



**Lithium Ionic Corp.**  
(LTH-V)  
SECTOR: MINING

STOCK PRICE \$2.20  
NO RATING  
NO TARGET

## MINERAL RESOURCE ESTIMATE

# Maiden Resource Estimate at Itinga Project Sets Springboard for More

**OUR TAKE:** This morning, Lithium Ionic reported its anticipated maiden mineral resource estimate (MRE) on its Itinga Lithium Project in Minas Gerais, Brazil which outlined a total of 19.4 Mt grading 1.42% Li<sub>2</sub>O (all-categories) for a total of 276.8 kt Li<sub>2</sub>O or 682.7 kt LCE (lithium carbonate equivalent) at the Bandeira and Galvani (Outro Lado) properties (7.57 million tonnes grading 1.40% Li<sub>2</sub>O of Measured and Indicated and 11.86Mt grading 1.44% Li<sub>2</sub>O of Inferred resources - see further details below and in Table 1). The resource estimate is based on 181 diamond drill holes comprising 28,204 metres of drilling that was completed between April 2022 and June 2023, of which 120 holes (20,509 metres) are from Bandeira and 61 holes (7,659 metres) are from Outro Lado. Lithium Ionic's Itinga Project is located in Minas Gerais, Brazil's most mining-friendly state in the southeast region, between the towns of Araçuaí and Itinga within Brazil's "Lithium Valley". The Itinga Project is situated in the same region as CBL's Cachoeira lithium mine, which has produced lithium for +30 years, as well as Sigma Lithium Corp.'s Grota do Cirilo project, which hosts the largest hard-rock lithium deposit in the Americas (see Figure 1). The resource estimate includes the Bandeira and Outro Lado (Galvani) lithium deposits, where combined, the two properties cover only 872 of the 14,182 hectares Lithium Ionic controls in the prolific Araçuaí province in Minas Gerais State.

The Company also announced that it has expanded its current 13 rig drill program over the remainder of 2023, to 50,000 metres. The goal of the program is to further increase the size of the resource and establish an NI 43-101 mineral reserve estimate at Bandeira and Outro Lado, while defining an NI 43-101 mineral resource estimate at other prospective regional targets, including its Salinas and Itira targets. Furthermore, the Company is also working on a Preliminary Economic Assessment which is expected to be completed in Q3 2023, with the objective of accelerating a Definitive Feasibility Study targeted for completion by the end of 2023, and Environmental Impact Assessment studies for both deposits which are expected to be complete within H2 2023, at which time the applications are expected to be submitted for the respective environmental and social licenses.

## KEY HIGHLIGHTS

### ◆ Highlights of Itinga MRE:

- **Measured & Indicated:** 7.57 Mt grading 1.40% Li<sub>2</sub>O for 105,980 t Li<sub>2</sub>O (261,187 t LCE)
- **Inferred:** 11.86 Mt grading 1.44% Li<sub>2</sub>O for 170,784 t Li<sub>2</sub>O (421,521 t LCE)
- **Total (all-categories):** 19.43 Mt grading 1.42% Li<sub>2</sub>O for 276,764 t Li<sub>2</sub>O (682,708 t LCE)
  - The MRE includes the Bandeira and Outro Lado (Galvani) deposits and uses a cut-off grade of 0.5% Li<sub>2</sub>O for the Bandeira open pit and 0.8% Li<sub>2</sub>O for the Outro Lado (Galvani) and Bandeira Underground.
  - The resource estimate is based on 181 diamond drill holes comprising 28,204 metres of drilling completed between April 2022 and June 2023, of which 120 holes (20,509 metres) are from Bandeira and 61 holes (7,659 metres) are from Outro Lado.

