

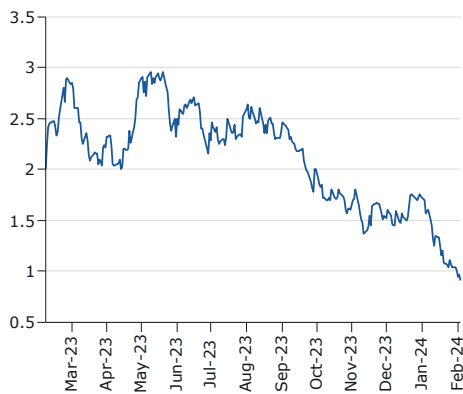
Lithium Ionic Corp. EV Materials

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Rating SPECULATIVE BUY	Price Target C\$3.50
LTH-TSXV	Price C\$0.85

Market Data

52-Week Range (C\$) :	0.84 - 3.05
Avg Daily Vol (000s) :	467.67
Shares Out. (M) :	125.3
Market Cap (C\$M) :	106.5
Dividend /Shr (C\$) :	0.00
Dividend Yield (%) :	0.0



Source: FactSet

Priced as of close of business 5 February 2024

Lithium Ionic is an exploration and development company that is steadily advancing its flagship Itinga project (~33Mt at 1.38% Li₂O and growing) in Minas Gerais state, Brazil, in addition to the earlier-stage Salinas project.

New pegmatite discovered at Salinas

This morning, Lithium Ionic reported additional drill results from its 85%-owned Salinas project located in Minas Gerais state, Brazil. The results successfully extended mineralization along strike and identified a new high-grade pegmatite dyke adjacent to the main Salinas zones. Based on the extensive successful drilling completed at Salinas to date, management now expects to release a maiden mineral resource estimate for the project this month.

Our take: Today's results continued the trend of strong results from Salinas. We continue to view Salinas as valuable medium-term upside for the company, and today's results further validate the potential size of the project, through both an extension of existing known pegmatites and the identification of new pegmatite ~1.5km north of the main drilled zones.

New pegmatite discovered: The new pegmatite is believed to be an extension of the 'Lavra do Zoe' pegmatite (Figure 2), which has several decades of intermittent spodumene mining history. The zone was discovered through holes ITDD-23-126 (4.00m at 1.54% Li₂O) and ITDD-23-127 (5.60m at 1.63% Li₂O).

Additional drill hole highlights:

- ITDD-23-096: 3.94m at 1.66% Li₂O
- ITDD-23-106: 3.00m at 1.49% Li₂O
- ITDD-23-107: 1.79m at 1.49% Li₂O and 11.91m at 1.51% Li₂O
- ITDD-23-110: 11.00m at 1.43% Li₂O
- ITDD-23-118: 16.73m at 1.22% Li₂O, including 6.31m at 1.59% Li₂O and including 6.6m at 1.36% Li₂O
- ITDD-23-119: 1.76m at 1.69% Li₂O

Maintain SPEC BUY; C\$3.50/sh target price: Our estimates remain unchanged at this time. Our target price remains based on 1.0x NAV, measured as at January 1, 2025. LTH currently trades at 0.25x NAV, an attractive discount to peers.

We expect LTH to re-rate higher over the next 12 months as management looks to publish a Definitive Feasibility Study for Bandeira, an MRE for Salinas, as well as regional exploration results. In addition, we believe there is a high chance the Bandeira project will receive its permit to proceed. We also foresee near-term M&A in Brazil (Sigma?) as a potential catalyst for other developers in the region, including Lithium Ionic.

Potential upcoming catalysts:

