMMITMENTS AND CONTINGENCIES (continued)

Management Contracts

The Company is party to certain management contracts. As of December 31, 2021, these contracts require payments of approximately $1,293,000 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 $646,500 pursuant to the terms of these contracts as of December 31, 2021. As a triggering event has not taken place on December 31, 2021, these amounts have not been recorded in these consolidated financial statements.

14. SUBSEQUENT EVENTS

Completion of Acquisition of Subsidiary

In early 2022, Lithium Ionic acquired the remaining 0.1% of the issued and outstanding shares of MGLIT, in exchange for BRL1.00 (CAD0.23).

Proposed Transaction and Financing

Lithium Ionic and POCML 6 Inc. ("POCML6") entered into an amalgamation agreement (the "Amalgamation Agreement") dated February 7, 2022, pursuant to which POCML6 will acquire all of the issued and outstanding securities of Lithium Ionic by way of a three-cornered amalgamation with a wholly owned subsidiary of POCML6 ("Subco") incorporated under the laws of the Province of Ontario, with such acquisition (the "Transaction") constituting a reverse take-over of POCML6 by Lithium Ionic. The Transaction is expected to constitute POCML6's Qualifying Transaction under the Capital Pool Companies policy (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). Following the completion of the Transaction, POCML6 will continue on the business of Lithium Ionic under the name "Lithium Ionic Corp." (the "Resulting Issuer").

Under the Amalgamation Agreement, each holder of common shares of Lithium Ionic ("Lithium Ionic Shares") will receive one common share of the Resulting Issuer for each Lithium Ionic Share held. All outstanding convertible securities of Lithium Ionic immediately prior to closing of the amalgamation, including warrants of Lithium Ionic, will be exchanged or replaced with convertible securities of the Resulting Issuer.

In February 2022, Lithium Ionic and POCML6 closed private placements (the "Offering") of subscription receipts (the "Subscription Receipts"). Under the Offering, Lithium Ionic and POCML6 issued an aggregate of 20,000,000 Subscription Receipts at a price of \$0.70 per Subscription Receipt (the "Issue Price") for gross proceeds of \$14,000,000. The Offering was completed pursuant to an agency agreement. The Subscription Receipts are governed by the terms of a subscription receipt agreement in respect of the Subscription Receipts of Lithium Ionic and a subscription receipt agreement in respect of the Subscription Receipts of POCML6, and among Lithium Ionic, POCML6, the Lead Agent and TSX Trust Company ("TSX Trust") (collectively, the "Subscription Receipt Agreements").

The gross proceeds from the sale of the Subscription Receipts, less the cash portion of the Agents' commission and Agents' expenses, are being held in escrow by TSX Trust in accordance with the Subscription Receipt Agreements and will be released to the Issuers upon satisfaction and/or waiver of certain escrow release conditions (the "Escrow Release Conditions"), including completion of all conditions precedent to the RTO. If the Escrow Release Conditions are satisfied or waived on or before August 8, 2022 (subject to extension pursuant to the terms of the Subscription Receipt Agreements), the escrowed proceeds from the Offering will be released to the Issuers. If the Escrow Release Conditions are not satisfied or waived by that date or the Amalgamation Agreement is terminated or POCML6 or Lithium Ionic announce to the public by way of press release, or advises the Lead Agent and TSX Trust in writing, that it does not intend to satisfy the Escrow Release Conditions in accordance with the Subscription Receipt Agreements, the gross proceeds and pro rata

Notes to the Consolidated Financial Statements For the period ended December 31, 2021

Expressed in Canadian Dollars

14. SUBSEQUENT EVENTS (continued)

entitlement to interest earned on the escrowed proceeds will be paid to the holders of the Subscription Receipts.

