Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

EMERITA RESOURCES CORP.

Plaintiff

and

DAVID PATRICK GOWER, MICHAEL LAWRENCE GUY, SERGIO DAMIAN LOPEZ, GREGORY FRANCIS DURAS, HELIO BOTELHO DINIZ, LITHIUM IONIC CORP., FALCON METAIS LTDA., and MGLIT EMPREENDIMENTOS LTDA.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date ______________________ Issued by ____

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON M5G 1R7

TO: **DAVID PATRICK GOWER**
1315 Blackburn Drive
Oakville, ON L6M 2N5

AND TO: **MICHAEL LAWRENCE GUY**
92 Foxtail Court
Georgetown, ON L7G 0G2

AND TO: **SERGIO DAMIAN LOPEZ**
84 Marion Street
Toronto, ON M6R 1E7

AND TO: **GREGORY FRANCIS DURAS**
93 Ridley Boulevard
Toronto, ON M5M 3L6

AND TO: **HELIO BOTELHO DINIZ**
Rua Elza Brandao Rodarte, 11
Apt 1500
Belo Horizonte, MG 30320-630
Brazil

AND TO: **LITHIUM IONIC CORP.**
36 Lombard Street
Floor 6
Toronto, ON, M5C 2X3

AND TO: **FALCON METAIS LTDA.**
R. Antônio de Albuquerque
156 – Savassi
Belo Horizonte - MG, 30112-010
Brazil

AND TO: **MGLIT EMPREENDIMENTOS LTDA.**
Alameda Oscar Niemeyer, 1033
Salas 133-134, Vila da Serra
Nova Lima, MG 34006-065
Brazil

CLAIM

1. The plaintiff, Emerita Resources Corp. ("**Emerita**" or the "**Company**"), claims:

   (a) As against defendants David Gower ("**Gower**"), Michael Lawrence Guy ("**Guy**"), Sergio Damian Lopez ("**Lopez**") and Gregory Francis Duras ("**Duras**"), (together, the "**D&O Defendants**");

      (i) A declaration that the D&O Defendants have breached their common law and statutory fiduciary duties to Emerita under section 134 of the *Business Corporations Act,* RSO 1990, C B.16;

      (ii) Damages in an amount to be quantified prior to trial for the D&O Defendants' breaches of fiduciary duty; and

   (b) As against Helio Botelho Diniz ("**Diniz**")**,** Falcon Metais Ltda. ("**Falcon Metais**") and MGLIT Empreendimentos Ltda. ("**MGLIT**") (together, the "**Diniz Defendants**")**:**

      (i) A declaration that Falcon Metais breached the Option Agreement (defined herein) and its duties as trustee of the Falcon Project (defined herein);

      (ii) A declaration that Diniz caused Falcon Metais to breach its duties under the Option Agreement and as trustee holding the Falcon Project in trust for Emerita by transferring the Falcon Project to MGLIT without Emerita's prior knowledge and consent;

(iii) A declaration that MGLIT, and that Diniz, through MGLIT, knowingly received the Falcon Project further to Falcon Metais' breach of trust at Diniz's behest;

(iv) A declaration that Diniz knowingly assisted the D&O Defendants breach their fiduciary duties to Emerita; and

(v) Damages in an amount to be quantified prior to trial for breach of trust, the knowing receipt of trust property, and knowing assistance in the D&O Defendants' breaches of their fiduciary duties;

(c) As against the **D&O Defendants** and **Diniz**:

(i) An interim and interlocutory order enjoining each of them from selling, disposing of, pledging or encumbering the Founders' Shares (as defined herein) in Lithium Ionic until the disposition of this matter;

(ii) A declaration that they each hold their Founders' Shares in trust for Emerita;

(iii) An order requiring each of them to disgorge their Founders' Shares and to account to Emerita for any proceeds they received from the disposition of any Founders' Shares that they received directly or indirectly;

(iv) An order requiring each of these defendants to account for and disgorge any other form of compensation or profit received in connection with the conduct described herein to Emerita; and

(v) An order holding the D&O Defendants and the Diniz Defendants jointly and severally liable to Emerita for equitable compensation for the value of the Founders' Shares and all other gains, compensation or profit received by these Defendants in connection with their misappropriation of the Falcon Project;

(d) As against Lithium Ionic Corp. ("**Lithium Ionic**"):

(i) A declaration that Lithium Ionic knowingly received the Falcon Project in breach of trust;

(ii) A declaration that Lithium Ionic knowingly assisted the D&O Defendants breach their fiduciary duties;

(iii) A declaration that Emerita has an equitable interest in the Falcon Project;