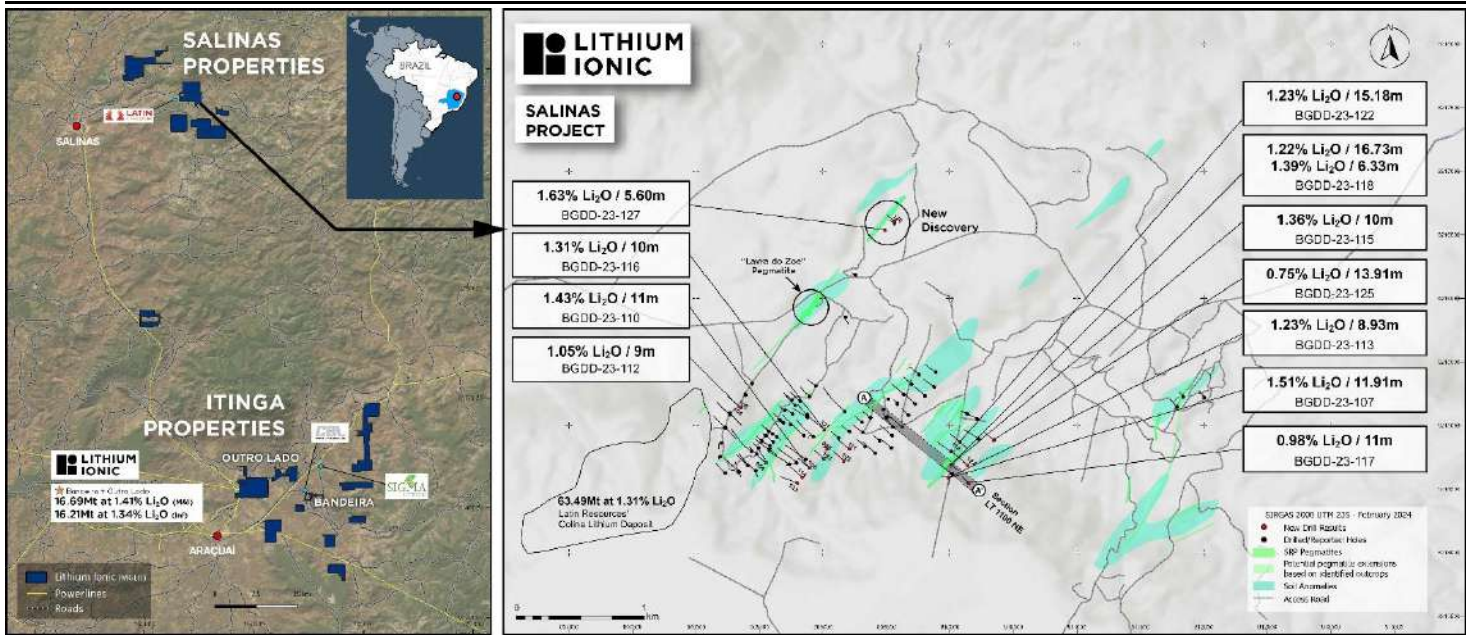
- Maiden mineral resource at Salinas – February 2024
- Bandeira Feasibility Study – Q1 2024
- Bandeira EIA completion – H1 2024
- Bandeira LAC approval/construction permit – mid-2024
- District M&A

Figure 1: Salinas drill results

Hole ID	Az	Dip	From	To	Metres	LI20 (%)
BGDD-23-096	310	-80	66.70	70.64	3.94	1.66
BGDD-23-103	310	-85	170.63	172.34	1.71	1.34
and			194.00	198.90	4.90	1.18
BGDD-23-105	310	-60	154.47	158.60	4.13	0.81
BGDD-23-106	310	-60	174.54	177.54	3.00	1.49
BGDD-23-107	290	-60	61.78	63.57	1.79	1.49
and			76.08	87.99	11.91	1.51
BGDD-23-110	310	-80	178.25	189.25	11.00	1.43
BGDD-23-112	310	-85	244.35	253.35	9.00	1.05
BGDD-23-113	170	-75	17.50	19.20	1.70	0.96
and			106.51	109.66	3.15	0.86
and			115.31	124.24	8.93	1.23
BGDD-23-114	310	-60	209.62	214.62	5.00	1.15
BGDD-23-115	310	-85	34.95	44.95	10.00	1.36
BGDD-23-116	310	-60	235.00	245.00	10.00	1.31
BGDD-23-117	310	-75	194.30	205.30	11.00	0.98
BGDD-23-118	130	-65	26.02	32.02	6.00	1.16
and			37.68	42.72	5.04	1.11
and			48.28	65.01	16.73	1.22
Including			48.28	54.59	6.31	1.59
Including			58.05	65.01	6.96	1.36
and			72.89	79.22	6.33	1.39
BGDD-23-119	310	-60	72.85	74.61	1.76	1.69
and			157.49	159.49	2.00	0.99
BGDD-23-120	310	-85	274.30	278.27	3.97	0.79
and			284.65	289.65	5.00	1.08
Including			284.65	287.09	2.44	1.41
BGDD-23-122	130	-75	90.59	105.77	15.18	1.08
Including			93.59	96.59	3.00	1.34
Including			99.59	105.77	6.18	1.45
BGDD-23-124	310	-60	113.23	116.00	2.77	0.96
and			161.31	165.10	3.79	1.46
and			200.19	201.72	1.53	0.96
BGDD-23-125			310	-60	198.14	202.14
and	255.45	269.36			13.91	0.75
Including	255.45	257.82			2.37	1.47
Including	259.95	263.28			3.33	0.69
Including	266.07	269.36			3.29	0.97
and	275.12	277.12			2.00	0.77
BGDD-23-126	310	-60	115.49	119.08	3.59	1.28
and			122.47	126.47	4.00	1.54
BGDD-23-127	310	-60	88.60	94.20	5.60	1.63