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt of Lithium Ionic will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one common share of Lithium Ionic (a "Lithium Ionic Share") and each Subscription Receipt of POCML6 will be automatically exchanged, without any further action by its holder, and for no additional consideration, for one post-Consolidation POCML6 Share. Immediately following the issuance of the Lithium Ionic Shares upon the conversion of the Subscription Receipts of Lithium Ionic, each Lithium Ionic Share will be exchanged for one common share in the Resulting Issuer (a "Resulting Issuer Share"). In connection with the Offering, Lithium Ionic paid the Agents a commission satisfied by an aggregate cash payment of \$70,230.25 and the issuance of 1,064,845 Subscription Receipts of Lithium Ionic at the Issue Price. As additional consideration, Lithium Ionic issued 1,165,174 broker warrants to the Agents, each entitling the Agents to purchase one Lithium Ionic Share (and subsequently one Resulting Issuer Share) at the Issue Price for a period of 24 months following the date of issuance of the Release Notice (as defined in the Agency Agreement). Also, in connection with the Offering, POCML6 paid the Agents a commission satisfied by an aggregate cash payment of \$29,609.50 and the issuance of 192,525 Subscription Receipts of POCML6 at the Issue Price. As additional consideration, POCML6 issued 234,825 broker warrants to the Agents, each entitling the Agents to purchase one Resulting Issuer Share at the Issue Price for a period of 24 months following the date of issuance of the Release Notice.

There can be no assurance the proposed transaction and financing will close as described or at all.

APPENDIX "D" LITHIUM IONIC MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

Date: May 12, 2022

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 Inc. (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 year ended December 31, 2021. The MD&A should be read in conjunction with the audited consolidated financial statements for the year ending December 31, 2021. 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, 2021 for disclosure of the Company's significant accounting policies.

The scientific and technical contents of this MD&A have been reviewed and approved by Leonardo Soares, (MAIG), 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 year ended December 31, 2021, and the Company's Board of Directors approved these documents prior to their release.

Overview and Strategy

Lithium Ionic is a Canadian exploration and development company 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 subsidiary, MGLIT Empreendimentos Ltda. ("**MGLIT**"). 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 is owned by an officer and director of Lithium Ionic and was acquired by the Company subsequent to December 31,2021.

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 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 50 million tonnes of lithium oxide (Li2O) mineralized pegmatite in four deposits.

Liquidity and Capital Resources

As at December 31, 2021, the Company had working capital of \$6,887,155, which included a cash balance of \$7,788,687, amounts receivable of \$43,424 and prepaid expenses of \$1,000 offset by accounts payable and accrued liabilities of \$945,956.

Management's Discussion and Analysis

For the period from the date of incorporation (July 5, 2021) to December 31, 2021

(in Canadian dollars, unless otherwise noted)

Lithium Ionic and POCML 6 Inc. (TSXV: POCC.P) ("POCML6") entered into an amalgamation agreement (the "Amalgamation Agreement") dated February 7, 2022, (the "Transaction"). The Transaction is expected to constitute POCML6's Qualifying Transaction under the Capital Pool Companies policy (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). Following the completion of the Transaction, POCML6 will continue on the business of Lithium Ionic under the name "Lithium Ionic Corp." (the "Resulting Issuer"). It is expected that for financial reporting purposes, the Transaction will be presented as a reverse acquisition of POCML6 by Lithium Ionic.

On December 1, 2021, the Company completed the first tranche of a private placement financing by issuing 24,950,000 common shares at a price of \$0.20 per share for gross proceeds of \$4,990,000.

In December 2021, the Company completed the second and final tranche of a private placement financing by issuing 15,360,000 common shares at a price of \$0.20 per share for gross proceeds of \$3,072,000.

In connection with the offering, the Company issued 2,372,750 non-transferable finder's warrants. Each finder warrant is exercisable into one common share of the Company at a price of \$0.20 per warrant until December 1, 2023.

Under the Amalgamation Agreement, each holder of common shares of Lithium Ionic ("Lithium Ionic Shares") will receive one common share of the Resulting Issuer for each Lithium Ionic Share held. All outstanding convertible securities of Lithium Ionic immediately prior to closing of the amalgamation, including warrants of Lithium Ionic, will be exchanged or replaced with convertible securities of the Resulting Issuer.

Results of Operations

During the year ended December 31, 2021, the Company recorded a loss of \$779,368 or \$0.02 per share.

Expenses incurred during the period ended December 31,2021 included \$27,337 in project evaluation expenses, \$752,031 in office and general expenses.

Project evaluation expenses primarily included technical reports expenses and the reimbursement of staking costs.

Cash flows

Year ended December 31, 2021

During the year ended December 31, 2021, the Company had cash provided by operating activities of \$182,164, due primarily to changes in working capital balances.

During the year ended December 31, 2021, there were no investing activities for the Company.