(iv) A constructive trust over the Falcon Project reflecting Emerita's equitable interest in the Falcon Project, or in the alternative, an order requiring Lithium Ionic to pay Emerita equitable compensation reflecting Emerita's interest in the Falcon Project;

(v) An order requiring Lithium Ionic to cause any securities and related entitlements held by the D&O Defendants and Diniz, directly or indirectly, to be transferred and registered in the name of Emerita; and

(vi) An order that Lithium Ionic is jointly and severally liable with the D&O Defendants and the Diniz Defendants to account for and disgorge any compensation or profit that Lithium Ionic, the D&O Defendants and Diniz received in connection with their misconduct as described herein;

(e) As against all defendants:

(i) Prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

(ii) Post judgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

(iii) The costs of this proceeding, plus all applicable taxes; and

(iv) Such further and other relief as this Honourable Court may deem just.

Overview

2. This action concerns the exploitation of a corporate opportunity – the Falcon Project – that rightly belonged to Emerita, by the D&O Defendants and Diniz Defendants. The D&O Defendants comprised senior members of Emerita's management. Gower and Guy were also directors. They were all trusted fiduciaries. The Diniz Defendants include Falcon Metais, the counterparty who sold to Emerita the option to acquire title to the Falcon Project and who held the Falcon Project in trust for Emerita after it exercised its option.

3. During the first half of 2021, Gower and Diniz decided to pursue the Falcon Project independently from Emerita through a new corporation formed in July 2021 that ultimately became Lithium Ionic in May 2022. Each of the D&O Defendants participated in the creation or operation of Lithium Ionic and received Founders' Shares comprising nearly 100% of the original capital of

Lithium Ionic for the nominal sum of $3.00. Those shares currently comprise approximately 12-13% of the issued and outstanding shares of Lithium Ionic and are of significant value.

4. Despite having purchased the option to acquire the Falcon Project and having exercised that option, Emerita was not included in the grant of Founders' Shares and has received no compensation whatsoever. The Board was not consulted regarding the D&O Defendant's intentions or advised that the Option Agreement was in good standing and that Emerita maintained its 100% ownership interest in the Falcon Project.

5. Instead, the D&O Defendants and Diniz have consistently maintained that Emerita had "relinquished" the Falcon Project in early 2020 and that Emerita had been in default under the Option Agreement with Falcon Metais. They explain that Emerita lacked the financial resources at the time to make payments owing to the Brazilian Mining Authority to keep the Falcon Project permits in good standing (and to settle the fees owing on the Solobro Project (as defined herein)). Also, they claim that Emerita had resolved by early 2019 to exit all its projects in Brazil and wind up its Brazilian subsidiary. Other members of the Emerita Board and management accepted these explanations in good faith.

6. However, the veracity of the D&O Defendants' explanation for why the Falcon Project was not pursued by Emerita, and was later pursued by them within Lithium Ionic, came into serious question after a multi-year investigation by the Ontario Securities Commission (the "**OSC**") resulted in allegations that the D&O Defendants misappropriated the Falcon Project. A newly formed special committee of the Emerita Board (the "**Special Committee**") immediately began an independent review of the circumstances surrounding the Falcon Project.

7. The Special Committee concluded that Emerita was never in default of the Option Agreement and that there was no convincing evidence that it had "relinquished" the Falcon Project. While it was true that through 2019 and 2020 Emerita had failed to take steps to transfer the Falcon Project to an Emerita subsidiary as contemplated in the Option Agreement and Falcon Metais had failed to make payments owing the Brazilian Mining Authority, in early 2021 Emerita's rights to the Falcon Project were still intact. At that time Emerita clearly had the financial resources to pay the limited amounts (less than CAD$10,000) required to keep the Falcon Project in good standing for the potential future benefit of the Company.

8. Also, in the first half of 2021 there were early indicators of potential growth in the lithium market as evidenced by successful capital raises by several junior companies in the sector. Before deciding to pursue the Falcon Project outside of Emerita, it was incumbent on the D&O Defendants to first disclose their intentions and allow Emerita to consider whether it wished to pursue the opportunity it had paid for. If the D&O Defendants had performed their duties, they would have reached the conclusion that the Falcon Project remained a corporate opportunity belonging to Emerita. The decision to exit Brazil did not prevent the Company from being able to monetize that opportunity and receive some value from it. At a minimum, they should have brought the matter back to the Board of Emerita and sought its approval to pursue the opportunity independently.