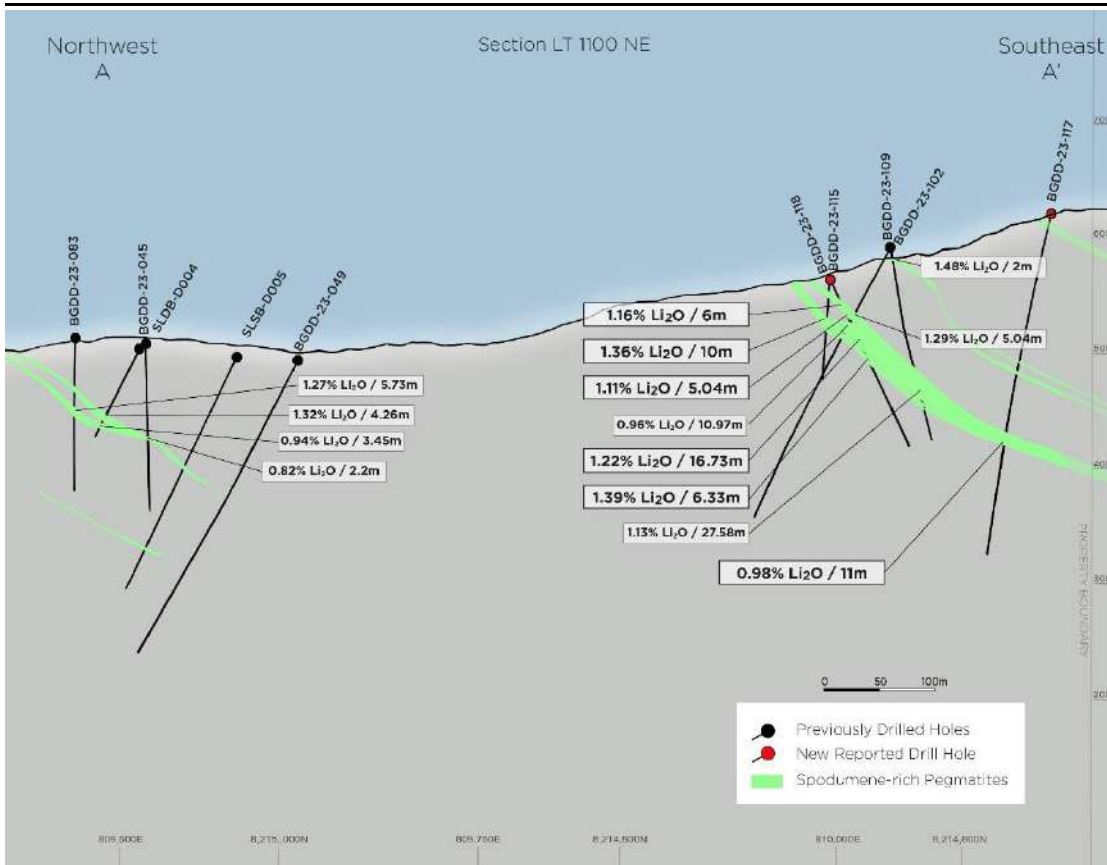
Source: Company Reports

Figure 2: Drill hole locations at Salinas



Source: Company Reports

Figure 3: Cross-section of key results at Salinas



Source: Company Reports

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Investment Recommendation

Date and time of first dissemination: February 06, 2024, 12:35 ET

Date and time of production: February 06, 2024, 12:35 ET

Target Price / Valuation Methodology:

Lithium Ionic Corp. - LTH

Our target price is based on 1.0x NAV, measured as at January 1, 2025.

