

# Lithium Ionic Corp.

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**Rating: Buy, Risk: Speculative, Target: C\$4.50**

LTH C\$0.85, TSX-V

## ***Extended mineralization and discovery of new high-grade pegmatite at Salinas***

### **The Desjardins Takeaway: Positive**

This morning, LTH reported assay results from the Salinas lithium project, located ~100km north of its flagship Bandeira project and adjacent to the Latin Resources Colina deposit (63.5mt at 1.31% Li<sub>2</sub>O). We view the results positively as they support the significant potential of Salinas (scale and grade) through:

- **Extension of the mineralization along strike** to the southwest by at least 250m. Grades were generally high, including:
  1. 1.22% Li<sub>2</sub>O over 16.7m, including 1.59% Li<sub>2</sub>O over 6.3m and 1.36% Li<sub>2</sub>O over 7.0m directly at surface and from 48m down hole, respectively (hole BGDD-23-118)
  2. 1.51% Li<sub>2</sub>O over 11.9m from 76m down hole (hole BGDD-23-107)
  3. 1.36% Li<sub>2</sub>O over 10.0m from 35m down hole (hole BGDD-23-115)
  4. 1.23% Li<sub>2</sub>O over 8.9m (hole BGDD-23-113)
  5. 0.98% Li<sub>2</sub>O over 11.0m (hole BGDD-23-117)
- **The following group of holes extended a known pegmatite by ~500m to the southwest:**
  1. 1.43% Li<sub>2</sub>O over 11.0m (hole BGDD-23-110)
  2. 1.66% Li<sub>2</sub>O over 3.9m (hole BGDD-23-096)
  3. 1.18% Li<sub>2</sub>O over 4.9m (hole BGDD-23-103)
  4. 1.15% Li<sub>2</sub>O over 5.0m (hole BGDD-23-114)
  5. 1.49% Li<sub>2</sub>O over 3.0m (hole BGDD-23-106)
- **Discovery of a new high-grade pegmatite dike.** This discovery is ~1.5km north of the main Salinas zone and is interpreted as a northeast extension of the Lavra do Zoe pegmatite. The two discovery holes intersected 1.63% Li<sub>2</sub>O over 5.6m (hole BGDD-23-127), as well as 1.28% Li<sub>2</sub>O over 3.6m and 1.54% Li<sub>2</sub>O over 4.0m (hole BGDD-23-126).

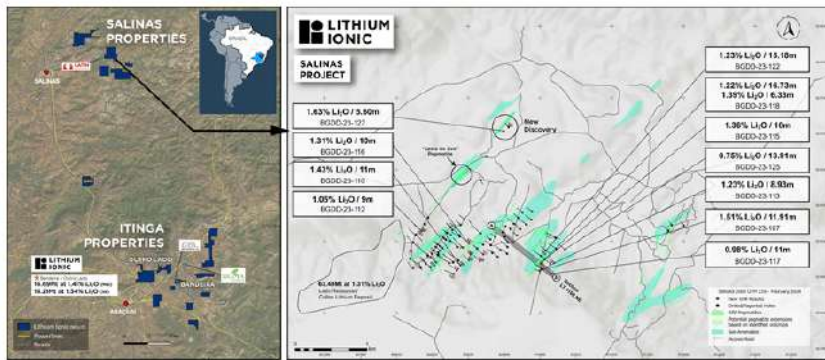
**We view LTH as a catalyst-rich name in the near term. Potential upcoming catalysts include:**

1. An initial mineral resource at Salinas is expected later this month. We believe 10mt or more is achievable.
2. Feasibility study and updated resource estimate at Bandeira (expected in 1Q24).
3. Construction permits at Bandeira (aiming for mid-2024).

**Valuation.** LTH is trading at 0.15x P/NAV, a discount to peers at 0.21x.

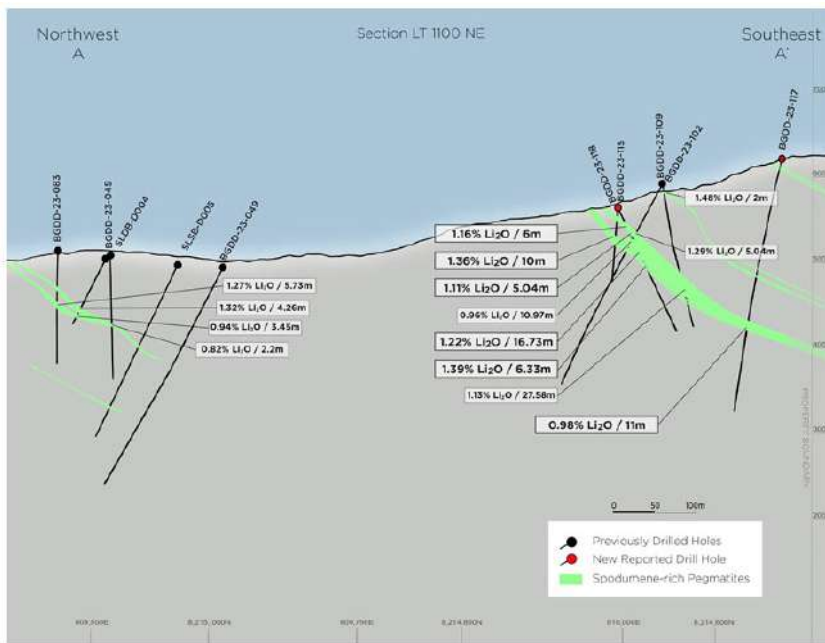
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**Exhibit 1: Locations of drill holes**



Source: Company report

**Exhibit 2: Cross-section**



Source: Company report

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**Lithium Ionic Corp. Rating History as of 02-05-2024**

Powered by: BlueMatrix



**Chart legend:** TP: Top Pick, B: Buy, H: Hold, S: Sell, NR: Not Rated, I: Company initiation, T: Transfer of coverage, S: Coverage suspended, DC: Coverage dropped

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