



**LITHIUM ION ENERGY LTD.  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025**

**(Expressed in Canadian Dollars, Unless Otherwise Stated)**

**(UNAUDITED)**

---

**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of Lithium Ion Energy Limited ("the Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the nine months ended September 30, 2025 have not been reviewed by the Company's auditors.

# Lithium Ion Energy Ltd.

Condensed Interim Consolidated Balance Sheets  
(Expressed in Canadian Dollars, Unless Otherwise Stated)

AS AT		(Unaudited) September 30, 2025	(Audited) December 31, 2024
	Notes		
<b>ASSETS</b>		\$	\$
<b>Current</b>			
Cash		23,594	4,463
Prepaid expenses and deposits		3,920	3,920
Sales tax receivable		11,958	22,635
<b>Total current assets</b>		39,472	31,018
<b>Non-current</b>			
Property and equipment	3	11,860	13,618
Exploration and evaluation assets	4	1,221,679	1,267,166
Other interest - Victory nickel project	6	67,500	67,500
<b>Total assets</b>		1,340,511	1,379,302
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	8	1,116,520	1,152,230
Loans payable	5	175,856	50,924
<b>Total current liabilities</b>		1,292,376	1,203,154
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	11,248,995	11,158,995
Contributed surplus	7	4,355,343	4,355,343
Accumulated other comprehensive loss		(212,861)	(125,184)
Accumulated deficit		(15,343,342)	(15,213,006)
<b>Total shareholders' equity</b>		48,135	176,148
<b>Total liabilities and shareholders' equity</b>		1,340,511	1,379,302

Nature and continuance of operations (Note 1)

Approved on behalf of the Board of Directors and authorized for issuance on November 28, 2025:

\_\_\_\_\_  
"Ali Haji"  
Ali Haji, Director

\_\_\_\_\_  
"Matthew Wood"  
Matthew Wood, Director

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

# Lithium Ion Energy Ltd.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Income (Loss)

For the periods ended:

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(UNAUDITED)

	Notes	Three Months Ended		Nine Months Ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
<b>EXPENSES</b>		\$	\$	\$	\$
Professional fees		-	-	10,500	29,206
Consulting	8	6,000	89,865	93,586	289,698
Share-based compensation	7	-	-	-	58,550
Filing fees		16,464	2,071	32,232	23,728
Travel and entertainment		-	-	-	14,230
Marketing expenses		-	-	-	60,896
General and office		4,522	17,596	19,045	66,813
Foreign exchange		1	675	41	(20,924)
<b>Total expenses</b>		26,987	110,207	155,404	522,197
<b>Net loss before other items</b>		(26,987)	(110,207)	(155,404)	(522,197)
Recovery of input tax credits		-	-	-	5,638
Finance charges	5	(3,631)	-	(4,932)	-
Gain on debt settlement	7	30,000	-	30,000	76,767
<b>Net Loss</b>		(618)	(110,207)	(130,336)	(439,792)
Foreign currency translation adjustment		13,800	(16,713)	(87,677)	39,258
<b>Comprehensive income (loss)</b>		13,182	(126,920)	(218,013)	(400,534)
Basic and diluted net loss per share		(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of common shares outstanding		66,512,644	65,138,163	66,512,644	65,188,856

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

# Lithium Ion Energy Ltd.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars, Unless Otherwise Stated) (UNAUDITED)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
			\$	\$	\$	\$	\$
<b>Balance, December 31, 2023</b>		65,387,462	11,137,343	4,305,226	(226,616)	(13,013,158)	2,202,795
Common shares issued for debt	7	393,675	21,652	-	-	-	21,652
Share-based compensation	7	-	-	58,550	-	-	58,550
Translation adjustment		-	-	-	39,258	-	39,258
Net loss		-	-	-	-	(439,792)	(439,792)
<b>Balance, September 30, 2024</b>		65,781,137	11,158,995	4,363,776	(187,358)	(13,452,950)	1,882,463
<b>Balance, December 31, 2024</b>		65,781,137	11,158,995	4,355,343	(125,184)	(15,213,006)	176,148
Common shares issued for debt	7	3,000,000	90,000	-	-	-	90,000
Translation adjustment		-	-	-	(87,677)	-	(87,677)
Net loss		-	-	-	-	(130,336)	(130,336)
<b>Balance, September 30, 2025</b>		68,781,137	11,248,995	4,355,343	(212,861)	(15,343,342)	48,135