Risks to achieving Target Price / Valuation:

Lithium Ionic Corp. - LTH

Exploration risk

Exploration is subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with the conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. No assurances can be given that exploration will delineate mineral resources or that the company will be able to convert mineral resources into minable reserves.

Financing risk

As an exploration and development company with no operating cash flow, Lithium Ionic is reliant upon the capital markets to fund the development of its assets and the continuing business development activities. There is no guarantee that LTH will continue to be able to access capital markets should there be changes in market sentiment and/or pricing.

Permitting risk

Our estimates and valuation assume the successful receipt of permits for the company's projects; however, there is no guarantee that this will be the case, or that permits will be received within our assumed timelines.

Operating risk

If and when in production, the company will be subject to risks such as plant and equipment breakdowns, metallurgical (meeting design recoveries), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Furthermore, the actual characteristics of an ore deposit may differ significantly from initial interpretations, which can also materially impact forecast production from original expectations.

Jurisdictional risk

Investments in emerging markets such as Brazil pose a greater degree of risk as they are more susceptible to destabilization. As a result, Lithium Ionic's operations could be adversely impacted by political and economic instability and/or changes in government policy that could affect the ownership of assets, mining activities, exchange rates, and taxation, among others. Given the heightened jurisdictional risk and technical risk (pre-resource), we assume an elevated discount rate to value Itinga vs. the typical 8% used to value operating lithium assets in safe jurisdictions.

Commodity price and currency fluctuations

As with any mining company, LTH is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces, including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

Distribution of Ratings:

Global Stock Ratings (as of 02/06/24)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	596	65.21%	22.48%
Hold	138	15.10%	11.59%
Sell	13	1.42%	7.69%
Speculative Buy	157	17.18%	49.68%
	914*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate returns greater than 10% during the next 12 months.

HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

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NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

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*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

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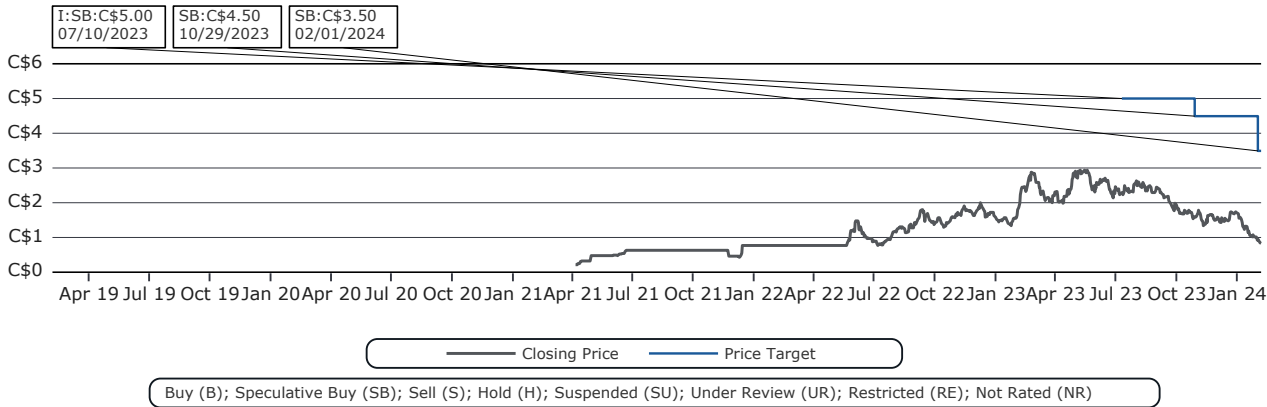
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An analyst has visited the material operations of Lithium Ionic Corp.. No payment was received for the related travel costs.

An analyst has visited the material operations of Lithium Ionic Corp.. Full payment was received for the related travel costs.

Lithium Ionic Corp. Rating History as of 02/05/2024



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