MANAGEMENT DISCUSSION & ANALYSIS

The following management discussion and analysis ("MD&A") of the results of the operations and financial position of Lithium Ion Energy Ltd. ("Ion" or "the Company") for the three month period ended March 31, 2024 should be read in conjunction with the Company's unaudited interim financial statement for the period ended March 31, 2023 and the audited financial statements for the years ended December 31, 2023, and 2022 which are available on the SEDAR+ website at www.sedarplus.ca. This MD&A contains information for the year ended to the date this report being May 24, 2024.

The financial information in this MD&A is derived from the Financial Reports prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All figures contained in this MD&A are presented in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labour disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A

DESCRIPTION OF BUSINESS

Lithium Ion Energy Ltd. was incorporated under the Business Corporation Act (Alberta) on June 5, 2017. 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 5th Avenue S.W. Calgary Alberta T2P 0M9.

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 lithium brine projects located in western Mongolia as well as lithium pegmatite projects in the Northwest Territories, Canada.

The Company trades on the TSX Venture Exchange under the trading symbol "ION", on the OTCQB under the symbol "IONGF", and on the Frankfurt Stock Exchange under the symbol "ZA4".

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website www.ionenergy.ca.

OUTLOOK

The lithium mining industry is supported by several strong industry trends driven by the increasing demand for lithium-ion batteries used in electric vehicles (EVs), renewable energy storage, and growing adoption other electronic devices. Lithium is a key component in these batteries, making it a critical element in the transition to cleaner and more sustainable energy sources. The Company is actively exploring lithium properties in Mongolia and Canada.

Following completion of nearly 100kms of TEM (Transient electromagnetics) surveys completed in 2022 on the Company's Urgakh Naran Project, the Company identified a 22.7 Billion cubic metre aquifer with a cut off of <6.5ohm. The known presence of the aquifer in conjunction with highly anomalous surface samples (as high as 918 mg/L lithium) suggests immense resource potential. To advance the asset, the Company has completed diamond drilling and the drilling of three hydrogeological test wells to observe and test the aquifer's hydrogeology, flow rates, and grades to allow the Company to define a maiden resource estimate.

The Company is actively evaluating strategies to continue to advance its Baavhai Uul project which the Company has completed 1304.5 metres of auger drilling identifying lithium mineralization of up to 1,502ppm. The Company has recently expanded its asset portfolio with the acquisition and staking of mineral claims in the Northwest Territories, Canada located in the heart of the Yellowknife pegmatite field, as well as in the Little Nahanni region both well known areas of lithium mineralization and under active development.

KEY DEVELOPMENTS DURING THE YEAR ENDED AND SUBSEQUENT TO YEAR END

Grant of stock options

On March 13, 2024, the Company granted to certain consultants and insiders of the Company an aggregate of 1,250,000 incentive stock options (the "Stock Options") to purchase common shares under the Company's incentive stock option plan (the "Plan"). Each Stock Option is exercisable into a common share of the Company at a price of $0.09 for a period of two years from the date of grant. The Stock Options vested immediately upon grant.

Debt Settlement

The Company announced the settlement of $143,669 in debt in exchange for the issuance of 606,675 common shares. The transaction is subject to approval by the TSX-V.

Warrant Extensions

The Company announced its intention to extend 11,500,000 share purchase warrants exercisable at a price of $$0.70 for an additional one-year period. The warrants were originally set to expire on April 12, 2024.

The Company announced its intention to extend 4,000,000 share purchase warrants exercisable at a price of $$0.40 for an additional one-year period. The warrants were originally set to expire on July 20, 2024. T

SELECTED FINANCIAL INFORMATION AND RESULTS OF OPERATIONS

The following table sets out selected financial information with respect to the Company's annual financial statements for the three-month ended March 31, 2024. The following should be read in conjunction with the March 31, 2024, Interim Financial Statements.

Summary of Operations	March 31, 2024	March 31, 2023
	$	$
Total expenses	233,079	767,408
Net loss for the year	(233,079)	(767,408)
Basic and diluted loss per share	(0.00)	(0.01)

Balance Sheet Summary	March 31, 2024	December 31, 2023
		$
Current assets	198,060	432,279
Non-current assets	2,902,945	2,895,988
Total assets	3,168,505	3,395,767
Current liabilities	870,580	903,452
Non-current liabilities	296,000	289,520
Total liabilities	1,166,580	1,192,972
Working (defiency) capital	(672,520)	(471,173)

During the three-month period ended March 31, 2024, the Company incurred a net loss of $233,079 (2023 - $767,408). During the period the Company reduced expenditures due to limited working capital.