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

# Lithium Ion Energy Ltd.

**Condensed Interim Consolidated Statements of Cash Flows**  
**For the periods ended**  
**(Expressed in Canadian Dollars, Unless Otherwise Stated)**  
**(UNAUDITED)**

	Notes	September 30, 2025	September 30, 2024
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss		(130,336)	(439,792)
Adjusted for:			
Share-based compensation	7	-	58,550
Gain on debt settlement	7	(30,000)	76,767
Recovery of input tax credits		-	(5,638)
Accrued finance charges	5	4,932	-
Unrealized foreign exchange		-	(16,520)
Changes in non-cash working capital items:			
Prepaid expenses and deposits		-	13,716
Sales tax and other receivables		10,677	276,937
Accounts payable and accrued liabilities		80,519	5,787
Net cash used in operating activities		(64,208)	(30,193)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation assets		(50,213)	(23,444)
Net cash used in investing activities		(50,213)	(23,444)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans		120,000	-
Net cash provided by financing activities		120,000	-
Effect of foreign exchange		13,552	(1,606)
Net change in cash and cash equivalents		19,131	(55,243)
Cash, beginning		4,463	63,026
Cash, end		23,594	7,783

Supplemental cash flow disclosure (Note 11)

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

# LITHIUM ION ENERGY LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

(Expressed in Canadian Dollars, Unless Otherwise Stated)

---

### 1. NATURE AND CONTINUANCE OF OPERATIONS

Lithium Ion Energy Ltd. (Formerly Ion Energy Ltd.) was incorporated under the Business Corporation Act (Alberta) on June 5, 2017. On September 1, 2023, the Company changes its name from Ion Energy Ltd. to Lithium Ion Energy Ltd. The head office of the Company is located at Suite 400, 90 Adelaide Street West, Toronto, Ontario M5H 4A6. The registered office of the Company is located 1250 – 639 5<sup>th</sup> Avenue S.W. Calgary Alberta T2P 0M9. The Company trades on the TSX Venture Exchange under the trading symbol “ION”, on the OTC under the symbol “IONGF”, and on the Frankfurt Stock Exchange under the symbol “ZA4”.

The Company is engaged in the business of the acquisition and exploration of mineral properties with a focus on advancing projects containing lithium mineralization. The Company is actively advancing its mineral project located in western Mongolia.

These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2025, the Company has a deficit of \$15,343,342 (December 31, 2024 - \$15,213,006). The Company is in the process of exploring and developing its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof.

There is a material uncertainty related to these conditions that may cast significant doubt regarding the Company’s ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares since inception. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favorable to the Company. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

#### *(a) Statement of compliance*

The Company applies international Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. Accordingly, they do not include all the information required for full annual financial statements.

#### *(b) Basis of presentation*

These condensed interim consolidated financial statements do not include all the information required for full annual IFRS financial statements and therefore should be read in conjunction with the company’s annual consolidated financial statements for the year ended December 31, 2024, and are prepared consistent with the accounting policies disclosed therein. Operating results for the nine-month period ended September 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

# LITHIUM ION ENERGY LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

(Expressed in Canadian Dollars, Unless Otherwise Stated)

### 3. PROPERTY AND EQUIPMENT

	Equipment	Furniture	Total
<b>COST</b>	\$	\$	\$
Balance, December 31, 2023	28,006	2,816	30,822
Foreign exchange variance	2,271	-	2,271
Balance, December 31, 2024	30,277	2,816	33,093
Foreign exchange variance	(2,379)	-	(2,379)
Balance, September 30, 2025	27,898	2,816	30,714
<b>ACCUMULATED DEPRECIATION</b>			
Balance, December 31, 2023	12,681	2,816	15,497
Depreciation	2,917	-	2,917
Foreign exchange variance	1,061	-	1,061
Balance, December 31, 2024	16,659	2,816	19,475
Depreciation	701	-	701
Foreign exchange variance	(1,322)	-	(1,322)
Balance, September 30, 2025	16,038	2,816	18,854
<b>NET BOOK VALUE</b>			
December 31, 2024	13,618	-	13,618
September 30, 2025	11,860	-	11,860

During the nine-month period ended September 30, 2025, depreciation totaling \$737 (year ended December 31, 2024 – \$2,917) was capitalized to exploration and evaluation assets.

