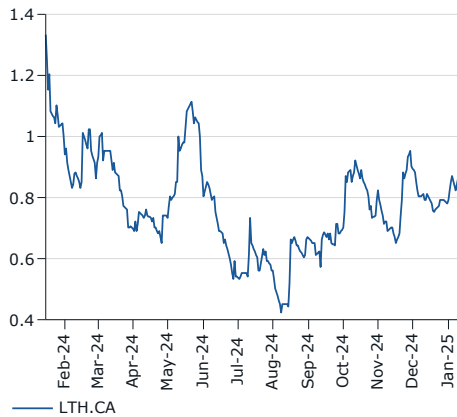


Lithium Ionic Corp. EV Materials

Rating SPECULATIVE BUY <i>unchanged</i>	Price Target C\$2.50 <i>unchanged</i>
LTH-TSXV	Price C\$0.87

Market Data

52-Week Range (C\$) :	0.41 - 1.36
Avg Daily Vol (000s) :	411
Market Cap (C\$M) :	138.0
Shares Out. (M) :	158.6
Enterprise Value (C\$M) :	135.7
NAV /Shr (C\$) :	2.52
P/NAV (x) (C\$) :	0.35



Priced as of close of business 13 January 2025

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 Baixa Grande project.

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Cooper Jefferson | Associate | Canaccord Genuity Corp. (Canada) | cjefferson@cgf.com | 1.647.206.2542

Increased mineral resource at Baixa Grande

This morning, Lithium Ionic announced an updated mineral resource for the Baixa Grande Project, previously known as the Salinas Project.

Total mineral resource tonnage increase of 32%: Highlights by category include:

- Measured and Indicated: 6.52Mt at 1.11% Li₂O (+11%)
- Inferred: 12.90Mt at 0.96% Li₂O (+45%)

The updated MRE incorporates data from 35,734 metres of drilling. Management noted that significant potential remains to add additional Li-bearing mineralization at Baixa Grande. The deposit remains open at depth and along strike.

As a reminder, the Baixa Grande Project is located adjacent to Latin Resources Colina deposit (77.7Mt at 1.24% — see Figure 2); Pilbara Minerals announced the acquisition of Latin Resources in August 2024 for US\$369.4 million. In our view, Pilbara’s acquisition underscores the quality and global competitiveness of this district.

Our take – positive long-term growth potential: In our view, the Baixa Grande Project is proving to be an attractive long-term production option for LTH. The asset could also be monetized via sale.

But near-term focus remains on Bandeira: Lithium Ionic’s top priority right now is the advancement of the Bandeira Project toward production (41.9Mt at 1.35% Li₂O). On January 8, LTH noted that it was expecting imminent approval of the Licença Ambiental Concomitante (“LAC”) license, which will allow construction to begin. The application was submitted in late 2023 and is “in the final stages of approvals, with all information requests satisfied by the company.”

The next major catalyst will be finalization of project financing. As a reminder, in late November, LTH secured a non-binding Letter of Interest for up to US\$266M in debt financing for Bandeira, covering 100% of the projected capital cost. The due diligence process with EXIM is underway, and LTH is aiming to finalize a definitive project financing package that will support the start of construction in the second half of 2025.

In the meantime, we view LTH as well funded. We estimate that LTH has ~C\$24M in cash on hand, enough to advance Bandeira to FID and enough to potentially start some early works construction. We believe that the company is also well advanced in potential offtake discussions, which could be an incremental source of funds.

Valuation: We have a C\$2.50/sh target price and SPEC BUY rating. Our target price is based on 1.0x NAV, now measured as at January 1, 2026. While our live model debt and equity assumptions remain unchanged (and thus our target price), if we were to incorporate full receipt of the EXIM debt, this would materially reduce anticipated dilution (we currently assume that ~50% of CapEx is funded with equity to be conservative).