Stock based compensation expense of $58,550 related to the issuance of 1,250,000 options exercisable at a price of $0.09 for a period of two years from the date of grant. Stock based compensation in the prior period was $247,485 which related to the issuance of 2,072,000 options exercisable at a price of $0.30 for a period of two years from the grant date. The options vested upon the date of grant.

The Company's operations during the three-month period ended March 31, 2024, were focused on the seeking strategies to continue exploration of its mineral properties in Mongolia as well as the search for additional exploration assets. The Company also continued to develop strategies to advance its properties located in the Northwest Territories of Canada

Summary of significant Balance Sheet items for three-month period ended March 31, 2024

The primary factors affecting the changes to the balance sheet items were as follows:

- Cash flow from operations of $11,558 related to funds received from HST returns net of expenditures.
- Sales tax and other receivables of $129,179 decreased by $162,136 as compared to December 31, 2023, balance of $291,315 as a portion of the Company's HST refunds were received.
- Prepaid expenses and deposits of $28,323 decreased by $22,468 as compared to the prior year due to expiration of certain prepaid amounts.
- Accounts payable and accrued liabilities of $870,580 primarily related to legal, consulting fees, and various advertising vendors and decreased by $32,872 due to repayment of certain amounts.

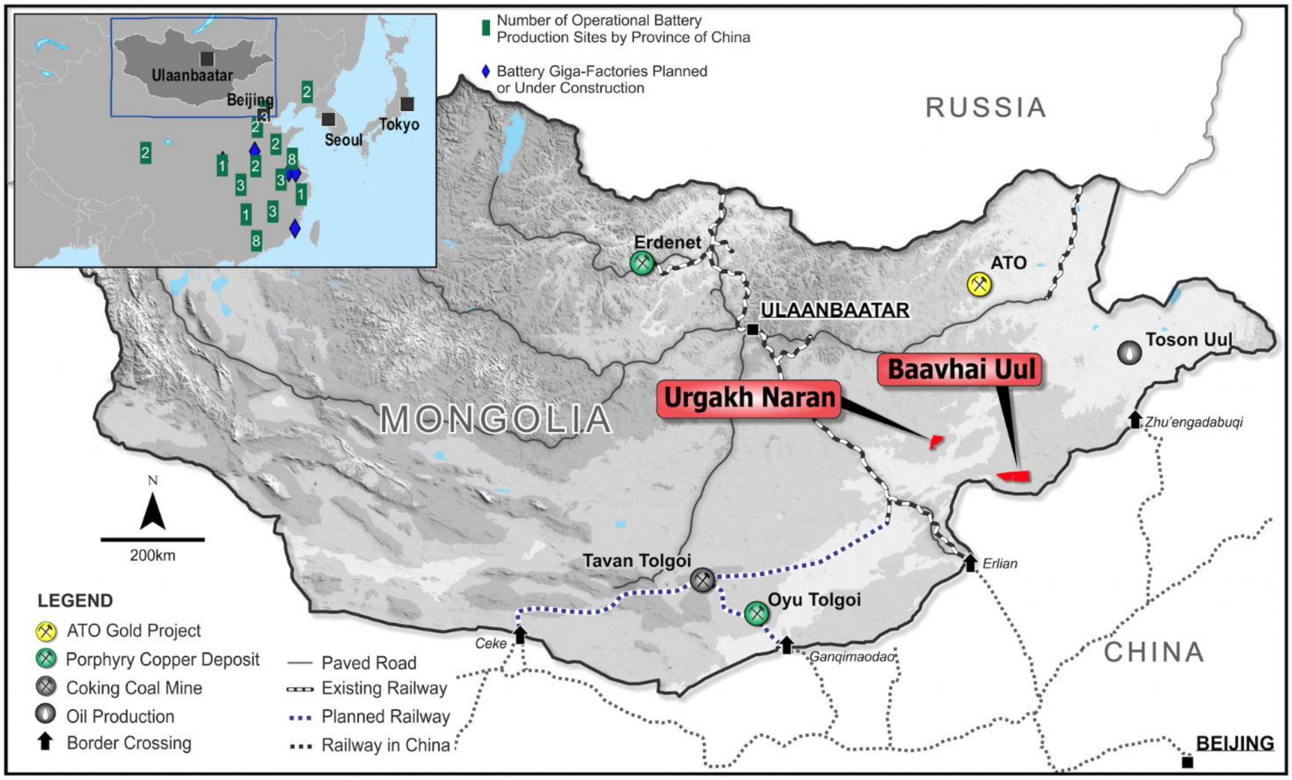
Discussion of results – Three-Month Period Ended March 31, 2024