# LITHIUM ION ENERGY LTD.

Notes to the Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2025  
(Expressed in Canadian Dollars, Unless Otherwise Stated)

## 4. EXPLORATION AND EVALUATION ASSETS

	Baavhi Uul	Urgakh Naran	Bliss Lake	Little Nahanni	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2023	1,554,462	1,152,790	150,476	22,935	2,880,663
Additions	29,704	19,437	-	-	49,141
Impairment	(1,602,473)	-	(150,476)	(22,935)	(1,775,884)
Foreign exchange variance	18,307	94,939	-	-	113,246
Balance, December 31, 2024	-	1,267,166	-	-	1,267,166
Additions	-	50,914	-	-	50,914
Foreign exchange variance	-	(96,401)	-	-	(96,401)
Balance, September 30, 2025	-	1,221,679	-	-	1,221,679

### Baavhai Uul Project – Exploration License

The Company is the owner of a mineral exploration license (the “License”) to explore an area approximately 63,000 hectares in size containing lithium brine targets (the “Baavhai Uul Project”). The Company acquired the License pursuant to a purchase agreement dated February 15, 2019, for total consideration of \$1,229,630.

Under the terms of an amending agreement dated August 15, 2019, the following milestone payments were outstanding:

- (i) On completion of an initial exploration programme as recommended by a technical report prepared in accordance with National Instrument 43-101 prepared for the Baavhai Uul Project, US\$200,000 in cash. As of December 31, 2024 \$Nil (December 31, 2023 - \$264,520) has been accrued in relation to this payment as a non-current liability.
- (ii) On completion of a feasibility study as such term shall be defined in the Technical Report, US\$200,000 in cash. This milestone has not yet been accrued as the probability of the company completing this item is not yet determinable.
- (iii) On the issuance of a mining license for the Baavhai Uul project located in Sukhbaatar province, US\$100,000 in cash. This milestone has not yet been accrued as the probability of the company completing this item is not yet determinable.

Future production on the Baavhai Uul Project is subject to a 1.5% gross revenue royalty.

During the year ended December 31, 2024, the Company determined that it would not proceed with the Baavhai Uul project and recorded an impairment of \$1,602,473. Concurrently, the Company recorded a recovery of the license purchase payable of \$287,780.

### Urgakh Naran Project – Exploration License

On February 10, 2021, the Company acquired the Urgakh Naran Lithium Brine Project (the “Urgakh Naran Project”) located in Mongolia’s Dornogovi Province. The name “Urgakh Naran” is Mongolian for “Rising Sun” and the Project covers an area of approximately over 29,770 hectares of prospective lithium terrain located 150km west northwest of the Company’s Baavhai Uul Lithium Brine Project. The Company acquired the Urgakh Naran Project as a result of a successful tender bid submitted to the Mineral Resource Authority of Mongolia. As at December 31, 2024, the Company conducted an impairment assessment of the Urgakh Naran Project and determined that no impairment was required.

# LITHIUM ION ENERGY LTD.

Notes to the Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2025  
(Expressed in Canadian Dollars, Unless Otherwise Stated)

## 4. EXPLORATION AND EVALUATION ASSETS (Continued)

### Acquisition of 1402166 B.C. LTD. (Bliss Lake Mineral Claims)

In August 2023, the Company completed the acquisition of 100% of the issued and outstanding common shares of 1402166 B.C. LTD. a company holding the rights to mineral claims located in the Northwest Territories (“NWT”), Canada known collectively as the “Bliss Lake Claims”. Pursuant to an amending agreement dated June 20, 2023, which closed on August 11, 2023 (“Closing Date”) the Company issued 571,428 common shares with a fair value of \$131,428. The Company completed initial prospecting work on the property and spent a further \$19,048.

The Company was determined to be the acquirer in the transaction. The acquisition was determined to be an asset acquisition as 1402166 B.C did not meet the definition of business. The Company allocated the fair value of consideration paid to the value of the exploration and evaluation asset acquired.