9. For his part, Diniz knew that Falcon Metais held the Falcon Project in trust for Emerita. He also knew that Emerita was not in default of the Option Agreement. He was aware that by collaborating with the D&O Defendants to transfer the Falcon Project from Falcon Metais to MGLIT, and then to Lithium Ionic, he was facilitating a breach of trust and assisting the D&O Defendants in depriving Emerita of a corporate opportunity in breach of their fiduciary duties.

10. The D&O Defendants and Diniz directed the business and affairs of Lithium Ionic while it raised over $100 million of equity from outside investors between 2022 and 2025 and approximately $30 million of non-dilutive financing. At no time did Lithium Ionic disclose that the Falcon Project had been diverted from Emerita without its informed consent or any compensation. Using outside investor funds, the Falcon Project has now been developed and forms part of Lithium Ionic's flagship asset, the Bandeira Project. According to Lithium Ionic, the Bandeira Project is rapidly advancing toward construction and near-term production.

The Parties

11. Emerita is a Canadian exploration and development company and reporting issuer registered under the *Securities Act*, R.S.O. 1990, C S.5. Emerita is listed on the TSX Venture Exchange, OTC Markets Group Best Markets and the Frankfurt Stock Exchange. Emerita was incorporated under the British Columbia *Business Corporations Act,* SBC 2002, c 57, and continued under the *Business Corporations Act,* R.S.O. 1990, C B.16. Its registered head office is located at 301 – 217 Queen Street West, Toronto.

12. Since inception, except for its brief and unsuccessful involvement in a zinc project in Brazil (the "**Salobro Project**"), and the acquisition of the Falcon Project in Brazil, Emerita's resources have been dedicated to the acquisition, exploration, research and development of prospective mining properties in the Iberian Pyrite Belt (Spain) with a focus on traditional base metals (zinc, lead and copper) and precious metals (silver and gold).

13. Gower is a resident of Ontario. Gower co-founded Emerita, and most recently served as a director and Emerita's Chief Executive Officer until his resignation on April 20, 2026. Gower is a Lithium Ionic shareholder. He was a director of Lithium Ionic's private company predecessor,

Lithium Ionic Inc. ("**LI PrivateCo**"), from July 2021 to May 2022 and was a director of Lithium Ionic from May 2022 until his resignation on April 20, 2026.

14. Guy is a resident of Ontario. Guy became a director of Emerita on October 3, 2018, and took over from Gower as Emerita's Chairman shortly thereafter, serving in those roles until his resignation on April 20, 2026. Guy is a Lithium Ionic shareholder. He was a director of LI PrivateCo from July 2021 to May 2022 and was a director of Lithium Ionic from May 2022 until his resignation on April 20, 2026.

15. Lopez is a resident of Ontario and a lawyer licensed by the Law Society of Ontario. Lopez was at all material times Emerita's Corporate Secretary until his resignation on May 13, 2026. At all material times, Lopez served as Emerita's de facto General Counsel and provided legal consulting services to Emerita. Lopez is a Lithium Ionic shareholder. He was a director of LI PrivateCo. He acted as counsel on the Lithium Ionic Qualifying Transaction (as defined herein). Lopez was also Lithium Ionic's Corporate Secretary at all material times until his resignation on April 20, 2026.

16. Duras is a resident of Ontario. He is a Certified General Accountant and Certified Professional Accountant. Duras was at all material times Emerita's Chief Financial Officer until July 17, 2026. Duras is or was at the relevant time a Lithium Ionic shareholder and was Lithium Ionic's Chief Financial Officer until his resignation around November 3, 2022.

17. Diniz is a resident of Brazil. He was at all material times and remains the principal shareholder and directing mind of Falcon Metais, and was at all material times the principal shareholder and directing mind of MGLIT until its sale to LI PrivateCo. Diniz was a director of LI

PrivateCo from its inception to the Qualifying Transaction, and a director of Lithium Ionic from the Qualifying Transaction until his resignation on April 20, 2026.

18. Falcon Metais is a Brazilian company. Falcon Metais was the vendor of the Falcon Project. It also performed operational services in connection with another Emerita property in Minas Gerais State, Brazil, the Salobro Project. Falcon Metais held title to the Falcon Project in trust for Emerita in accordance with the Option Agreement, until it transferred that title to MGLIT in around December 2020 – February 2021.

19. MGLIT is a Brazilian company. MGLIT received title to the Falcon Project from Falcon Metais in around December 2020 – February 2021. MGLIT is a wholly owned subsidiary of Lithium Ionic.