During the three-month period ended March 31, 2024, the Company incurred a net loss of $233,079 as compared to a net loss of $767,408 for the three-month period ended March 31, 2023. The primary factors affecting the magnitude and variations of the Company's financial performance were as follows:

Item	March 31 2024	March 31 2023	Increase / (Decrease) $	Increase / Decrease %	Explanation
	$	$	$	%	
Professional fees	9,000	23,935	(14,935)	-62%	Professional fees relate to legal, audit, and tax compliance. Decrease attributed to reduced corporate activity.
Consulting	111,937	204,859	(92,922)	-45%	Relates to consulting fees paid to management, operations staff, as well as administrative staff. Decrease due to reduction in director fees as well as reduciton in corporate activity.
Stock based compensation	58,550	247,485	(188,935)	-76%	Stock based compensation related to the grant of 1,250,000 options exercisable at a price of $0.09 for a period of two years. In the prior period the company issued 2,072,000 options exercisable at $0.30 (vested on the grant date).
Filing fees	6,622	23,454	(16,832)	-72%	Filing fees are regularly paid to the Company's transfer agent, TSX Trust, as well and regular maintenance fees to the TSX-V. Expenses decreased due to reduced share activity.
Travel and entertainment	15,353	33,937	(18,584)	-55%	Travel and accommodation relates to travel to site, conferences, and certain strategic meetings to advance the Company's business objectives. The decrease was due to reduced travel to the Mongolian properties during the period.
Marketing expenses	31,851	197,296	(165,445)	-84%	Marketing expense relates to the engagement of certain media providers to raise awareness of the Company among the investment community. Marketing activities were reduced as compared to the prior period.
General and office	24,596	40,070	(15,474)	-39%	General and office relates to rent, office supplies, and general expenditures related to the operation of the Company's head office. General and office decreased during the period due to certain non-recurring fees which occurred in the prior period.
Interest income	-	(4,634)	4,634	-100%	Interest income earned on term deposits. Decrease consistent with reduced cash balance.
Depreciation	686	549	137	25%	Relates to depreciation of office equipment.
Foreign exchange (gain) or loss	(25,516)	457	(25,973)	-5683%	Various Foreign exchange movements offset during the period to a nominal amount.
Net loss	(233,079)	(767,408)	534,329	-70%	

EXPLORATION AND EVALUATION ASSETS

The Company is the owner of two lithium exploration licenses in Mongolia, the Urgakh Naran Project and the Baavhai Uul Project. The projects are located within close to proximity to the Mongolia / China boarder. With nearly 900 gigawatt hours of manufacturing capacity of 77% of the global total, China is home to six of the world's largest battery manufacturers.



The Urgakh Naran Project ("Rising Sun")

Urgakh Naran is a 100%-owned, +29,000-hectare Lithium Brine Project, strategically located in Mongolia's Dorngovi Province - an infrastructure rich region of the South Gobi Desert with major throughfares to the Chinese border. The project is situated in an arid region with high evaporation rates.

Work conducted at the Urgakh Naran Lithium Brine Project has included surface sampling, 98-line km of TEM geophysics, 3 lithological (diamond) drill holes totalling over 900 meters a well as 3 hydrogeological water wells at a 10m step out from the diamond holes. The Company continues to gather data and insights from this work program which may enable the Company to progress inferred resource calculation in 2024. During surface sampling the Company identified several anomalous samples with the highest yielding 918 mg/l lithium, the highest lithium brine sample known to have ever been collected in Mongolia.

To date the Company has achieved the following exploration milestones at the Urgahk Naran Project:

- Successfully nearly 100 line-km TEM survey. All lines showed resistivity beginning at a highly encouraging 0.2 Ohm, with a maximum resistivity of 500 Ohm, drawing similarities to assets in the Lithium Triangle in South America which is believed to contain 50-60% of the world's known lithium deposits.