The Company will issue up to 1,250,000 common shares (with a floor price per share of \$0.20) one year from Closing if an assay result of a sample from the Property during the 12 months after the Closing Date yields a grade of at least 0.5% Li<sub>2</sub>O, and up to 1,250,000 common shares (with a floor price per share of \$0.20) two years from Closing if an assay result of a sample from the Property during the 24 months after the Closing Date yields a grade of at least 0.5% Li<sub>2</sub>O. If the Company announces a mineral resource estimate of at least 5 million tonnes of measured, indicated and inferred resources containing Lithium Oxide (Li<sub>2</sub>O) grading of at least 1.00% on the mining claims on the Property, the Company will pay an additional \$300,000 cash payment within five days of the announcement to certain vendors. One third of the share-based milestone payments and one half of the cash-based milestone payment (should the above conditions be met) are payable to the Company’s CFO, Robert Payment. Mr. Payment became an officer of the Company after the close of the acquisition of 1402166 B.C. Ltd. During the year ended December 31, 2024, the Company determined that no further work would be carried out on the property and recorded an impairment of \$150,476.

### Little Nahanni Mineral Claims

The Company acquired the Little Nahanni Claims by staking during the year ended December 31, 2023, for a total cost of \$22,935. During the year ended December 31, 2024, the Company determined that no further work would be carried out on the property and recorded an impairment of \$22,935.

## 5. LOANS PAYABLE

	September 30, 2025	December 31, 2024
Opening balance	\$ 50,924	\$ 25,000
Loans received	120,000	23,022
Finance fees	4,932	2,902
Closing balance	175,856	50,924

On June 15, 2023, the Company entered loan agreement for \$25,000 from Olympic Metals Inc, a company with common directors and officers. The loan does not bear interest and was repayable September 30, 2023. The loan agreement requires the Company pay an administrative fee of \$600. The loan passed the due date and remains unpaid and is due on demand.

On October 14, 2024, the Company entered loan agreement for US\$16,000 from Olympic Metals Inc, a company with common directors and officers. The loan does not bear interest and is repayable on October 15, 2025. The loan agreement requires the Company pay an administrative fee of US\$1,600.

# LITHIUM ION ENERGY LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

(Expressed in Canadian Dollars, Unless Otherwise Stated)

---

### 5. LOANS PAYABLE (Continued)

On April 13, 2025 the Company obtained unsecured loans of \$20,000 from directors of the Company bearing annual interest of 12% and maturing on April 13, 2026.

On June 6, 2025, the Company obtained a loan of \$100,000 from a company with common officers and directors bearing annual interest of 12% and maturing on June 6, 2026. The Loan is secured by a general security agreement over the assets of the Company.

### 6. OTHER INTEREST – VICTORY NICKEL PROJECT

On January 25, 2022, the Company entered into a binding term sheet which set out the terms for an exploration joint venture with Trinity One Metals Ltd. (Formerly Aranjin Resources Ltd.) (“Trinity One”). The joint venture allowed for both companies to grant one another reciprocal exploration rights to their respective exploration licenses within Mongolia. Under the terms of the agreement, Trinity One was granted a right to explore Ion’s properties for base metals (including copper, lead, zinc, nickel, cobalt and associated metals) and to earn an 80% interest in and to all base metal projects discovered and/or defined on the Ion Properties subject to the existing royalties and subject to the completion by Trinity One of its work commitment of \$3.0 million over three years. Ion was granted a right to explore Trinity One’s properties for lithium and an 80% interest in and to all lithium projects discovered and/or defined on the Trinity One licenses, subject to the existing royalties. Trinity one is considered to be a related party there are common directors and officers between the Company and Trinity One.

During the year ended December 31, 2023, the Company entered an agreement with Trinity One whereby it agreed to formally separate a portion of the formerly held Baavhi Uul exploration license covering the area identified by Trinity One known as the “Victory Copper Project” in exchange for a 20% free carried interest in the Victory Copper Project.

The exchange of a portion of the Company’s exploration license for the 20% carried interest represented a non-monetary transaction and was accounted for at fair value which was determined to be \$67,500.

### 7. SHARE CAPITAL

#### Authorized

Unlimited number of common voting shares.

#### Issued and Outstanding

As of September 30, 2025, there were 68,781,137 common shares outstanding.

Common shares issued during the nine-month period ended September 30, 2025, were as follows:

- (i) On July 3, 2025, the Company issued 3,000,000 common shares with a fair value of \$90,000 (\$0.03 per share) to settle debt. In relation to the debt settlement the company recognized a gain of \$30,000.