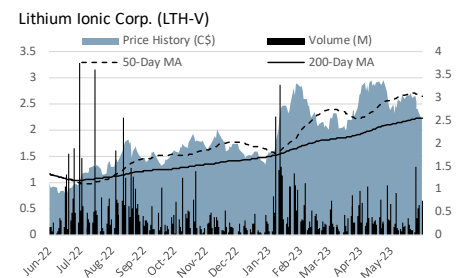
◆ **Expansion Potential:** There is immediate expansion potential noted in mineralized holes drilled at Bandeira but requiring tighter drill spacing for confidence. **The potential range of growth in the known mineralized area is outlined as 1.5-3.0 Mt grading 1.3%-1.6% Li<sub>2</sub>O, representing an expansion target of ~7.7% to 15.4% of the MRE.**

◆ **Valuation:** With the new MRE in place, LTH is trading at an EV/t of US\$687/t Li<sub>2</sub>O (US\$278/t LCE), with hard rock peers trading over a wide range given location and development stage (eg. Frontier at US\$340/t Li<sub>2</sub>O (US\$137/t LCE), Sigma at US\$2,509/t Li<sub>2</sub>O (US\$1,015/t LCE)). LTH is trading at 0.30x consensus NAV of \$7.34 (consensus target of \$5.00) (See Table 2 below).

**BOTTOM LINE: Lithium Ionic continues to rapidly advance its Itinga Project, with further de-risking milestones on the horizon.** Lithium Ionic will continue infill and expansion drilling at its properties in support of future resource updates. Specifically, its recently expanded 13 drill rigs, 50,000 metre program aims to further increase the size of the resource and establish an NI 43-101 mineral reserve estimate at Bandeira and Outro Lado, while defining an NI 43-101 mineral resource estimate at other prospective regional targets, including its Salinas and Itira targets. In addition, Lithium Ionic has ongoing surface sampling & trenching with near-term results expected, an Environmental Impact Assessment baseline study underway, and is in the process of conducting a Preliminary Economic Assessment which is expected to be completed in Q3 2023 ahead of its Definitive Feasibility Study targeted for completion by the end of 2023. **Expect a continuous flow of news on new drill results over the coming months and an array of de-risking milestones.**

## KEY STATISTICS AND METRICS

52-Week High/Low	\$3.05 / \$0.70	Debt	\$ 0.0 M
YTD Performance	35.80%	Enterprise Value	\$ 247.6 M
Dividend Yield	NA	Daily Volume (30 days)	339,500
Shares O/S	121.6 M	Currency	C\$ unless noted
Market Capitalization	\$ 267.4 M	Website	www.lithiumionic.com
Cash	\$ 19.8 M	CEO	Blake Hylands



Source: Capital IQ, and Haywood Securities

Table 1: Mineral Resource Estimate for the Itinga Lithium Project

Deposit / Cut-Off Grade	Category	Resource (tonnes)	Grade (% Li <sub>2</sub> O)	Contained LCE (t)
<b>Bandeira</b>	Measured	1,137,247	1.43	40,162
<b>Open-Pit</b>	Indicated	3,105,047	1.33	102,324
(0.5% Li <sub>2</sub> O)	<b>Measured + Indicated</b>	<b>4,242,294</b>	<b>1.36</b>	<b>142,486</b>
	<b>Inferred</b>	<b>5,914,961</b>	<b>1.40</b>	<b>205,379</b>
<b>Bandeira</b>	Measured	3,445	1.10	94
<b>Underground</b>	Indicated	353,363	1.26	11,008
(0.8% Li <sub>2</sub> O)	<b>Measured + Indicated</b>	<b>356,808</b>	<b>1.26</b>	<b>11,102</b>
	<b>Inferred</b>	<b>5,529,821</b>	<b>1.47</b>	<b>200,974</b>
<b>Outro Lado (Galvani)</b>	Measured	2,577,915	1.47	93,691
<b>Underground (0.8% Li<sub>2</sub>O)</b>	Indicated	393,370	1.43	13,908
	<b>Measured + Indicated</b>	<b>2,971,285</b>	<b>1.46</b>	<b>107,599</b>
	<b>Inferred</b>	<b>415,767</b>	<b>1.48</b>	<b>15,168</b>
<b>TOTAL</b>	Measured	3,718,607	1.46	133,947
	Indicated	3,851,779	1.34	127,240
	<b>Measured + Indicated</b>	<b>7,570,387</b>	<b>1.40</b>	<b>261,187</b>
	<b>Inferred</b>	<b>11,860,550</b>	<b>1.44</b>	<b>421,521</b>

1) The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Project. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.