- Successfully completed the drilling of three lithological diamond core drill holes for a total depth of 954

metres. Notable two metre drill hole results included:
  - UNDH-01: 123 metres at 278ppm lithium from 122 metres, with maximum lithium reported at 832ppm over 2 metres;
  - UNDH-02: 100 metres at 362ppm lithium from 65 metres with maximum lithium at 601ppm over 2 metres;
  - UNDH-03: 71.4 metres at 360ppm lithium from 3.6 metres with maximum lithium at 911ppm over 2 metres.

- Completed the drilling of three hydrological test wells (or water wells) to observe the aquifer's hydrogeology tot determine flow rates and average grades so that a lithium resource indication can be calculated.

The Baavhai Uul Project

The Baavhai Uul Lithium Project is located in a semi-desert climate with low annual precipitation and high evapouration rates in southeast Mongolia. The Property is accessible from the capital Ulaanbaatar by recently built, good quality paved roads to the Baruun-Urt province center, Sukhbaatar province. The access from the province center to the Baavhai Uul project area is by approximately 200 km by well-maintained road.

Research studies performed by the Mongolian University of Science and Technology have indicated lithium content of up to 810ppm Li for brine and lake sediment samples on the property.

To date the Company has achieved the following exploration milestones at the Baavhai Project:

- Performed a geophysics (CSAMT and reflection seismic) study to progressively identify and map prospective brine aquifers as potential targets for exploration drilling.

- Completed a shallow drilling program on the Baavhai Uul Lithium Salar consisting of 222 drill holes. Holes were drilled to a maximum depth of six meters with samples being collected every 0.50 meters. Drill holes were located over 1 km apart. Initial auger drilling results were highly encouraging with a new lithium discovery being made at the White Wolf Prospect that showed a maximum grade of 1502ppm very near surface.

- Lab analytics of the samples show low potassium and magnesium ratios which are highly favourable for large crystal formation.

For more information refer to the Baavhai Uul technical report publicly available on www.sedarplus.ca.

Bliss Lake – NWT, Canada

The Bliss Lake Lithium Project cover an area 5,798 hectares and is located approximately13-15 km away from lithium properties held by Li-FT Power Ltd. (see Li-FT Power press release dated December 20, 2022 as filed on SEDAR) and 20km from Patriot Battery Metals Inc. (see PMET's MD&A report dated 30 June 2022 as filed on SEDAR).

Lithium bearing pegmatites in the Yellowknife area are well documented in the published literature and in the records on file with the Mineral Resources Division, Canadian Department of Energy, Mines and Resources, Ottawa. The significant resources occur as steeply dipping tabular, un-zoned pegmatite dikes of Pre-Cambrian age dated 2200 million years. The numerous pegmatites are localized in metamorphic aureoles of knotted schists associated with granitic intrusions. Detailed mapping and surface sampling of fourteen properties within the district (Lasmanis, 1978) indicated a mineralized potential of 49,000,000 tons of pegmatite to a depth of 152m having an average grade of 1.40% Li_2O.

Little Nahanni – NWT, Canada

The Little Nahanni claims were acquired by the Company through staking during 2022. The project covers an area of approximately 900 hectares located within close proximity to the Yukon Boarder in an area with known pegmatites and lithium mineralization dating back to 1961. The Company sees significant potential for lithium exploration within the Little Nahanni claims, offering an opportunity for lithium discovery and collaboration with stakeholders in the project vicinity.

RECIPROCAL EXPLORATION JOINT VENTURE

On January 25, 2022, the Company entered into a binding term sheet which set out the terms for an exploration joint venture with Aranjin Resources Ltd. ("Aranjin"). 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, Aranjin 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 Aranjin of its work commitment of $3.0 million over three years. Ion was granted a right to explore Aranjin's properties for lithium and an 80% interest in and to all lithium projects discovered and/or defined on the Aranjin licenses, subject to the existing royalties. Aranjin is considered to be a related party as two of the Company's directors also serve as directors of Aranjin.