Common shares issued during the year ended December 31, 2024, were as follows:

- (i) On June 28, 2024, the Company issued 393,675 common shares with a fair value of \$21,652 (\$0.055 per share) to settle debt. In relation to the debt settlement the company recognized a gain of \$76,767.

# LITHIUM ION ENERGY LTD.

Notes to the Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2025  
(Expressed in Canadian Dollars, Unless Otherwise Stated)

## 7. SHARE CAPITAL (Continued)

### Stock Options

The Company has established a stock option plan (the "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 exercised for a maximum term of ten years from the date of the grant. They are non-transferable and expire the greater of 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. Unless otherwise stated, the options fully vest when granted.

Continuity of stock options:

	Number of Options		Weighted Average Exercise Price
Balance at December 31, 2023	5,072,000	\$	0.31
Issued	1,250,000		0.09
Balance at December 31, 2024	6,322,000	\$	0.27
Expired	(2,072,000)		0.30
Balance at September 30, 2025	4,250,000	\$	0.25

Stock options issued and outstanding as of September 30, 2025:

Expiry date	Number of Options	Number of Exercisable Options	Weighted Average Exercise Price	Weighted Average Remaining Years
October 21, 2025	3,000,000	3,000,000	\$0.32	0.06
March 13, 2026	1,250,000	1,250,000	\$0.09	0.45
	4,250,000	4,250,000	\$0.25	0.17

Share-based compensation expense of \$Nil (June 30, 2024 - \$58,550) related to options granted and vested during the period. The Black-Scholes option pricing model used the following weighted average assumptions:

	September 30, 2025	September 30, 2024
Risk-free interest rate	n/a	4.30%
Expected life of options	n/a	2 years
Annualized volatility	n/a	95.00%
Dividend rate	n/a	0%
Weighted average fair value per option	n/a \$	0.05

# LITHIUM ION ENERGY LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

(Expressed in Canadian Dollars, Unless Otherwise Stated)

---

### 7. SHARE CAPITAL (Continued)

#### Warrants

The Company enters into agreements for various services for which all or partial consideration is comprised of warrants. As the fair value of the provision of services is difficult to measure, the Company measures the fair value of services received or to be received by reference to the fair value of warrants granted using the Black-Scholes Model.

Warrant activity is as follows:

---

	<b>Number of</b>	<b>Weighted</b>
	<b>Warrants</b>	<b>Average</b>
		<b>Exercise Price</b>
Balance at December 31, 2023	16,190,000	\$ 0.62
Expired	(690,000)	0.50
Balance at December 31, 2024	15,500,000	\$ 0.62
Expired	(15,500,000)	0.52
Balance at September 30, 2025	-	-

---

# LITHIUM ION ENERGY LTD.

Notes to the Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2025  
(Expressed in Canadian Dollars, Unless Otherwise Stated)

## 8. RELATED PARTY TRANSACTIONS

Key management personnel include those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

Transactions with key management:

	September 30, 2025	September 30, 2024
	\$	\$
Consulting fees	93,586	242,727
Share-based compensation	-	51,524
Total	93,586	294,251

The following balances with related parties are outstanding:

	September 30, 2025	December 31, 2024
<b>Related party balances payable</b>	\$	\$
Accounts payable	506,952	544,240
Loans payable - Olympic Metals Inc. (Note 5)	154,738	50,924
Loans payable - Directors (Note 5)	21,118	-
Rent - Steppe Gold Ltd.	54,240	54,240

Other related party transactions include:

- On June 3, 2025, the Company issued 3,000,000 common shares to officers and directors of the Company with a fair value of \$90,000 in settlement of debt amounting to \$120,000. The Company recognized a gain on debt settlement of \$30,000 in relation to the transaction. The following shares were issued: Ali Haji (Director & CEO) – 1,350,000 shares, Matthew Wood (Director) – 300,000 shares, Aneel Waraich (Director) – 300,000 shares, Robert Payment (CFO) – 450,000 shares, Enkhtuvshin Khishigsuren (Director) – 300,000 shares, Joseph Gallucci (Director) – 300,000 shares.
- The Company paid or accrued \$Nil (September 30, 2024 - \$12,000) for office rent to Steppe Gold Ltd., whose Board includes one common director. Included in accounts payable and accrued liabilities is \$54,240 (December 31, 2024 - \$54,240) related to rent payable to Steppe Gold Ltd.
- During the year ended December 31, 2023, the Company entered an agreement with Trinity One whereby it agreed to formally separate a portion of Baavhi Uul exploration license covering the area identified by Trinity One known as the "Victory Copper Project" in exchange for a 20% free carried interest in the Victory Copper Project (Note 6). Trinity One is considered to be a related party as there is a common director and a common officer between the parties.
- Loans payable of \$154,739 (December 31, 2024 - \$50,924 (Note 5) are due to Olympic Metals Ltd., a Company with common directors and officers.
- The Company obtained loans with a principal balance of \$10,000 from each of Ali Haji (Director and CEO) and Mathew Wood (Chairman and Director) (Note 5).