2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resources has a lower level of confidence than that applying to a Measured and Indicated Resources and must not be converted to Mineral Reserves. It is reasonably expected that most of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

3) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

4) The effective date of the MRE is June 24, 2023.

5) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

Source: Lithium Ionic Corp.



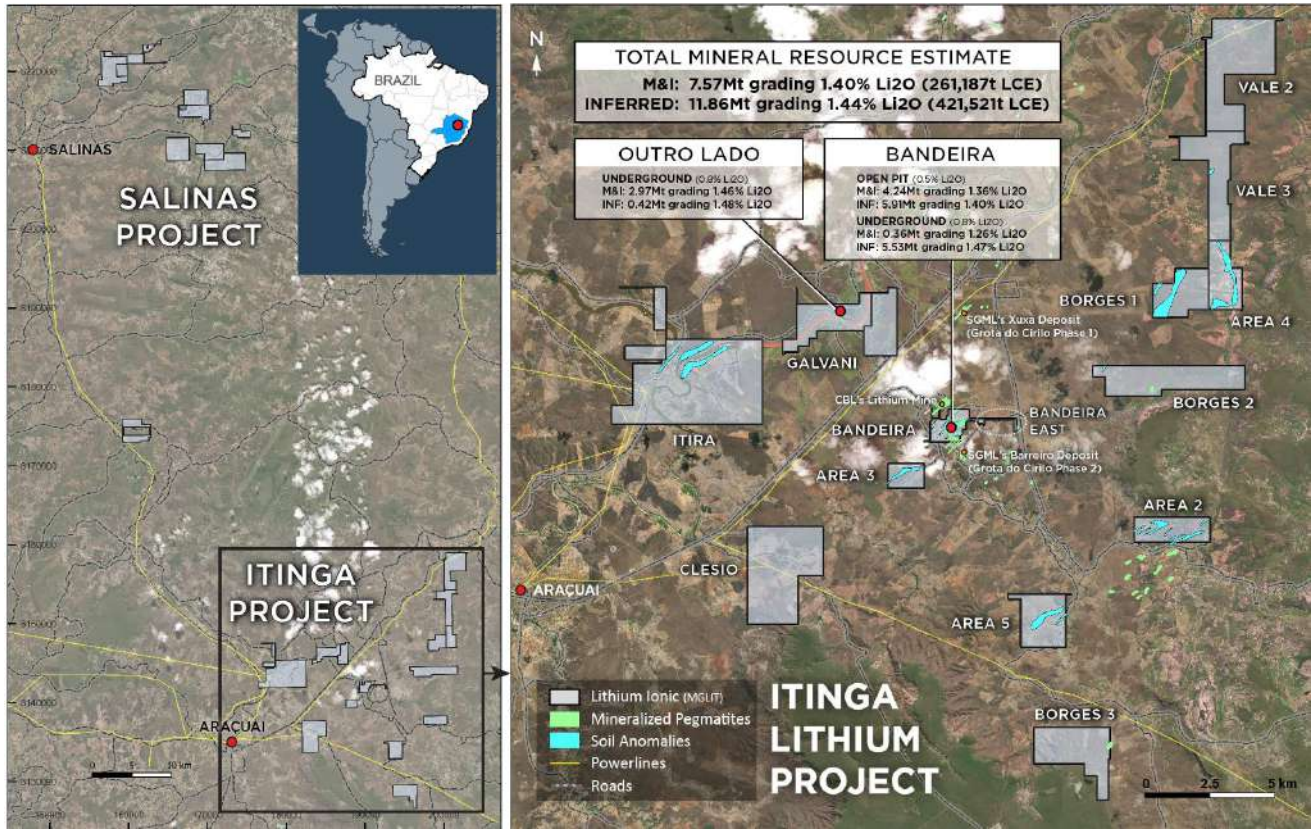
Table 2: Comparables Table (see Lithium Ionic highlighted in red)