During the year ended December 31, 2021, the Company had cash provided by financing activities of \$7,586,523, consisting of gross proceeds from the December 2021 private placement financing of \$8,062,000 less cash costs to issue shares of \$455,480.

FINANCIAL INSTRUMENTS

(in Canadian dollars, unless otherwise noted)

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, amounts receivable, and accounts payable and accrued 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 December 31, 2021, the Company had no instruments to classify in the fair value hierarchy.

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

(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.

(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 December 31, 2021, the Company had the following financial instruments and denominated in foreign currency (expressed in Canadian dollars):

	Decem	**ber 31, 2021**
Cash	\$	41,368
Accounts payable and accrued liabilities		(12,703)
	\$	28,664

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian Real would decrease (increase) net loss by approximately \$2,866.

(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 December 31, 2021, the Company had a cash balance of \$7,788,687 to settle current liabilities and other liabilities of \$945,956. The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(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 audited consolidated financial statements for the period ended December 31, 2021. 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

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.

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 changing and generally becoming 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 December 31, 2021, these contracts require payments of approximately \$1,293,000 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 \$646,500 pursuant to the terms of these contracts as of December 31, 2021. As a triggering event has not taken place on December 31, 2021, these amounts have not been recorded in these consolidated financial statements.

Transactions with Related Parties

As at December 31, 2021, accounts payable and accrued liabilities included an amount of \$450,000 owed to directors and officers of the Company. The amount outstanding is unsecured, non-interest bearing, with no fixed terms of repayment.

In connection with the July 5, 2021 incorporation of the Company, 23,500,001 common shares were issued to directors and or officers of the Company for gross proceeds of \$2.

See Note 6 to the consolidated financial statements.

Acquisition of Subsidiary – see Note 4 to the consolidated financial statements.

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, including any directors (executive and non-executive) of the Company. During the year ended December 31, 2021, the remuneration of directors and other key management personnel is as follows:

	For the period ended		
		December 31,	

	For the period ended		
		2021	
Management fees	\$	653,326	
Total	\$	653,326	

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.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. Despite the severity of the COVID-19 pandemic, there were no material impacts on the Company's operations and finances for the period ended December 31, 2021.

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 Resources or 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 resources or 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 resources or 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 resources and 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 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 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:

71,710,001 common shares outstanding;

2,372,500 warrants outstanding at \$.20 per warrant expiring on December 1, 2023.

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. Forwardlooking 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.

APPENDIX "E" LITHIUM IONIC BRAZIL AUDITED FINANCIAL STATEMENTS

(See attached)

Financial Statements

For the years ended December 31, 2021 and 2020

Independent Auditor's Report

To the Shareholders of MGLIT Empreendimentos Ltda.

Opinion

We have audited the financial statements of MGLIT Empreendimentos Ltda. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity (deficiency) and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McGovern Hurley LLP

Chartered Professional Accountants Licensed Public Accountants

Toronto, Ontario May 12, 2022

Statements of Financial Position

Expressed in Canadian Dollars

| As at: | Note | December 31,
2021
\$ | December 31,
2020
\$ |
|--|------|---------------------------|---------------------------|
| ASSETS | | | | | Current | | | | | Total assets | | 41,368
41,368 | - | | LIABILITIES | | | | | Current liabilities Accounts payable and accrued liabilities | 7 | 12,702 | - | | Long-term liabilities | | | | | Due to shareholder | 8 | 593 | 393 | | Due to Lithium Ionic Inc. | 8 | 66,563 | - | | Total liabilities | | 79,858 | 393 | | SHAREHOLDERS' (DEFICIENCY) | | | | | Common shares | 5 | 358 | 358 | | Accumulated deficit | | (38,848) | (751) | | Total shareholders' (deficiency) | | (38,490) | (393) | | Total liabilities and shareholders' (deficiency) | | 41,368 | - | | Nature of operations and going concern | 1 | | | | Commitments and contingencies | 9 | | | | Subsequent events | 10 | | |

Approved on behalf of the Board of Directors:

Signed: *Helio Diniz* , Sole Director

Statements of Loss and Comprehensive Loss

For the years ended:

Expressed in Canadian Dollars

| | Note | Dece | ember 31,
2021 | Dec | ember 31,
2020 |
|---|------|------|-------------------|-----|-------------------
| | Note | | • | | \$ | | Expenses Exploration and evaluation expenses Office and general | 4 | | 28,220
9,490 | | -
499 | | (Loss) for the year before other items | | | (37,710) | | (499) | | Other items Foreign exchange gain/(loss) | | | (387) | | 10 | | Net loss and comprehensive loss |

| | (38,097) | | (489) | | Basic and diluted (loss) per share | | \$ | (38.10) | \$ | (0.49) | | Weighted average number of
common shares outstanding
Basic and Diluted | | | 1,000 | | 1,000 |

Statements of Changes in Shareholders' Equity/(Deficiency)

Expressed in Canadian Dollars

| | Number of
Shares | Common
Shares | Deficit | Shareholders' equity/(deficiency) |
|------------------------------|----------------------|-------------------|-----------|-------------------------------------|
| | # | \$ | \$ | \$ | | Balance, December 31, 2019 | 1,000 | 358 | (262) | 96 | | Loss and comprehensive loss | - | - | (489) | (489) | | Balance, December 31, 2020 | 1,000 | 358 | (751) | (393) | | Loss and comprehensive loss | - | - | (38,097) | (38,097) | | Balance, December 31, 2021 | 1,000 | 358 | (38,848) | (38,490) |

Statements of Cash Flows

Expressed in Canadian Dollars

| | December 31,
2021
\$ | December 31,
2020 | |---|----------------------------|-----------------------| | |
• | \$_ | | Cash (used in)/provided by: | | | | Operating activities | | | | Net loss for the period | (38,097) | (489) | | Change in non cash working capital | 12,702 | - | | Net cash (used in) operating activities | (25,395) | (489) | | Financing activities | | | | Advances from Lithium Ionic Inc. | 66,563 | - | | Advances from shareholder | 200 | 393 | | Net cash provided by financing activities | 66,763 | 393 | | Change in cash | 41,368 | (96) | | Cash, beginning of the period | - | 96 | | Cash, end of the period | 41,368 | |

Notes to the Financial Statements For the years ended December 31, 2021 and 2020
Expressed in Canadian Dollars

1. NATURE OF OPERATIONS AND GOING CONCERN

MGLIT Empreendimentos Ltda. (the "Company", or "MGLIT") was incorporated on October 29, 2018 under Brazilian corporate law. The registered office is located in Belo Horizonte, Minas Gerais, at Rua Rio Grande de Norte, 1435, Bairro Savassi, CEP 30130-138. On October 21, 2021, Lithium Ionic Inc. ("Lithium Ionic") acquired 99.9% of the issued and outstanding shares of MGLIT in exchange for BRL999.00 (CAD227.00). Lithium Ionic has an officer and director in common with the Company. The remaining 0.1% of the issued and outstanding shares is owned by an officer and director of the Company and was acquired by Lithium Ionic subsequent to December 31, 2021.

MGLIT holds certain exploration permits in Minas Gerais, Brazil. All the exploration permits are valid until September 27, 2024, except for one exploration permit which is valid until September 28, 2023.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral exploration properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company has a need for equity financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. Despite the severity of the COVID-19 pandemic, there were no material impacts on the Company's operations and finances for the period ended December 31, 2021.

Notes to the Financial Statements For the years ended December 31, 2021 and 2020
Expressed in Canadian Dollars

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies set out were consistently applied to the period presented unless otherwise noted below.

Basis of presentation

These financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis.

Foreign Currency

These financial statements are presented in Canadian dollars. The functional currency of the Company is the Brazilian Real ("BRL).

Approval of the financial statements

These financial statements of the Company for the years ended December 31, 2021 and 2020 were reviewed, approved and authorized for issue by the Board of Directors of the Company on May 12, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

Critical judgements and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical judgements and estimation uncertainties (continued)

Rehabilitation provisions

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Contingencies

Refer to Notes 1 and 9.

Exploration and evaluation properties

All expenditures on exploration and evaluation activities, including costs incurred to acquire and secure exploration property licenses, are recorded as project evaluation expenses until it has been established that a mineral property is commercially viable.

Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and share options are recognized as a deduction from equity, net of any tax effects.

Income taxes

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All the Company's outstanding warrants were anti-dilutive for the period ended December 31, 2021.