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

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters:

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Revenue	$ -	$ -	$ -	$ -
Net loss	(233,079)	(631,001)	(561,408)	(415,010)
Basic and diluted loss per share	(0.00)	(1.00)	(0.01)	(0.01)
Weighted average shares outstanding	65,087,471	62,535,612	64,309,717	60,816,034

	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Revenue	$ -	$ -	$ -	$ -
Net loss	(767,408)	(571,320)	(652,659)	(615,079)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average shares outstanding	60,738,173	60,633,534	60,564,633	60,468,534

LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration stage company whose primary source of funds has been through this issuance of its common shares or other financial instruments. The Company's operations do not generate cash flow and its success is dependent on its ability to discover economically viable mineral deposits. The mineral exploration process may be lengthy and is subject to factors such as commodity prices, which are beyond the Company's control. To date, the Company has been successful in funding operations through equity financings. However, uncertainty in financial equity markets may introduce difficulty into the fundraising process. The junior mining industry is considered to be speculative, which may introduce additional difficulty into the fundraising process. While the Company makes every effort to achieve its business objectives through the examination of various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

At March 31, 2024 the Company had a working capital deficiency of $672,520 compared to working capital of $471,173 at December 31, 2023. The Company had cash and cash equivalents of $40,558 at March 31, 2024, compared to $63,026 at December 31, 2023. The decrease in cash and cash equivalents and working capital is due primarily to exploration expenditures and operating expenses incurred during the year.

The table below highlights the Company's cash flows during the three month periods ended:

Net cash provided by (used in)	March 31, 2024	March 31, 2023
	$	$
Operating activities	11,558	(411,218)
Investing activities	(8,336)	(66,845)
Financing activities	-	89,912
Effect of exchange rate on cash	(25,690)	-
Cash, beginning	63,026	542,212
Cash, end	40,558	154,061

The Company will continue to monitor its working capital requirements closely to ensure the Company meets its commitments and continues to move forward on development. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favorable to the Company. See “Risk Factors” below and “Forward Looking Statements” above.

There are no sources of financing arranged but not yet used by the Company. There are currently no commitments with respect to the Company’s exploration and evaluation assets or for capital expenditures.

RELATED PARTY TRANSACTIONS

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties). The terms and conditions of the transactions with key management personnel and their related parties were no more favorable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entitles on an arm’s length basis. Related parties include officers and directors of the Company and enterprises that are controlled by these individuals.

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.

During the periods ended March 31, 2024, and 2023, the Company entered the following transactions with key management:

	March 31, 2024	March 31, 2023
Consulting services - Ali Haji (Evolvere Ltd.)	60,861	60,578
Consulting services - Mathew Wood (Desert Finch Holdings Pty.)	10,704	16,105
Consulting services - Aneel Wariach (ATMA Corp.)	-	20,459
Consulting services - Bataa Tumur-Ochir	-	16,162
Consulting services - Joeseph Gallucci	6,000	-
Consulting services - Robert Payment (1329058 BC Ltd.)	11,250	-
Consulting services - John MicVicar (1508586 AB Ltd.)	-	12,132
Consulting services - Yingbing (Wendy) Li	-	29,239
Total	88,815	154,675
Share-based compensation - Ali Haji	7,026	71,665
Share-based compensation - Aneel Waraich	7,026	47,777
Share-based compensation - Mattew Wood	7,026	35,832
Share-based compensation - Bataa Tumur-Ochir	7,026	35,832
Share-based compensation - Joseph Gallucci	11,710	-
Share-based compensation - Enkhtusvshin Khishigsuren	7,026	-
Share-based compensation - Robert Payment	4,684	-
Share-based compensation - John McVicar	-	23,888
Share-based compensation - Yingbing Li (Wendy)	-	20,544
Total	51,524	235,538

As at March 31, 2024, and December 31, 2023, the following balances with related parties were outstanding:

	March 31, 2024	December 31, 2023
Consulting services - Ali Haji (Evolvere Ltd.)	102,402	44,836
Consulting services - Mathew Wood (Desert Finch Holdings Pty.)	57,737	47,033
Consulting services - Aneel Wariach (ATMA Corp.)	48,663	48,663
Consulting services - Bataa Tumur-Ochir	47,033	47,033
Consulting services - Joeseph Gallucci	11,599	-
Expense reimbursement - Ali Haji	30,841	30,841
Consulting services - Robert Payment (1329058 BC Ltd.)	9,188	7,350
Rent - Stepp Gold Ltd. - Company with common director	54,240	44,070
Consulting services - Yingbing (Wendy) Li	37,473	37,473
Total	399,176	307,299

Other related party transactions were as follows:

a) The Company paid or accrued $9,000 (2023 - $9,000) for the office rent to Steppe Gold Ltd., whose Board includes one common directors (Bataa Tumur-Ochir)*.