Company (Ticker)	Share Price	Consensus Targets		Market Data		In-Situ Comps - EV/t Li <sub>2</sub> O			LCE		NAV Comps	
		IBES Consensus Target	Implied Return	Shares Outst. (millions)	Market Capitalization (millions)	Enterprise Value (USD) (millions)	Total Attributable Reserves & Resources kt	EV/ tonne Reserves & Resources	Total Attributable Reserves & Resources kt	EV/ tonne Reserves & Resources	IBES Consensus NAV	Price / Nav
Haywood Covered Names bold												
Sociedad Química (SQM-NYSE)	\$71.30	\$92.85	30%	286	\$20,366	\$20,585	25,363	\$812	62,723	\$328		
Lithium Americas (LAC-T)	\$26.55	\$50.38	90%	160	\$4,238	\$2,820	14,517	\$194	35,901	\$79	\$51.78	0.51x
Alkem Limited (AKE-AU)	\$15.90	\$17.02	7%	637	\$10,135	\$6,478	11,402	\$568	28,198	\$230	\$16.88	0.94x
Lake Resources (LKE-AU)	\$0.29	\$1.59	450%	1,422	\$413	\$189	10,750	\$18	26,584	\$7	\$1.84	0.16x
E3 Lithium (ETL-V)	\$2.21	\$10.00	352%	68	\$149.2	\$105	6,842	\$15	16,920	\$6		
American Lithium (LI-V)	\$2.65	\$9.41	255%	228	\$604	\$429	6,356	\$67	15,718	\$27	\$11.44	0.23x
Rio Tinto (RIO-LSE)	\$50.17	\$74.35	48%	1,621	\$81,322	\$113,398	5,952	\$19,052	14,720	\$7,704	\$56.47	0.89x
Livent Corporation (LTHM-NYSE)	\$26.26	\$32.84	25%	180	\$4,719	\$4,772	5,169	\$923	12,784	\$373		
Albemarle Corporation (ALB-NYSE)	\$225.22	\$263.19	17%	117	\$26,427	\$28,459	4,527	\$6,287	11,194	\$2,542		
ERAMET S.A. (ERA-ENXTPA)	\$81.30	\$140.60	73%	27	\$2,165	\$3,274	4,015	\$815	9,929	\$330		
Pilbara Minerals (PLS-AU)	\$4.83	\$4.88	1%	2,998	\$14,481	\$8,402	3,983	\$2,109	9,850	\$853	\$4.20	1.15x
AVZ Minerals (AVZ-AU)	\$0.78			3,529	\$2,752	\$1,914	3,409	\$561	8,430	\$227		
Galan Lithium (GLN-AU)	\$0.88	\$1.74	98%	337	\$296	\$174	2,936	\$59	7,260	\$24	\$3.02	0.29x
Noram Lithium (NRM-V)	\$0.62	\$3.04	390%	89	\$55	\$33	2,533	\$13	6,265	\$5		
Toyota Tsusho (8015-TSE)	\$7.015	\$7.048	0%	352	\$2,468,330	\$26,795	2,089	\$12,828	5,165	\$5,187		
Lithium Chile (LITH-V)	\$0.77	\$1.91	148%	206	\$159	\$90	1,656	\$54	4,096	\$22		
Sigma Lithium (SGML-NasdaqCM)	\$36.31	\$46.00	27%	108	\$3,907	\$3,839	1,530	\$2,509	3,783	\$1,015		
European Metals (EMH-AU)	\$0.92			192	\$177	\$107	1,465	\$73	3,623	\$29		
ioneer Ltd (INR-AU)	\$0.32	\$0.67	108%	2,098	\$671	\$381	1,347	\$283	3,331	\$114	\$0.58	0.55x
Alpha Lithium (ALL-NEOE)	\$1.42	\$1.95	37%	180	\$256	\$170	1,326	\$128	3,279	\$52	\$1.95	0.73x
Mineral Resources (MIN-AU)	\$70.78	\$79.56	12%	193	\$13,660	\$10,086	1,225	\$8,233	3,030	\$3,329	\$77.15	0.92x
Lithium Power (LP-AU)	\$0.32	\$1.01	221%	629	\$198	\$119	1,167	\$102	2,886	\$41	\$1.30	0.24x
Sayona Mining (SYA-AU)	\$0.18	\$0.28	57%	10,039	\$1,757	\$1,148	1,152	\$996	2,850	\$403	\$0.29	0.60x
Piedmont Lithium (PLL-AU)	\$0.86	\$2.03	137%	1,919	\$1,640	\$968	917	\$1,056	2,267	\$427	\$1.89	0.45x
Frontier Lithium (FL-V)	\$1.86	\$4.08	119%	228	\$423	\$299	881	\$340	2,179	\$137	\$4.58	0.41x
Infinity Lithium (INF-AU)	\$0.09			463	\$43	\$19	680	\$27	1,682	\$11		
Empire Metals (EP-V)	\$0.11			98	\$10	\$8	545	\$14	1,349	\$6		
Tibet Mineral (000762-SZSE)	\$30.24	\$48.51	60%	521	\$15,760	\$2,174	524	\$4,148	1,296	\$1,677		