# LITHIUM ION ENERGY LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

(Expressed in Canadian Dollars, Unless Otherwise Stated)

### 9. CAPITAL RISK MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and conduct exploration and evaluation activities on mineral properties. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders.

### 10. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk). All amortized cost financial instruments approximate their fair value due to the short term to maturity.

#### (i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents balance.

Cash and cash equivalents are held with a Canadian chartered bank and a financial institution in Mongolia, as well as in trust with a law firm with which the Company frequently does business. Sales tax and other receivables consist primarily of HST recoverable.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due. To the extent the Company does not believe it has sufficient liquidity to meet its obligations, it will consider securing additional equity or debt funding. The Company's cash and cash equivalents are currently invested in business accounts with high-credit quality financial institutions and in trust and are available on demand by the Company. The Company's financial obligations consist of accounts payable and accrued liabilities.

Years ended		Less than one year	1-3 years	3-5 years	More than 5 years	Total
September 30, 2025	Accounts payable and accrued liabilities	\$1,116,520	-	-	-	\$1,116,520
December 31, 2024	Accounts payable and accrued liabilities	\$1,152,230	-	-	-	\$1,152,230

# LITHIUM ION ENERGY LTD.

Notes to the Condensed Interim Consolidated Financial Statements  
For the period ended September 30, 2025  
(Expressed in Canadian Dollars, Unless Otherwise Stated)

---

## 10. FINANCIAL RISK MANAGEMENT (continued)

### (iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such interest rate, foreign exchange rates and commodity and equity prices.

### (iv) Interest rate risk

The Company has cash and cash equivalents and no interest-bearing debt. The Company does not believe it is exposed to material interest rate risks.

### (v) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar. The Company has cash balances in Mongolian tughrig and US dollars that are subject to foreign currency risk.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and other liabilities, that are denominated in US dollars and Mongolian Tughrig. Sensitivity to a plus or minus 5% change in the foreign exchange rate of the US dollar compared to the Canadian dollar would affect net income by \$17,000 (December 31, 2024 - \$13,000) with all other variables held constant.

### (vi) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. 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, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the work market price of lithium. There is no assurance that, even if commercial quantities of lithium deposits are produced in the future, a profitable market will exist for them. As of December 31, 2024, the Company was not a lithium producer. Even so, commodity prices may affect the completion of future equity transactions such as equity offerings. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

## 11. SUPPLEMENTAL CASH FLOW DISCLOSURE

Significant non-cash transactions during the periods ended were as follows:

	September 30, 2025	September 30, 2024
	\$	\$
<b>Supplemental cash flow disclosure:</b>		
Depreciation capitalized to exploration and evaluation asset	701	2,129

# LITHIUM ION ENERGY LTD.

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

(Expressed in Canadian Dollars, Unless Otherwise Stated)

### 12. SEGMENTED INFORMATION

The business of the Company is the acquisition and exploration of mineral properties which is considered one business segment.

Geographic information of non-current assets is as follows:

---

<b>September 30, 2025</b>	<b>Canada</b>	<b>Mongolia</b>	<b>Total</b>
	\$	\$	\$
Property and equipment	-	11,860	11,860
Exploration and evaluation assets	-	1,221,679	1,221,679
<b>Total</b>	<b>-</b>	<b>1,233,539</b>	<b>1,233,539</b>

---

<b>December 31, 2024</b>	<b>Canada</b>	<b>Mongolia</b>	<b>Total</b>
	\$	\$	\$
Property and equipment	-	13,618	13,618
Exploration and evaluation assets	-	1,267,166	1,267,166
<b>Total</b>	<b>-</b>	<b>1,280,784</b>	<b>1,280,784</b>