20. Lithium Ionic is a Canadian mining exploration company and a reporting issuer registered under the *Securities Act*, R.S.O. 1990 c S.5. Lithium Ionic was incorporated under the *Business Corporations Act*, R.S.O .1990, C B.16 on December 21, 2020, and was classified as a Capital Pool Company as defined by the TSX Venture Exchange. It became a reporting issuer following is amalgamation with LI PrivateCo and two other corporations on May 19, 2022, through a qualifying transaction. Lithium Ionic is listed on the TSX Venture Exchange (the "**Qualifying Transaction**").

The Option Agreement

21. On June 13, 2016, Emerita and Falcon Metais entered into a binding agreement pursuant to which Emerita purchased the option to acquire a 100% undivided interest in the Falcon Project from Falcon Metais (the "**Option Agreement**"). Emerita purchased the option for the immediate

issuance of 500,000 Emerita common shares, and 500,000 common shares by the first anniversary of the Option Agreement. To exercise the option, Emerita was required to pay a further 500,000 common shares by the second anniversary of the Option Agreement (the "**Option Expiry Date**"). As particularised below, Emerita paid the purchase price for the option and exercised the option in accordance with the Option Agreement.

22. The Falcon Project consisted of one permit and five permit applications for lithium mining claims in Brazil at the time the Option Agreement was entered into. By the time Emerita exercised the option, permits had been granted in respect of each of the five applications, such that the Falcon Project consisted of six exploration permits (the "**Falcon Project**").

23. Upon Emerita's exercise of its option, the Option Agreement provided that:

(a) Emerita (or its Brazilian nominee) would execute and file certain documents with the Brazilian Mining Agency (the "**DNPM**") to transfer the Falcon Project to Emerita/its nominee (the "**Transfer**") and pay the DNPM's transfer approval fees. There was no timeline for that Transfer;

(b) Falcon Metais would hold the Falcon Project in trust for Emerita until the Transfer; and

(c) Falcon Metais would pay "all applicable taxes, rates, assessments and other similar governmental charges lawfully levied or assessed" against the Falcon Project until the Transfer.

24. The Option Agreement provided that if Emerita did not exercise the option by the Option Expiry Date, the Falcon Project would return to Falcon Metais. However, once Emerita exercised

the option, Falcon Metais had no right to recover the Falcon Project under the Option Agreement, even if the DNPM did not approve the Transfer.

Emerita Exercised the Option

25. Emerita exercised the option to acquire the Falcon Project on September 12, 2018. In total, Emerita issued 1.5 million common shares, valued at approximately CAD$157,000 at the time of their issuance, to acquire the Falcon Project. While the Option Agreement provided that the shares were to be issued to Falcon Metais, the final tranche of shares issued to exercise the option were issued at Diniz's direction to HFX Consultoria Empresarial Ltda., a company he owned and controlled. Neither Emerita nor Falcon Metais took any steps to affect the Transfer after Emerita exercised its option.

26. The Falcon Project was acquired in an attempt to bolster Emerita's then cornerstone Brazilian asset, the Salobro Project, at a low cost with a view to building shareholder value during a time when Emerita did not have any meaningful operations in Spain.

27. However, by the summer of 2018, Emerita had been in significant financial distress for some time: operations were run by a skeletal staff, the Company had negative working capital, and management and directors were deferring their compensation. Emerita's limited cash had to be used to maintain its public listing on the TSX Venture Exchange. Emerita's year end financial statements for fiscal 2018, showed cash of $31,2500, total assets of $894,051 and liabilities of $2 million. Further, exploration and drill results for the Salobro Project were underwhelming.

28. Shortly before Emerita exercised the Falcon Project option, on August 3, 2018, Emerita had entered into a non-binding letter of intent with Falcon Metais and Resources & Environmental

Conservation (Brazil) Ltd. ("**RECL**") which gave RECL the option to acquire 60% of the Falcon Project (and certain other Brazilian mining claims) for USD$600,000 (USD$200,000 on signing and the remainder to exercise the option) and certain exploration commitments. While the Company's focus at this time was now on its projects in Spain, the RECL transaction could have raised much needed capital. Accordingly, Emerita's Board of directors (the "**Board**") authorized Emerita to exercise the Falcon Project option.

29. By early 2019, it became apparent that the RECL transaction would not proceed, and Emerita remained in dire financial straits. This was reflected in its depressed share price. In May 2019 Emerita completed a five for one share consolidation which was done because Emerita's shares were trading below $0.05.

30. At this time, Emerita was not in a position to raise capital. In the circumstances, Emerita resolved to wind-down its Brazilian operations to conserve its financial resources to be able to focus on its projects in Spain. The Board left management to take the necessary steps to affect the wind-down which it had directed.