Core Lithium (CXO-AU)	\$0.92	\$0.91	(0)%	1,859	\$1,701	\$1,066	403	\$2,646	997	\$1,070	\$0.78	1.17x
Critical Elements (CRE-V)	\$1.75	\$4.82	176%	218	\$381	\$260	307	\$846	759	\$342	\$6.07	0.29x
Savannah Resources (SAV-AIM)	\$0.04	\$0.23	426%	1,689	\$73	\$84	293	\$287	726	\$116	\$0.23	0.19x
Lithium Ionic (LTH-V)	\$2.20	\$5.00	127%	122	\$269	\$190	276	\$687	683	\$278	\$7.34	0.30x
Premier African (PREM-AIM)	\$0.00			22,836	\$86	\$94	213	\$439	527	\$177		
Wealth Minerals (WML-V)	\$0.40			324	\$128	\$92	212	\$431	525	\$174		
Lithium South (LIS-V)	\$0.51			97	\$49	\$33	162	\$205	400	\$83		
Green Technology (GT1-AU)	\$0.69	\$1.68	145%	276	\$189	\$107	147	\$725	364	\$293	\$1.74	0.39x
Avalon Advanced (AVL-T)	\$0.15			547	\$82	\$63	142	\$445	351	\$180		
Rock Tech (RCK-V)	\$1.97	\$5.50	179%	97	\$191	\$123	135	\$907	335	\$367	\$4.20	0.47x
European Lithium (EUR-AU)	\$0.10			1,411	\$141	\$76	129	\$587	319	\$237		
AMG Critical (AMG-ENXTAM)	\$46.63	\$63.89	37%	32	\$1,490	\$2,034	120	\$16,952	297	\$6,855		
Snow Lake (LITM-NasdaqCM)	\$2.44			18	\$44	\$35	111	\$313	275	\$126		
Argosy Minerals (AGY-AU)	\$0.38	\$0.83	120%	1,404	\$527	\$327	89	\$3,674	220	\$1,486	\$0.80	0.47x
Vision Lithium (VLV-V)	\$0.09			255	\$22	\$16	60	\$271	147	\$110		
Grid Metals (GRDM-V)	\$0.14	\$0.40	186%	168	\$24	\$11	55	\$211	135	\$419	\$0.51	0.27x
Lepidico Limited (LPD-AU)	\$0.01			7,638	\$76	\$50	48	\$1,036	118	\$419		
International Lithium (ILC-V)	\$0.05			249	\$11	\$4	37	\$101	92	\$41		
Imagine Lithium (ILV)	\$0.08			277	\$21	\$8	32	\$257	80	\$104		
Foremost Lithium (FAT-CNSX)	\$0.13			199	\$25	\$18	10	\$1,854	24	\$749		
Compass Minerals (CMP-NYSE)	\$33.68	\$53.57	59%	41	\$1,386	\$1,962						
Patriot Battery (PMET-V)	\$16.49	\$18.46	12%	101	\$1,671	\$1,257					\$20.11	0.82x
Standard Lithium (SLV)	\$5.70	\$11.33	99%	173	\$984	\$679					\$12.15	0.47x
Atlas Lithium (ATLX-NasdaqCM)	\$22.19	\$55.00	148%	10	\$221	\$217					\$49.94	0.44x
Neometals Ltd (NMT-AU)	\$0.51	\$2.71	431%	553	\$282	\$160						
5E Advanced (5EA-AU)	\$0.61			442	\$269	\$180						
Nordic Mining (NOM-OB)	\$0.53			2,168	\$1,138	\$106						
Brunswick Exploration (BRW-V)	\$0.83			187	\$155	\$106						
Century Lithium (LCE-V)	\$0.93	\$3.40	266%	147	\$137	\$87					\$4.20	0.22x
Firefinch Limited (FFX-AU)	\$0.20			1,181	\$236	\$72						
Nova Minerals (NVA-AU)	\$0.25			211	\$53	\$27						
Morella Corporation (1MC-AU)	\$0.01			6,099	\$43	\$23						
Progressive Planet (PLAN-V)	\$0.21			110	\$23	\$25						
Pure Energy (PE-V)	\$1.40			33	\$46	\$35						
Prospect Resources (PSC-AU)	\$0.15	\$0.16	7%	468	\$70	\$27					\$0.20	0.75x
Argentina Lithium (LIT-V)	\$0.21			130	\$27	\$17						
FE Battery (FE-CNSX)	\$0.46			45	\$21	\$13						
Lithium Australia (LIT-AU)	\$0.03			1,221	\$37	\$12						
Cadence Minerals (KDNC-AIM)	\$0.08	\$0.71	809%	173	\$13	\$8					\$0.13	0.62x
ACME Lithium (ACME-CNSX)	\$0.36			59	\$21	\$13						
One World (OWL-CNSX)	\$0.05			194	\$9	\$7						
Ardiden Limited (ADV-AU)	\$0.01			2,688	\$19	(\$0)						
Group Average							\$1,983					0.52x

