

# Lithium Ionic Corp. EV Materials

**Katie Lachapelle, CPA** | Analyst | Canaccord Genuity Corp. (Canada) | klachapelle@cgf.com | 1.416.869.7294  
**Cooper Jefferson** | Associate | Canaccord Genuity Corp. (Canada) | cjefferson@cgf.com | 1.647.206.2542

Rating <b>SPECULATIVE BUY</b>	Price Target <b>C\$2.50</b>
LTH-TSXV	Price <b>C\$0.93</b>

**Market Data**

52-Week Range (C\$) :	0.41 - 1.84
Avg Daily Vol (000s) :	409.22
Shares Out. (M) :	154.7
Market Cap (C\$M) :	143.8
Dividend /Shr (C\$) :	0.00
Dividend Yield (%) :	0.0

## Lithium Ionic Secures a US\$266M Debt LoI from U.S. Export-Import Bank

Lithium Ionic this morning announced receipt of a non-binding Letter of Interest from the Export-Import Bank of the United States (EXIM) for up to US\$266 million in debt financing for its 100%-owned flagship Bandeira Lithium Project in Minas Gerais, Brazil.

- Funding amount covers the entire CapEx outlined in the May 2024 Bandeira feasibility study; includes a maximum repayment term of 15 years.
- EXIM’s support highlights the importance of the Bandeira project in bolstering North American energy security and the global battery supply chain.
- Deal is subject to due diligence prior to closing a definitive financial agreement.

**Key Alleviation of Balance Sheet Stress:** Recall, LTH received Final Exploration approval for its Bandeira and Outro Lado lithium properties from Brazil’s National Mining Agency back in September. Today’s funding announcement fully derisks project construction costs, reduces the likelihood of a prior anticipated equity raise, and stands as a material catalyst for the share price. The EXIM funds augment LTH’s oversubscribed C\$16M June private placement and C\$27.3 consideration attributable to the 2.25% Appian Capital royalty announced in July.

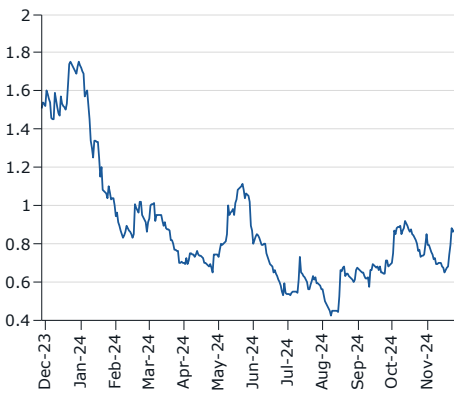
Ex-today’s funding announcement, we expect LTH to close the year with C\$32.7M of cash on hand, a solid cushion to continue permitting progression and definitive agreement due diligence.

**Remaining Permitting Process:** The next major hurdle — another key catalyst, in our view — will be the approval of the Licença Ambiental Concomitante (LAC) for the Bandeira Lithium Project. The LAC is needed before construction can begin, and management has telegraphed expectation of imminent approval. The LAC acts as a prerequisite for the granting of a Mining Concession, the final requirement. The company continues to target first production in 2026; we maintain our 2027 forecast.

**Valuation:** We maintain our C\$2.50/sh target price and SPEC BUY rating. Our target price remains based on 1.0x NAV, measured as at October 1, 2025.

**Potential Upcoming Catalysts:**

- Final Approval of Bandeira LAC/construction permit
- Offtake agreement and/or M&A



Source: FactSet

Priced as of close of business 26 November 2024

Lithium Ionic is an exploration and development company that is steadily advancing its flagship Bandeira project in Minas Gerais state, Brazil, in addition to the earlier-stage Salinas project.

# Appendix: Important Disclosures

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## **Sector Coverage**

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

## **Investment Recommendation**

Date and time of first dissemination: November 27, 2024, 10:26 ET

Date and time of production: November 27, 2024, 10:26 ET

## **Target Price / Valuation Methodology:**

Lithium Ionic Corp. - LTH

Our target price is based on 1.0x NAV, measured as at October 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 11/27/24)**

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	616	66.81%	25.00%
Hold	131	14.21%	9.16%
Sell	14	1.52%	7.14%
Speculative Buy	152	16.49%	51.97%
	922*	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.

**SELL:** The stock is expected to generate returns less than -10% during the next 12 months.

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

Given the inherent volatility of some stocks under coverage, price targets for some stocks may imply target returns that vary temporarily from the ratings criteria above.

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

**Risk Qualifier**

**SPECULATIVE:** The stock bears significantly above-average risk and volatility. Investments in the stock may result in material loss.

**12-Month Recommendation History (as of date same as the Global Stock Ratings table)**

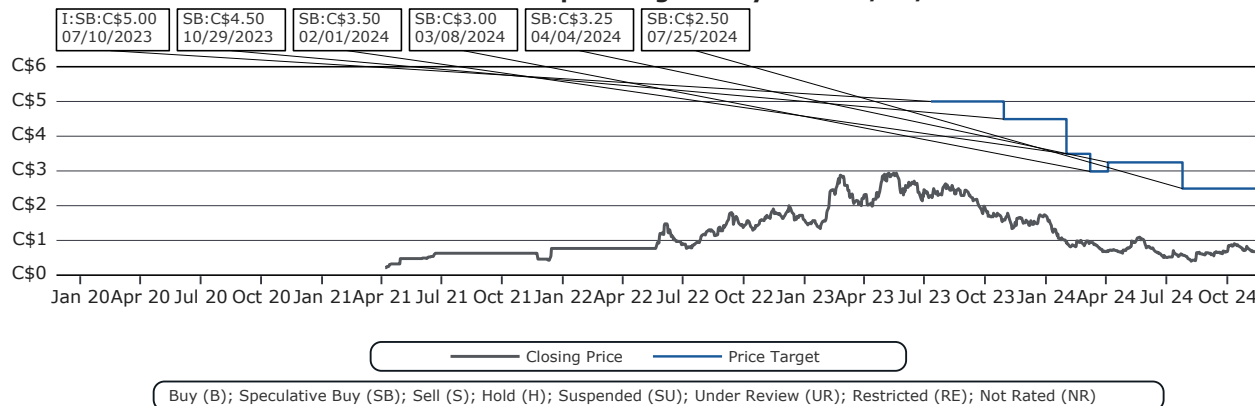
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**Lithium Ionic Corp. Rating History as of 11/26/2024**



**Past performance**

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please

note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

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