Provisions

(a) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the statement of loss.

(b) Rehabilitation provisions

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in loss.

The Company does not currently have any such significant legal or constructive obligations and therefore, no rehabilitation provision has been recorded as at December 31, 2021 or 2020.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future accounting changes

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Updates that are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted and are being evaluated to determine their impact on the financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was revised in January 2020 and July 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – Definition of Accounting Estimates ("IAS 8") was amended in February 2021 to replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to management uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves management uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. IAS 8 is effective for annual periods beginning on or after January 1, 2023.

4. EXPLORATION AND EVALUATION EXPENSES

MGLIT owns a 100-per-cent ownership interest in the Itinga lithium project in Brazil.

The Itinga project is located in Minas Gerais state (MG), Brazil and comprises certain exploration permits, granted by the National Mining Agency to cover the exploration for lithium.

Exploration and evaluation expenses are detailed in the following table:

	roi u	**roi die years ended b**				
		2021	2020			
sts	\$	11,450 \$	-	-		
oports		16 770				

Notes to the Financial Statements For the years ended December 31, 2021 and 2020
Expressed in Canadian Dollars

5. COMMON SHARES

Authorized

The authorized share capital consisted of 1,000 common shares without par value.

Common Shares Issued

On December 31, 2021, 2020 and 2019, 1,000 common shares were issued and outstanding.

6. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to consist of common shares and warrants.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company must raise additional amounts.

The Company may continue to assess new properties and may seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the years ended December 31, 2021 and 2020.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

7. 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 accounts payable and accrued 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 December 31, 2021 and 2020, the Company had no instruments to classify in the fair value hierarchy.

7. FINANCIAL INSTRUMENTS (continued)

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

(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.

a. Trade credit risk

The Company is not exposed to significant trade credit risk.

b. *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.

(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 December 31, 2021 and 2020, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

	Decemb	**per 31, 2021**
Cash	\$	41,368
Accounts payable and accrued liabilities		(12,702)
	\$	28,666
	Decemb	per 30, 2020
	Decemi	Jei 30, 2020
Cash	\$	-
Cash		
Accounts payable and accrued liabilities	\$	-
-		

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian Real would decrease (increase) net loss by approximately \$2,867 (2020 - \$nil).

(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 December 31, 2021, the Company had a cash balance of \$41,368 (2020 - \$nil) to settle current liabilities and other liabilities of \$12,702 (2020 - \$nil). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

7. FINANCIAL INSTRUMENTS (continued)

(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.

8. RELATED PARTY TRANSACTIONS

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, including any directors (executive and non-executive) of the Company. During the years ended December 31, 2021 and 2020, the remuneration of directors and other key management personnel was \$nil.

As at December 31, 2021, an amount of \$593 (2020 - \$393) was owed to a director and officer of the Company. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

As at December 31, 2021, an amount of \$66,563 (2020 - \$nil) was owed to Lithium Ionic. The amount due from Lithium Ionic is unsecured, non-interest bearing and with no fixed terms of repayment, other than the amount is not due before December 31, 2022.

Acquisition by Lithium Ionic Inc. – see Notes 1 and 10.

9. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming 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.

General

The Company may be 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.

10. SUBSEQUENT EVENTS

Completion of Acquisition by Lithium Ionic Inc.

In early 2022, Lithium Ionic acquired the remaining 0.1% of the issued and outstanding shares of MGLIT, in exchange for BRL1.00 (CAD0.23).

APPENDIX "F" LITHIUM IONIC BRAZIL MANAGEMENT'S DISCUSSION AND ANALYSIS

(See attached)

Date: May 12, 2022

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of the operations of MGLIT Empreendimentos Ltda. ("**MGLIT**" or the "**Company**"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the years ended December 31, 2021 and 2020. The MD&A should be read in conjunction with the audited financial statements for the years ending December 31, 2021 and 2020. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's 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 financial statements as at and for the years ended December 31, 2021 and 2020 for disclosure of the Company's significant accounting policies.

The scientific and technical contents of this MD&A have been reviewed and approved by Leonardo Soares, (MAIG), Qualified Person under National Instrument 43-101 ("**NI 43-101**").

The Board of Directors of the Company has reviewed this MD&A and the financial statements for the years ended December 31, 2021 and 2020, and the Company's Board of Directors approved these documents prior to their release.