Source: S&amp;P Capital IQ, SNL Financial, Bloomberg



Figure 1: Lithium Ionic Properties in “Lithium Valley” Brazil Highlighting MRE Deposits



Source: Lithium Ionic Corp.



## Important Information and Legal Disclaimers

This report is intended for institutional investors and may only be distributed to non-institutional US clients in the following states: Colorado, Delaware, Illinois, Louisiana, Maryland, Missouri, New Jersey, New York, Ohio, Pennsylvania, Puerto Rico, Rhode Island, Tennessee, West Virginia, Wisconsin. Otherwise, this report may only be distributed into those states with an institutional buyer state securities registration exemption.

### Analyst Certification

I, Colin Healey, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

### Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

- ◆ As of the end of the month immediately preceding this publication either Haywood Securities, Inc., one of its subsidiaries, its officers or directors beneficially owned 1% or more of Lithium Ionic Corp. (LTH-V).
- ◆ Haywood Securities, Inc. or one of its subsidiaries has received compensation for investment banking services from Lithium Ionic Corp. (LTH-V) in the past 24 months.

### Distribution of Ratings (as of June 27, 2023)

	%	#	IB Clients (TTM)
<b>Buy</b>	75.7%	78	88.2%
<b>Hold</b>	5.8%	6	11.8%
<b>Sell</b>	0.0%	0	0.0%
<b>Tender</b>	0.0%	0	0.0%
<b>UR (Buy)</b>	0.0%	0	0.0%
<b>UR (Hold)</b>	0.0%	0	0.0%
<b>UR (Sell)</b>	0.0%	0	0.0%
<b>Dropped (TTM)</b>	18.4%	19	0.0%

Link to Research Policy: <http://haywood.com/what-we-offer/research/research-policy>