31. Commencing in 2019, Emerita's financial prospects began to improve following the issuance of a favourable court ruling in Spain awarding the Paymogo project (now Emerita's Iberia Belt West Project) to the Company, and its completion of brokered private placement financings in 2020 and 2021. By December 2020 Emerita had raised over CAD$7,000,000. This put Emerita into a position which allowed it to fund exploration in Spain. This strategy proved to be successful. Emerita raised further capital in February 2021 and July 2021. The Emerita share price increased rapidly from under $0.20 a share in January 2021 to over $3.00 by the end of 2021.

D&O Defendants Decide to Pursue the Falcon Project Outside of Emerita

32. In or around mid-2021 the D&O Defendants decided to pursue the Falcon Project outside of Emerita. Although this followed the Board's decision in 2019 to wind-down operations in Brazil, the D&O Defendants did not take any steps to determine whether the Falcon Project remained a corporate opportunity belonging to Emerita.

33. Had the D&O Defendants done so, it would have been revealed that Emerita was not, in fact, in default of the Option Agreement, nor had the Falcon Project reverted to Falcon Metais. It would have been further revealed that the cost to Emerita to secure a continuing interest in the Falcon Project was de minimis and that the Company had ample funds from the private placements to keep the Falcon Project in good standing. In fact, Emerita could have done so with a payment of less than CAD$10,000 and establishing a new Brazilian subsidiary to take transfer of the permits. There were also no additional holding costs for the permits until the end of May 2022. Emerita could have taken a wait and see approach in respect of the lithium market.

34. None of the D&O Defendants disclosed their intention to pursue the Falcon Project to the Board.

35. The manner in which the D&O Defendants proceeded, in clear breach of their fiduciary duties, afforded Emerita no opportunity to determine whether the Falcon Project should be pursued by Emerita or its interest in the project otherwise monetized.

Disclosure of the "Relinquishment" of Falcon Project

36. Emerita's disclosure during the period between September 2018 and February 2021 continued to refer to the Falcon Project, which it identified as an exploration property and described it as an "opportunity to add value at a low cost".

37. Under Gower's direction, Emerita's Q2 MD&A dated May 27, 2021 was revised in respect of the Falcon Project and, for the first time, Emerita's purported "relinquishment" of the Falcon Project was disclosed:

> *After having not been successful in liquidating the project in some form, the Company has now relinquished the Falcon project. Going forward, the Company will not have any costs associated with its legacy assets in Brazil other than the costs associated with winding down its subsidiaries in Brazil. The Company is now solely focused on its assets in Spain*." (the "**May Relinquishment Disclosure**").

38. Further detail regarding Emerita's purported relinquishment was added to Emerita's MD&A dated August 26, 2021, which stated that, "[a]s of December 2020, the Company has relinquished its property in Brazil in favour of focusing on projects in Spain. As of the date of this MD&A, the Company has wound up its Brazilian operations" (the "**August Relinquishment Disclosure**"). The August Relinquishment Disclosure was repeated in the MD&A dated January 27, 2022 (each, along with the May Relinquishment Disclosure and the August Relinquishment Disclosure, "**Relinquishment Disclosure**").

39. Each of the D&O Defendants participated in the preparation and issuance of the Relinquishment Disclosure. None of them took steps to confirm its accuracy and/or they were each wilfully blind or reckless as to its accuracy.

40. The Relinquishment Disclosure was not accurate. The record shows that Emerita continued to own the Falcon Project. It was not in default under the Option Agreement and the Falcon Project had not reverted to Falcon Metais.

Transfer of Title to the Falcon Project to Lithium Ionic

Falcon Metais to MGLIT

41. By February 2021, Diniz had caused the title to the Falcon Project to be transferred from Falcon Metais to MGLIT. The Diniz Defendants knew that this was a clear breach of the Option Agreement.

LI PrivateCo Incorporated and Founders' Shares Issued

42. Following the D&O Defendants' decision to pursue the Falcon Project outside of Emerita, LI PrivateCo was incorporated on July 5, 2021. Diniz, Gower, Guy and Lopez were LI PrivateCo's first directors. Duras later became LI PrivateCo's CFO.

43. On July 6, 2021, Diniz, Gower, Guy, and Lopez resolved that LI PrivateCo would issue 31,100,000 common shares for $3.00. They issued 30,500,000 of those shares to themselves and to Duras (the "**Founders' Shares**") as follows:

(a) Diniz received 8 million LI PrivateCo common shares;

(b) Gower, together with his spouse and a friend, received 8 million LI PrivateCo common shares;

(c) Guy received 8 million LI PrivateCo common shares;

(d) Lopez together with his spouse received 6 million LI PrivateCo common shares; and

(e) Duras received 500,000 LI PrivateCo common shares.