Potential upcoming catalysts:

- Final approval for Bandeira LAC license
- Updated mineral resource at Bandeira – early 2025
- Potential offtake agreement and/or M&A
- Confirmation of EXIM debt

Figure 1: Baixa Grande mineral resource - current vs. previous

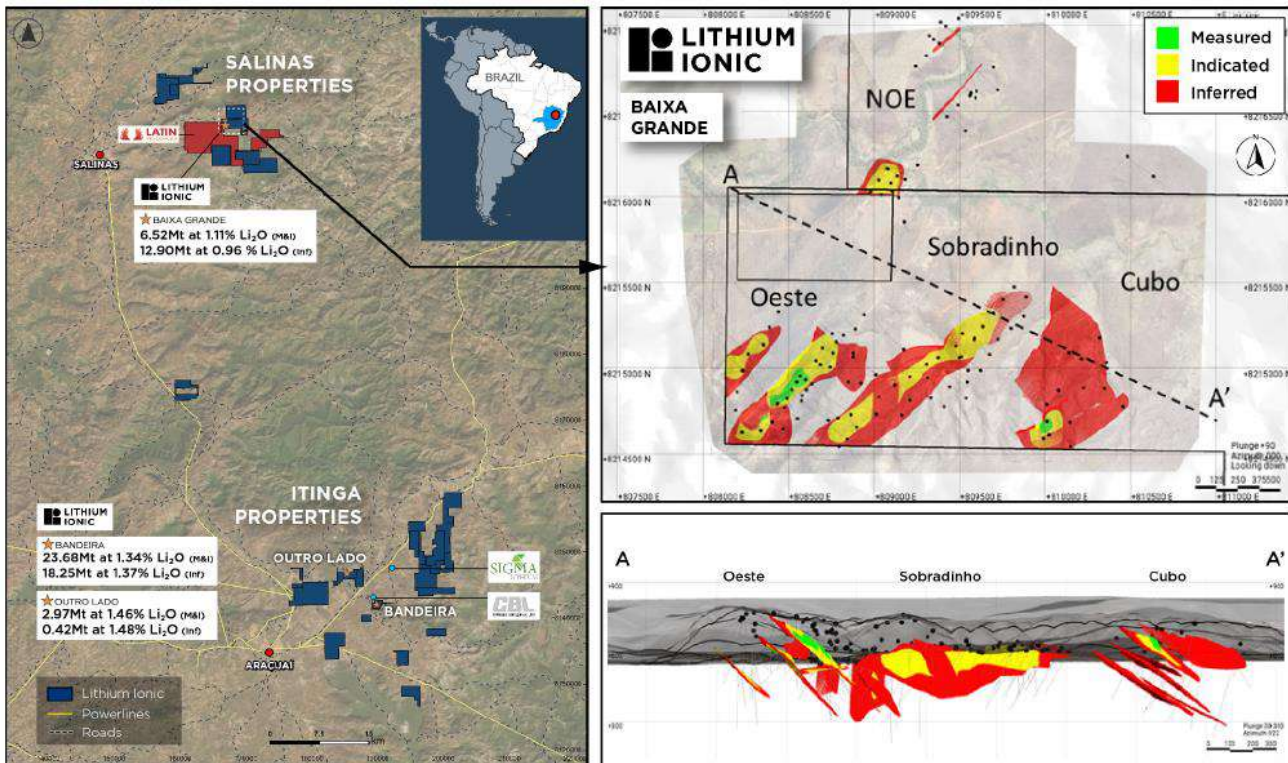
Current			
	Tonnage (Mt)	Li ₂ O %	LCE (kt)
Measured	1.08	1.19%	31.9
Indicated	5.44	1.10%	147.7
Total M&I	6.52	1.11%	179.6
Inferred	12.90	0.96%	305.9
Total M&I+I	19.42	1.01%	485.5

Previous			
Units	Tonnage (Mt)	Li ₂ O %	LCE (kt)
Measured	1.11	1.18%	32.3
Indicated	4.75	1.08%	126.4
Total M&I	5.86	1.09%	158.7
Inferred	8.90	0.97%	214.6
Total M&I+I	14.76	1.02%	373.2

Variance			
Units	Tonnage (Mt)	Li ₂ O %	LCE (kt)
Measured	-3%	1%	-1%
Indicated	15%	2%	17%
Total M&I	11%	2%	13%
Inferred	45%	-1%	43%
Total M&I+I	32%	-1%	30%