b) On September 29, 2022, the Company agreed to loan $100,000 to Aranjin Resources Ltd. ("Aranjin"). The loan is considered a related party transaction as Matthew Wood is a common director. During the year ended December 31, 2023, the loan was repaid in full and the parties agreed that accrued interest would be forgiven.

c) One third of the share-based milestone payments and one half of the cash-based milestone payment in relation to the acquisition of 1402166 B.C Ltd. 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.

d) During the year ended December 31, 2023, the Company entered an agreement with Aranjin whereby it agreed to formally separate a portion of Baavhi Uul exploration license covering the area identified by Aranjin known as the "Victory Nickel Project" in exchange for a 20% free carried interest in the Victory Nickel Project. Aranjin is considered to be a related party as two of the Company's directors also serve as directors of Aranjin.

FINANCIAL INSTRUMENTS AND 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. Related party note receivable is due from a Company with a number of common directors.

(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
March 31, 2023	Accounts payable and accrued liabilities	1,166,580	-	-	-	1,166,580
Dec 31, 2022	Accounts payable and accrued liabilities	1,192,972	-	-	-	1,192,972

(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.

(i) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar. The Company has cash balances in Mongolian tughrik 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 Tughrik. 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 $12,000 (December 31, 2023 - $10,000) with all other variables held constant.

(ii) 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 March 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.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at March 31, 2024.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. Details of the Company's capitalization are as follows:

	March 31, 2024	Date of MD&A
Common shares	65,387,462	65,387,462
Warrants	16,190,000	16,190,000
Stock options	5,072,000	5,072,000

RISK FACTORS

The risk factors associated with the principal business of ION are discussed below. Briefly, these relate to the highly speculative nature of the mining industry characterized by the requirement for large capital investment from an early stage and a low probability of finding economic mineral deposits. Due to the nature of ION's business and the present stage of its exploration projects, ION may be subject to significant risks. Readers should carefully consider all such risks set out in the discussion below. ION's actual exploration and operating results may be very different from those expected as at the date of this MD&A.

Limited Operating History and Financial Resources

ION has a limited operating history and expects that its losses will continue for the foreseeable future. Potential investors should be aware of the difficulties normally encountered by mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications, and delays encountered in connection with the exploration of the mineral properties that the Company plans to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration and additional costs and expenses that may exceed current estimates. The expenditures to be made by the Company in the exploration of mineral claims may not result in the discovery of mineral deposits. If the results of future exploration programs do not reveal viable commercial mineralization, the Company may decide to abandon its claims and acquire new claims for new exploration or cease operations.

Mineral Reserves & Resources

ION has not defined any Mineral Reserves or Resources on its Baavhai Uul or Urgakh Naran Projects, and there can be no assurance that any of the concessions under exploration contain commercial quantities of any minerals. Even if commercial quantities of minerals are identified, there can be no assurance that the Company will be able to exploit the resources or, if the Company is able to exploit them, that it will do so on a profitable basis. Substantial expenditures may be required to locate and establish Mineral Reserves, to develop extraction processes and to construct mining and processing facilities at a site, and substantial additional financing may be required. It is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend on the results of exploration programs and/or feasibility studies and the recommendations of duly qualified engineers and geologists. Several significant factors will be considered, including, but not limited to: (i) the attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) Lithium prices, which are highly cyclical; (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; (iv) ongoing costs of production; and (v) availability and cost of additional funding. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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 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.

Foreign Operations Risks

The Baavhai Uul and Urgakh Naran Projects are located in Mongolia. The Company may be subject to governmental, political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty increases, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the imposition of specific obligations and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities, insurrections, the actions of national labour unions, terrorism, extortion and kidnapping. Such instability may require the Company to suspend its operations. Additionally, the perception of political or others exist in Mongolia may hinder the Company's ability to access capital in a timely or cost-effective manner.

The Company's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation, and investment. In the event of a dispute arising in connection with the Company's operations in Mongolia, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions.

Title to Properties

The Company will not maintain insurance against the title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. Ion has diligently investigated title to its mineral claims; however, this should not be construed as a guarantee of title. The Company will continue to diligently investigate and seek to confirm title to mineral concessions, which it holds either directly or through its equity interest in its subsidiaries. The Company cannot give any assurance that title to any of its properties will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. The possibility also exists that title to existing properties or future prospective properties may be lost due to an omission in the claim of title, prior activities of the property vendors, or changes in Mongolian mining laws or the application thereof, which affects the Company's title.