44. Each of the D&O Defendants and Diniz then, directly or indirectly through corporations they controlled, entered into consulting services agreements with LI PrivateCo pursuant to which they were to be compensated for their services to the company.

LI PrivateCo Acquired the Falcon Project and Raised Millions

45. LI PrivateCo acquired MGLIT (and thereby the Falcon Project) from Diniz for CAD$227.00, along with several other licenses, in late 2021 and early 2022. They knew that this was a further clear breach of the Option Agreement.

46. LI PrivateCo raised nearly $20 million through private placements in December 2021 and February 2022.

Lithium Ionic goes Public

47. Lithium Ionic was formed on May 19, 2022, as a public issuer through the Qualifying Transaction, which involved an amalgamation of LI PrivateCo and two other corporations (POCML 6 Inc and 1000088660 Ontario Inc). As a result of the Qualifying Transaction, LI PrivateCo became a wholly owned subsidiary of Lithium Ionic.

48. The Founders' Shares were exchanged on a 1:1 basis for Lithium Ionic common shares.

49. Gower, Guy, and Diniz became directors of Lithium Ionic. Lopez became Lithium Ionic's corporate secretary. Duras became Lithium Ionic's CFO.

50. Lithium Ionic began trading on the TSX-V on May 24, 2022 (TSX-V:LTD). The Falcon Project is now part of what Lithium Ionic calls the Bandeira Project.

51. At no point has any consideration been paid to Emerita for the Falcon Project.

2022 OSC Enquiries and Initiation of Investigation

52. The OSC began making inquiries of Emerita in respect of the Falcon Project and other matters in the Summer of 2022 and commenced a formal investigation in 2023 ("**OSC Investigation**"). The OSC Investigation took over three years to unfold and, from the perspective of Emerita, was primarily focused on public disclosure issues.

53. When the OSC Investigation finally came to a conclusion and it was revealed that the OSC was planning to allege that the D&O Defendants had misappropriated the Falcon Project, Emerita determined that it needed to form a Special Committee of independent and non-conflicted directors to advise on the response to the OSC. It did so on March 18, 2026.

54. The Special Committee sought additional time from the OSC to conduct its own investigation of the serious allegations against its senior management team and inside directors. However, the OSC was not prepared to wait.

2026 OSC Enforcement Proceeding

55. The OSC filed an Application for Enforcement Proceedings on April 9, 2026, that included allegations concerning the Falcon Project against the D&O Defendants and Diniz ("**Enforcement Proceeding**"). Rather than focussing on Emerita's disclosure practices, as Emerita believed was the focus of the OSC Investigation, the Enforcement Proceeding included allegations that Diniz

and the D&O Defendants misappropriated the Falcon Project from Emerita contrary to s. 126.1(1)(b) of the *Securities Act* (the "**Act**"). The OSC seeks, among other remedies, a disgorgement order in respect of its Falcon Project allegations.

Emerita In Crisis

56. Predictably, the Enforcement Proceedings had immediate negative repercussions for Emerita: its share price plummeted by 33% from its April 8, 2026 close at $0.41 to $0.26 at close on April 10, 2026 on heavy trading. This prompted an opportunistic unsolicited offer from Denarius Metals Corp. ("**Denarius**") to acquire all of Emerita's issued and outstanding shares at a 15% premium based on that April 10 closing price, payable in equity of Denarius. Some shareholders clamoured for the removal of the D&O Defendants. One of the three independent directors of Emerita resigned.

57. The two remaining independent directors had to assume a greatly increased role to protect the interests of Emerita.

The D&O Defendants Negotiate their Exit from Emerita

58. As a result of the widely publicized OSC allegations against the D&O Defendants, it was untenable for the D&O Defendants to continue in their roles at Emerita.

59. On Sunday April 19, 2026, the Board met on an emergency basis to discuss with Gower and Guy the necessity that they resign from their roles as Directors and Officers of the Company. Gower and Guy agreed to do so in exchange for amendments to their consulting contracts, mutual releases, and an agreed form of press release. Lopez resigned from his role as Corporate Secretary on May 13, 2026 on the same terms. Emerita pleads that the mutual releases were not intended to

preclude the claims in the within action. Nor would they be effective at law to relieve Gower, Guy, or Lopez of their fiduciary duties to Emerita.