Overview and Strategy

MGLIT is a Brazilian exploration company. MGLIT holds certain exploration permits in Minas Gerais, Brazil. All the exploration permits are valid until September 27, 2024, except for one exploration permit which is valid until September 28, 2023.

On October 21, 2021, Lithium Ionic Inc. ("Lithium Ionic") acquired 99.9% of the issued and outstanding shares of MGLIT in exchange for BRL999.00 (CAD227.00). Lithium Ionic has an officer and director in common with the Company. The remaining 0.1% of the issued and outstanding shares is owned by an officer and director of the Company and was acquired by Lithium Ionic subsequent to December 31, 2021.

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

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 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 50 million tonnes of lithium oxide (Li_2O) mineralized pegmatite in four deposits.

Exploration and evaluation expenses are detailed in the following table:

For the v	vears	ended	Decem	ber :	31.

	2021	2020		
Staking costs	\$			
11,450 \$	-			
Technical reports	16,770	-		
Total exploration and evaluation expenses	\$			
28,220 \$	-			

Liquidity and Capital Resources

As at December 31, 2021, the Company had working capital of \$28,666, which included a cash balance of \$41,368 offset by accounts payable and accrued liabilities of \$12,702.

Results of Operations

During the year ended December 31, 2021, the Company recorded a loss of \$28,097 or \$38.10 per share as compared to a loss of \$489, or \$0.49 per share for the year ended December 31, 2020.

Expenses incurred during the year ended December 31, 2021 included \$28,220 in exploration and evaluation expenses, and \$9,490 in office and general expenses. This was compared to \$nil in exploration and evaluation expenses and \$499 in office and general expenses for the comparative year ended December 31, 2020.

Summary of yearly results (Canadian \$):

	2021			**2020**	**2019**	
		\$		\$		\$
Total revenues	\$	-	\$	-	\$	-
Net loss and comprehensive loss		(38,097)	)	(489)	)	(262)
Net loss per share, basic and diluted		(38.10	)	(0.49)	)	(0.26)
Total assets		41,368		-		96

Cash flows

Year ended December 31, 2021

During the year ended December 31, 2021, the Company used cash of \$25,395 in operating activities (2020 - \$489), due primarily to changes in working capital balances and advances from Lithium Ionic.

During the years ended December 31, 2021 and 2020, there were no investing activities for the Company.

During the year ended December 31, 2021, the Company had cash of \$66,763 provided by financing activities (2020 - \$393), due primarily to advances from Lithium Ionic.

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, amounts receivable, and accounts payable and accrued 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 December 31, 2021 and 2020, the Company had no instruments to classify in the fair value hierarchy.

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

(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.

(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 December 31, 2021 and 2020, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

	Decem	**ber 31, 2021**
Cash	\$	41,368
Accounts payable and accrued liabilities		(12,702)
	\$	28,666
	Docom	ber 30, 2020
	Deceiii	DCI 30, EUEU
Cash	\$	-
Cash		
Accounts payable and accrued liabilities	\$	-

A 10% strengthening (weakening) of the Canadian dollar against the Brazilian Real would decrease (increase) net loss by approximately \$2,867 (2020 - \$nil).

(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 December 31, 2021, the Company had a cash balance of \$41,368 (2020 - \$nil) to settle current liabilities and other liabilities of \$12,702 (2020 - \$nil). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(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 audited financial statements for the years ended December 31, 2021 and 2020. 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

Foreign currencies

The Foreign currency translation presentation is the Canadian dollar. The functional currency of the Company is the Brazilian Real ("BRL).

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.

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 changing and generally becoming 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.

Transactions with Related Parties

As at December 31, 2021, an amount of \$593 (2020 - \$393) was owed to a director and officer of the Company. Such amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Acquisition by Lithium Ionic Inc. – see Notes 1 and 10 to the financial statements.

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, including any directors (executive and non-executive) of the Company. During the years ended December 31, 2021 and 2020, the remuneration of directors and other key management personnel was \$nil.

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.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic

spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Despite the severity of the COVID-19 pandemic, there were no material impacts on the Company's operations and finances for the year ended December 31, 2021.

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 Resources or 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 resources or 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 resources or 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 resources and 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 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 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 1,000 common shares outstanding.

