

Lithium Ionic Corp.

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Rating: Buy, Risk: Speculative, Target: C\$5.25

LTH C\$1.48, TSX-V

Widest and highest-grade intercept to date; strong drill results continue ahead of an updated resource estimate in early 2024

The Desjardins Takeaway: Positive

Another week, another set of impressive drill results. Following last week's [positive update](#) from the Salinas project, LTH this morning announced impressive drill results at its Bandeira project (including from a new zone of high-grade mineralization). Today's results include the **widest and highest-grade lithium drill intercept returned to date within the company's portfolio of properties**. Drill intercept highlights include:

1. 1.72% Li₂O over 53.7m, including 1.87% Li₂O over 39.5m (intersected ~100m below surface), which represents LTH's widest and highest-grade lithium drill intercept ever (hole ITDD-23-221)
2. 1.65% Li₂O over 16.2m (hole ITDD-23-218)
3. 1.78% Li₂O over 8.7m, including 2.44% Li₂O over 5.1m (hole ITDD-23-215)
4. 1.50% Li₂O over 9.4m and 1.40% Li₂O over 6.5m (hole ITDD-23-192)
5. 1.59% Li₂O over 8.6m (hole ITDD-23-216)
6. 2.19% Li₂O over 5.3m (hole ITDD-23-227)

LTH is a catalyst-rich story heading into 2024. Management indicated that it remains on track to deliver a feasibility study for the low-cost Bandeira deposit in early 2024, including an updated mineral resource estimate. Bandeira's current resource of 29.5mt at 1.37% Li₂O was based on 182 drill holes (39,679m). Since then, 74 drill holes (12,970m) have been completed at Bandeira. In addition, we continue to expect a maiden resource estimate for the Salinas project in 2024 (likely early in the year) and we believe around 10mt is achievable. Overall, we view LTH's near-term resource expansion potential as significant.

LTH submitted its application for a concomitant environment and installation licence (known as LAC in Brazil) in November 2023. This, along with the "priority status" granted to LTH's projects by the state of Minas Gerais, appears to put the company in a good position for approval around mid-2024, which would result in the environmental and social licence together with an authorization to begin construction. Recall that we expect first production in 2026.

Valuation (0.27x P/NAV) looks attractive vs peers (0.32x). We believe LTH should trade at a premium multiple based on its near-term catalysts and fast-paced project development.

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Average Risk	Above-average Risk	Speculative
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Sell	Sell/Tender	2	1	2	2
Total		165	100	129	100

Lithium Ionic Corp. Rating History as of 12-11-2023

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