60. On Monday, April 20, 2026, Emerita announced that Gower had resigned as CEO and as director, to be replaced by Joaquin Merino as interim CEO and that Guy had resigned as Chairman, to be replaced by David Patterson. The press release included a statement on behalf of Gower and Guy that they were resigning voluntarily given that their presence created unnecessary distractions to the Company. The press release stated that Gower and Guy strongly disputed the OSC allegations and that they would provide technical and administrative support to the Company during the transition period to avoid any disruption to its key activities in Spain.

61. The salutary effects for Emerita were immediate:

(a) By the close of trading that day, Emerita's share price recovered to $0.39 on significant trading volume; and

(b) The next day, April 21, 2026, Denarius announced that it intended to increase its offer for Emerita's shares to $0.45, payable in Denarius securities.

62. The resignations of Gower and Guy allowed Emerita to stabilise its projects in Spain, continue to work on the renewal of its Board and management, and address the Denarius offer. On April 24, 2026, Emerita announced that it had formed a special M&A committee to consider the Denarius offer and had engaged Canaccord Genuity Corp. as a financial advisor. Ultimately Denarius rescinded its offer on May 6, 2026, when it realized that it would not be able to acquire Emerita for a discount.

63. Emerita appointed new independent directors to its Board on June 3 and June 8, 2026.

PM Super Fund Demand

64. On May 14, 2026, PM Super Fund delivered a demand that an independent and disinterested committee immediately pursue a claim against the defendants in the within action seeking a remedy that the Falcon Project is beneficially owned by Emerita. PM Super Fund followed up with an application seeking leave to commence a derivative action in the name of Emerita. The proposed action was based on the OSC allegations.

65. The Special Committee advised that its mandate had been expanded to include consideration of bringing such a claim. The Special Committee worked expeditiously to complete its review and made recommendations to the full Board on July 16, 2026. The Board subsequently authorized the commencement of the within action.

Further Management Changes and the Special Committee Recommendations

66. Emerita appointed a new Corporate Secretary on June 3, 2026, and replaced Duras as CFO on July 17, 2026.

67. Between the commencement of the Enforcement Proceeding on April 9, 2026, and July 16, 2026, the independent directors of Emerita successfully renewed the Board and management team so that it is now completely independent from the D&O Defendants.

68. Based on a thorough review of the underlying records, the Special Committee recommended that Emerita commence the within action to seek remedies for what it concluded was the diversion of the Falcon Project to Lithium Ionic for the profit of the D&O Defendants and the Diniz Defendants in breach of the D&O Defendants' fiduciary duties, the terms of the Option Agreement and the trust it imposed.

69. The consulting contracts between Emerita and Gower, Guy, and Lopez are being terminated for cause for breach of fiduciary duty.

D&O Defendants Breach of Fiduciary Duties

70. Gower, Guy, Lopez and Duras each owed Emerita common law and statutory fiduciary duties that required them to act honestly and in good faith with a view to Emerita's best interest. These fiduciary duties include:

(a) a duty of loyalty that required them to avoid self-interest and self-dealing;

(b) a duty to avoid conflicts of interest between Emerita's interests and the interests of any other person, including entities to which they also owed fiduciary duties, such as Lithium Ionic; and

(c) duties of candor and disclosure.

71. The D&O Defendants were in clear breach of their fiduciary duties when they:

(a) decided to and did pursue the Falcon Project outside of Emerita without taking any steps to determine whether it remained a corporate opportunity belonging to Emerita and/or while being reckless or wilfully blind as to whether it remained a corporate opportunity of Emerita;

(b) failed to disclose their intended and actual interest in the Falcon Project to Emerita and related conflict of interest;

(c) repeatedly incorrectly advised the Board that Emerita was in default under the Option Agreement and had "relinquished" the Falcon Project to Falcon Metais in

December 2020 because Emerita was unable to perform its obligations under the Option Agreement;

(d) presented the Relinquishment Disclosure for Board approval without taking any steps to determine its accuracy and/or while being wilfully blind or reckless in respect of its accuracy;

(e) directed and/or participated in the making of the Relinquishment Disclosure, without taking any steps to determine its accuracy and/or while being willfully blind or reckless in respect of its accuracy; and

(f) with the exception of Duras, improperly sought amendments to their consulting agreements and mutual releases in exchange for resigning their positions, when the Company was in crisis.

The Diniz Defendants' Breach of Contract, Breach of Trust and Knowing Assistance

72. Falcon Metais was required under the Option Agreement to hold the Falcon Project in trust for Emerita until the Transfer. Falcon Metais is liable to Emerita for breach of the Option Agreement and breach of trust because it transferred the title of the Falcon Project to MGLIT without Emerita's prior knowledge and consent.

