

Lithium Ionic Corp.

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Rating: Buy, Risk: Speculative, Target: C\$3.75

LTH C\$0.74, TSX-V

Bandeira delivers high-grade drill results as the project advances toward a production decision

This morning, Lithium Ionic announced new assay results for 23 drill holes at its feasibility-stage Bandeira lithium project located close to Sigma Lithium's Grota do Cirilo project and CBL's Cachoeira lithium mine in Minas Gerais, Brazil. The announcement includes the following high-grade drill results:

- 1.25% Li₂O over 49.8m, including 1.46% Li₂O over 27m; intersected from ~55m downhole (hole ITDD-23-213).
- 1.46% Li₂O over 40m, including 2.02% Li₂O over 6m, 1.83% Li₂O over 7m and 3.38% Li₂O over 5m; intersected from ~147m downhole (hole ITDD-24-259).
- 1.86% Li₂O over 24.1m; intersected from ~180m downhole (hole ITDD-24-256).
- 2.13% Li₂O over 20.4m, including 2.62% Li₂O over 10.4m and 3.78% Li₂O over 3.3m; intersected from ~175m downhole (hole ITDD-24-260).
- 2.03% Li₂O over 18.6m; intersected from ~189m downhole (hole ITDD-24-257).
- 1.93% Li₂O over 11.5m and 1.31% Li₂O over 12.5m, including 2.04% Li₂O over 6m (hole ITDD-24-262).

LTH remains a catalyst-rich story:

- Some of the assay results released today, including high-grade results from seven holes (ITDD-24-256 to ITDD-24-262), were not included in the updated [Bandeira mineral resource estimate](#) of 41.9mt grading 1.35% announced on April 12, 2024. Consequently, with today's strong results, we continue to see **potential resource expansion** at Bandeira (in addition to our positive view on the Salinas project).
- Management indicated that it continues to prioritize the **advancement of Bandeira to production** and that it looks forward to **delivering significant milestones toward this goal in the near term**.
- **A feasibility study for Bandeira is expected to be completed in May 2024.**
- **In early 3Q24, LTH expects an approval for the concomitant environmental and installation licence**, which would grant the company an environmental and social licence for Bandeira and an authorization to begin construction.
- At the Salinas project, a PEA is expected in 2H24 and an environmental impact assessment in 1Q25.

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Valuation. LTH trades at 0.16x P/NAV vs peers at 0.27x. We view valuation as compelling, especially considering LTH's quick path to production, low costs, proximity to producers and infrastructure, and further resource growth potential.

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Stocks that are expected to perform in line with their respective peer group* over a 12-month period

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Stocks that are expected to underperform their respective peer group* over a 12-month period (includes recommendations to tender to a takeover offer)

Not Rated

Stock is being covered exclusively on an informational basis

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Average Risk

Risk represented by the stock is in line with its peer group* in terms of volatility, liquidity and earnings predictability

Above-average Risk

Risk represented by the stock is greater than that of its peer group* in terms of volatility, liquidity and earnings predictability

Speculative

High degree of risk represented by the stock, marked by an exceptionally low level of predictability

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Total		165	100	128	100

Lithium Ionic Corp. Rating History as of 04-26-2024

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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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