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 MGLIT, MGLIT'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. Forwardlooking 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.

APPENDIX "G" UNAUDITED *PRO FORMA* BALANCE SHEET OF THE RESULTING ISSUER

(See attached)

Lithium Ionic Corp. Unaudited Pro Forma Consolidated Financial Statement December 31, 2021 (Expressed in Canadian Dollars)

Unaudited Pro Forma Consolidated Statement of Financial Position (Expressed in Canadian Dollars)

As at	Lithium Ionic Inc. December 31, 2021 $	POCML 6 Inc. December 31, 2021 $	Note 3	Pro forma adjustments $	Pro forma consolidated December 31, 2021 $
ASSETS					
Current assets					
Cash	7,788,687	621,789	b	14,000,000	22,245,989
			b	(99,840)	
			c	110,353	
			d	(175,000)	
Amounts receivable	43,424	-			43,424
Prepaids and advances	1,000	-			1,000
Total assets	7,833,111	621,789		13,835,513	22,290,413
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	945,956	32,525			978,481
Total liabilities	945,956	32,525		-	978,481
Equity					
Common shares	7,487,282	645,251	a	(645,251)	26,273,442
			a	(110,353)	
			a	5,250,000	
			b	14,000,000	
			b	880,159	
			b	(99,840)	
			b	(880,159)	
			b	(364,000)	
			c	110,353	
Warrant reserve	179,241		b	364,000	575,130
			a	31,889	
Option reserve	-	86,427	a	(86,427)	-
Deficit	(779,368)	(142,414)	a	142,414	(5,536,640)
			a	(4,582,272)	
			d	(175,000)	
Total equity	6,887,155	589,264		13,835,513	21,311,932
Total liabilities and equity	7,833,111	621,789		13,835,513	22,290,413

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.

Notes to the Unaudited Pro Forma Consolidated Financial Statement

1. Description of transaction

Lithium Ionic Inc. ("Lithium Ionic") and POCML 6 Inc. ("POCML 6") entered into an amalgamation agreement (the "Amalgamation Agreement") during February 2022 (the "Transaction"). The Transaction is expected to constitute POCML 6's Qualifying Transaction under the Capital Pool Companies policy (the "CPC Policy") of the TSX

Venture Exchange (the "Exchange"). Following the completion of the Transaction, POCML 6 will continue on the business of Lithium Ionic under the name "Lithium Ionic Corp." (the "Resulting Issuer").

It is expected that the Transaction will be recorded as an asset acquisition, whereby for accounting purposes, Lithium Ionic is presented as acquiring the net assets of POCML 6. Upon completion of the Transaction, and prior to reflecting the effects of the subscription receipt financing (Note 3(b)), existing shareholders of Lithium Ionic are expected to own a controlling interest in the combined entity, on a basic shares outstanding basis.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and if applicable pursuant to Exchange requirements, shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.

2. Basis of preparation

This unaudited pro forma consolidated financial statement has been prepared for illustrative purposes only, to show the effect of the Transaction, and are not intended to reflect the financial position which would have actually resulted if the events reflected herein had been in effect at the dates indicated.

The pro forma financial statement has been prepared as though the transactions described in Note 3 had occurred on December 31, 2021. In preparing this pro forma financial statement, historical information was derived from:

- The statement of financial position of Lithium Ionic as at December 31, 2021; and
- The statement of financial position of POCML 6 as at December 31, 2021.

In preparing the unaudited pro forma consolidated financial information consideration was given to identifying accounting policy differences between Lithium Ionic and POCML 6 where the impact was potentially material and could be reasonably estimated. The accounting policy differences had been identified and the adjustments are described in the pro forma statement of financial position. The accounting policies are conformed in all material respects to those of Lithium Ionic.

In the opinion of Lithium Ionic's management, the pro forma financial statement includes all adjustments necessary for a fair presentation of the Transaction applied on a basis consistent with Lithium Ionic's accounting policies. Actual amounts recorded once the Transaction and other adjusting items are completed will likely differ from those recorded in this unaudited pro forma consolidated financial statement. Further, this unaudited consolidated financial statement is not necessarily indicative of the financial position that may be obtained in the future. These differences may be material.