73. MGLIT knowingly assisted Diniz in Falcon Metais' breach of trust when it registered the Falcon Project permits, which Falcon Metais held in trust for Emerita, in its name.

74. Diniz owned and controlled Falcon Metais and MGLIT at the time the Falcon Project was transferred between them. Diniz used Falcon Metais and MGLIT to perpetrate a breach of trust

and misappropriate the Falcon Project. Falcon Metais and MGLIT should therefore be treated as a single entity.

75. Diniz is a constructive trustee of the Falcon Project because he knowingly caused Falcon Metais to breach the Option Agreement and its obligations as trustee under that Agreement. Diniz, through MGLIT, held the Falcon Project in constructive trust for Emerita. Diniz is liable to Emerita to account for the Falcon Project, to disgorge any benefit or profit he received as a result of his breaches of constructive trust or, in the alternative, to pay equitable compensation to Emerita for the value of the Falcon Project.

76. The Diniz Defendants knowingly assisted the D&O Defendants to breach their fiduciary duties to Emerita when they misappropriated the Falcon Project and made false and misleading statements that Emerita had relinquished the Falcon Project in December 2020. The Diniz Defendants are therefore jointly and severally liable with the D&O Defendants to account for and disgorge any benefits they received from the Falcon Project, or in the alternative, to pay equitable compensation to Emerita for the value of the Falcon Project permits.

Lithium Ionic

77. LI PrivateCo was formed by Diniz and the D&O Defendants for the purpose of receiving the Falcon Project permits to pursue the Falcon Project outside of Emerita, ultimately through a publicly traded company they directed and held a significant ownership interest in. Neither LI PrivateCo nor Lithium Ionic paid any consideration to Emerita for the Falcon Project.

78. Diniz and the D&O Defendants were at all material times the directing minds of LI PrivateCo and subsequently Lithium Ionic. As a result, LI PrivateCo and Lithium Ionic knew that:

(a) the Falcon Project had been held by Falcon Metais in trust for Emerita and was now being pursued by the D&O Defendants in breach of their fiduciary duties to Emerita;

(b) the D&O Defendants did not disclose to Emerita's Board that they were pursuing the Falcon Project outside of Emerita;

(c) the Falcon Project was transferred from Falcon Metais to MGLIT, and then from MGLIT to LI PrivateCo, in breach of trust and in breach of the Option Agreement.

79. Accordingly, Lithium Ionic holds the portion of the Bandeira Project traceable to the Falcon Project on constructive trust for Emerita, or in the alternative, is jointly and severally liable with Diniz and the D&O Defendants to pay equitable compensation to Emerita for the value of the Falcon Project.

Service outside of Ontario

80. The Plaintiff pleads and relies on Rule 17.02, (a), (f), (g), and (p) of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 to serve this Statement of Claim on a party outside of Ontario without leave.

81. Emerita pleads and relies on the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended, including section 134(1), (2) and (3); the *Securities Act*, R.S.O. 1990, c. s.5, as amended; the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended, including sections 96, 97, 128 and 129 of; and the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, including Rule 17.02.

82. The Plaintiff proposes that this action be tried in the City of Toronto, in the Province of Ontario.

July 29, 2026

CRAWLEY MACKEWN BRUSH LLP
Barristers & Solicitors
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Alistair Crawley (LSO#: 38726D)
Email: acrawley@cmblaw.ca
Tel: 416.217.0806
Melissa MacKewn (LSO#: 39166E)
Email: mmackewn@cmblaw.ca
Tel: 416.217.0840
Kate McGrann (LSO#: 55604O)
Email: kmcgrann@cmblaw.ca
Tel: 416.217.0850

Tel: 416.217.0110

Lawyers for the plaintiff,
Emerita Resources Corp.

EMERITA RESOURCES CORP. -and- GOWER, DAVID PATRICK et al.
Plaintiff Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF CLAIM

CRAWLEY MACKEWN BRUSH LLP
Barristers & Solicitors
Suite 800, 179 John Street
Toronto, ON M5T 1X4

Alistair Crawley (LSO#: 38726D)
Email: acrawley@cmblaw.ca
Tel: 416.217.0806
Melissa MacKewn (LSO#: 39166E)
Email: mmackewn@cmblaw.ca
Tel: 416.217.0840
Kate McGrann (LSO#: 55604O)
Email: kmcgrann@cmblaw.ca
Tel: 416.217.0850

Tel: 416.217.0110

Lawyers for the plaintiff,
Emerita Resources Corp.