

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Lithium Ionic Corp.
36 Lombard Street
Floor 4
Toronto, ON M5C 2X3

Item 2 Date of Material Change

July 31, 2023

Item 3 News Releases

A news release was issued by Lithium Ionic Corp. ("**Lithium Ionic**" or the "**Company**") on July 31, 2023 in respect of the material change and was disseminated through the facilities of GlobeNewswire and filed on SEDAR+.

Item 4 Summary of Material Changes

The Company has closed its previously announced underwritten private placement offering of common shares of the Company (the "**Shares**") pursuant to which the Company issued 13,690,635 Shares at a price of \$2.10 per Share (the "**Offering Price**") for aggregate gross proceeds of \$28,750,334 (the "**Offering**").

The Company intends to use the net proceeds from the Offering to continue funding mineral exploration and development activities at its Brazilian properties and for working capital requirements and general corporate purposes.

Item 5 Full Description of Material Changes

The Company has closed its previously announced underwritten private placement offering of Shares pursuant to which the Company issued 13,690,635 Shares at a price of \$2.10 per Share for aggregate gross proceeds of \$28,750,334. The Offering was led by Clarus Securities Inc. and Canaccord Genuity Corp., as co-lead underwriters and joint bookrunners, on behalf of a syndicate of underwriters (collectively, the "**Underwriters**") that included Desjardins Securities Inc.

The Company intends to use the net proceeds from the Offering to continue funding mineral exploration and development activities at its Brazilian properties and for working capital requirements and general corporate purposes.

In connection with the Offering, the Underwriters received an aggregate cash fee equal to 6.0% of the gross proceeds from the Offering. In addition, the Company issued to the Underwriters 821,438 non-transferable broker warrants (the "**Broker Warrants**"). Each Broker Warrant will entitle the holder thereof to purchase one common share at an exercise price equal to the Offering Price for a period of 24 months following the closing of the Offering.

The Shares issued pursuant to the Offering will be subject to a four-month and one day hold period under applicable securities laws in Canada. The Offering remains subject to final approval

of the TSX Venture Exchange (the “TSXV”).

An insider of the Company, Electrification and Decarbonization AIE LP (by virtue of owning more than 10% of the outstanding voting shares), purchased an aggregate of 800,000 Shares under the Offering, and such participation is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 (“MI 61-101”). The Company has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of such related party participation as the fair market value of the participation in the Offering by the related party did not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Blake Hylands
Chief Executive Officer
Email: bhylands@lithiumionic.com

Item 9 Date of Report

August 1, 2023