Notes to the Unaudited Pro Forma Consolidated Financial Statement

3. Pro forma adjustments

The unaudited pro forma consolidated financial statements reflect the following adjustments as if they had occurred December 31, 2021.

a) To record the Transaction, whereby under acquisition accounting rules, Lithium Ionic acquired POCML 6. The Transaction is assumed to constitute an asset acquisition, as POCML 6 is not expected to meet the definition of a business in accordance with IFRS 3. The assets and liabilities are assumed to be recorded at their estimated fair market values, which are based on preliminary management estimates and are subject to final valuation adjustments.

The purchase price shares represent the outstanding shares of POCML 6 times the exchange ratio. The value of the shares is based on the subscription receipt financing price (Note 3(b)). The purchase price options represent the outstanding options of POCML 6 times the exchange ratio. The value of the options is based on a Black-Scholes model valuation with the following assumptions: share price based on the subscription receipt financing price (Note 3(b)), expected dividend yield of 0%, expected volatility of 68% based on the volatility of comparable entities; risk free interest rate of 1%, expected life of approximately 4 years. The number of shares and options and amount of cash of POCML 6 reflects the number outstanding at December 31, 2021, adjusted for the option and broker warrant exercises described in Note 3(c).

Purchase price paid	**\$**
Shares (7,500,000 shares valued at \$0.70)	5,250,000
Options (55,946 valued at \$0.57)	31,889
Total	5,281,889
Purchase price allocation	\$
Cash	
Other working capital (deficiency)	732,142
(32,525)	
Transaction costs	4,582,272

b) To record the subscription receipt financing whereby 20,000,000 subscription receipts were issued for gross proceed of \$14,000,000 at a price of \$0.70 per subscription receipt. On completion of the Transaction, each subscription receipt converts into one common share of Lithium Ionic.

Costs of the financing included:

- cash payments of \$99,840;
- the issuance of 1,257,370 subscription receipts, valued at \$880,159 based on the subscription receipt price; and
- the issuance of 1,399,999 broker warrants, each entitling the holder to purchase one Lithium Ionic common share at \$0.70 per share for a period of 24 months. The broker warrants were valued at \$364,000 using a Black-Scholes model with the following assumptions: share price based on the subscription receipt financing price, expected dividend yield of 0%, expected volatility of 68% based on the volatility of comparable entities; risk free interest rate of 1%, expected life of approximately 2 years.
- c) To record the pre-Transaction exercise of 1,100,000 options in POCML 6 for gross proceeds of \$110,000, and the exercise of 3,528 broker warrants in POCML 6 for gross proceeds of \$353.
- d) To record estimated transaction costs of \$175,000.
- e) The pro forma effective interest rate is 0%.

Notes to the Unaudited Pro Forma Consolidated Financial Statement

5. Pro forma shareholders' equity continuity

A pro forma continuity of Lithium Ionic's shareholders' equity and related recorded values after giving effect to the pro forma adjustments described in Note 3 is set out below:

| | Note 3 | Number of
shares

| Common

Shares
\$ | Number of
warrants

| Warrant

reserve
\$ | Number of
options

| Option

reserve
\$ | Deficit
\$ | Shareholders'
equity

(deficiency)
\$ |
|--|--------|-------------------------|-----------------------|----------
| Lithium Ionic as at December 31, 2021 | | 71,710,001 | 7,487,282 | 2,372,750 | 179,241
| - | - | (779,368) | 6,887,155 | | Issued to POCML 6 shareholders | a | 7,500,000 |
5,250,000 | 55,946 | 31,889 | - | - | (4,582,272) | 699,617 | | Conversion of subscription
receipts
Subscription receipts | b
b | 20,000,000
1,257,370 | 14,000,000
880,159 | - | - | - | - | - | 14,000,000
880,159 | | Transaction costs - subscription receipts | b | - | (880,159) | - | - | - | - | -
| (880,159) | | Transaction costs - broker warrants
Transaction costs - cash | b
b | -
- | (364,000)
(99,840) | 1,399,999
- | 364,000 | - | - | - | -
(99,840) | | Transaction costs | c | - | - | - | - | - | - | (175,000) | (175,000) | | Total
pro forma shareholders' equity | | 100,467,371 | 26,273,442 | 3,828,695 | 575,130 | - | -
| (5,536,640) | 21,311,932 |