ION has obtained a title opinion from Mongolian legal counsel with respect to title to the Baavhai Uul and Urgakh Naran Projects held by ION, but this should not be construed as a guarantee of title. Other parties may dispute title to any of the Company's mineral properties, and any of the Company's properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected encumbrances or defects or governmental actions. The Company will not have all of the surface rights at the Baavhai Uul and Urgakh Naran Projects, and there is no assurance that these surface rights will be granted, or they will be on reasonable terms if granted.

Commodity Prices

The profitability of the Company'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 Company. 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.

The Company'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 Company's control.

Dependence on Future Financings

The Company will require significant capital and operating expenditures in connection with the development of the Baavhai Uul and Urgakh Naran Projects. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, and operating expenses and geological results are all factors that 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 the financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all.

Government Regulation

The proposed mining, processing, development and mineral exploration activities of the Company are subject to various laws governing environmental protection, natural resources prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. The costs associated with compliance with such laws and regulations are substantial. Although ION believes that it's mining and processing operations and exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be interpreted and applied in a manner which could cause additional expense, capital expenditures, restrictions on or suspension of the Company’s operations and delays in the development of the Baavhai Uul or Urgakh Naran Projects.

Permits and Licenses

The mining and exploration activities of the Company 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 ION believes that it currently has all permits and licenses necessary to carry on activities on the Baavhai Uul and Urgakh Naran Projects, a substantial number of additional permits and licenses may be required. The Company 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 Company 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 Company may undertake.

Health and Safety Risk

Mining, like many other 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 licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer. Failure to comply with applicable health and safety laws may result in injunctions, damages, suspension or revocation of licenses or permits and the imposition of penalties.

Environmental Matters

The Company’s operations will be subject to local 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 Company, including the suspension or cessation of operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important factors affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases, and the Company will compete with other exploration companies which have greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases, and other mineral interests as well as for the recruitment and retention of qualified employees and other persons to carry out its mineral exploration and development activities. Increased demand for exploration, development and construction services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Non-Governmental Organization Intervention

The Company's relationship with the communities in which it operates will be critical to ensure the future success of its existing operations and the construction and development of its projects. A number of Non-Governmental Organizations are active in Mongolia. These organizations may create or encourage public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. Such organizations have been involved, with financial assistance from other groups, in mobilizing sufficient local anti-mining sentiment to prevent the issuance of required permits for the development of other mineral projects. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's business, prospects, financial position, results of operations or the Company's property development.

Key Personnel

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 Company is largely dependent on the performance of its key personnel. The Company'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 Company's business activity grows, the Company will require additional key executive, financial, operational, administrative and mining personnel. These individuals are in high demand and the Company 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 Company's business, its operating results as well as its overall financial condition.

Insurance and Uninsured Risk

The business of the Company will be subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, explosions, natural phenomena such as inclement weather conditions, floods and earthquakes, changes in the regulatory environment and political or social instability. Such occurrences or events could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses, and possible legal liability.

Although the Company plans to maintain insurance for protection against certain risks in amounts it considers being reasonable, such insurance may not cover all the potential risks associated with Company's operations. Moreover, insurance against political risk and risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. In conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions. Circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company.

Currency Risks

The Company will report its financial results and maintains its accounts in Canadian dollars. The Company's operations in Mongolia will make it subject to further foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company will be exposed to foreign exchange risk from the exchange rate of the Mongolian MNT relative to the Canadian and United States dollars. Foreign exchange risk is mainly derived from assets and liabilities stated in MNT. Management of the Company intends to limit the Company's foreign exchange risk by the acquisition of short-term financial instruments and, when possible, minimize its MNT monetary asset positions.

No Dividends

The Company does not expect to pay dividends on the issued and outstanding Company shares in the foreseeable future. If the Company generates any future earnings such cash resources will be retained to finance further growth and current operations. The board of directors of the Company will determine if and when dividends should be declared and paid in the future based on the financial position of the Company and other factors relevant at that time. Until the Company pays dividends, which it may never do, a shareholder will not be able to receive a return on his or her investment in the Company shares unless such Company shares are sold.

Enforcement of Civil Liabilities

Substantially all of the assets of the Company will be located outside of Canada and certain of the directors and officers of the Company are or may be resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the Company's directors and officers residing outside of Canada.