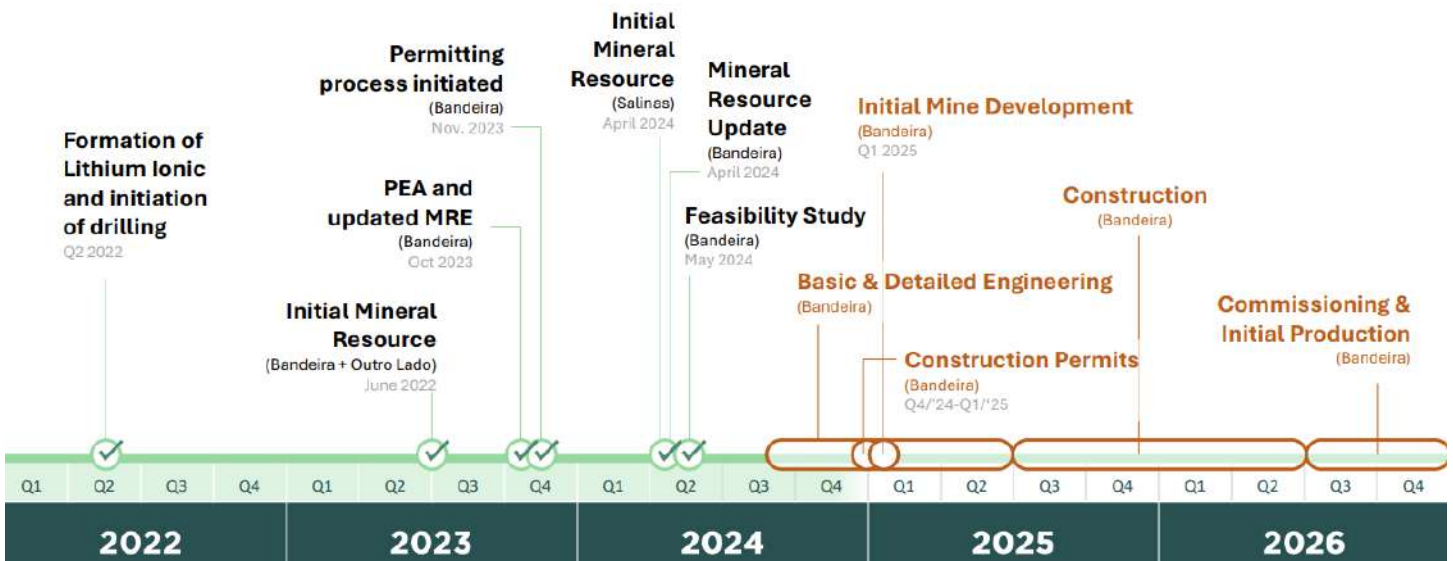
Source: Company Reports, Canaccord Genuity estimates

Figure 2: Location map - Baixa Grande



Source: Company Reports

Figure 3: Recent company milestones and path to production



Source: Company Reports

Figure 4: Target NAVPS - as at January 1, 2026

	Disc. Rate	C\$ MMs	C\$/sh	%
Bandeira	11.0%	718	\$1.71	100%
Other		0	\$0.00	0%
Total Asset Level Cash Flows		718	\$1.71	100%
Itinga - in situ		226	\$0.54	
Baixa Grande - in situ		133	\$0.32	
Cash & Equivalents		201	\$0.48	
Future Equity Issuances		4	\$0.01	
Working Capital (ex. Cash and Debt)		(6)	(\$0.02)	
Total Debt		(85)	(\$0.20)	
Corporate SG&A	8.0%	(86)	(\$0.21)	
Corporate tax adjustment	8.0%	0	\$0.00	
Net Asset Value		1,105	\$2.63	
Net Asset Value per share		\$2.63		

*Includes dilution from assumed equity raise

Share count as at January 1, 2026*	414.0
Shares issued from equity raises	6.3
Fully funded share count	420.3

Source: Company Reports, Canaccord Genuity estimates

Appendix: Important Disclosures

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Investment Recommendation

Date and time of first dissemination: January 14, 2025, 09:13 ET

Date and time of production: January 14, 2025, 09:13 ET

Target Price / Valuation Methodology:

Lithium Ionic Corp. - LTH

Our target price is based on 1.0x NAV, measured as at January 1, 2026.

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 01/14/25)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	627	67.20%	27.11%
Hold	131	14.04%	10.69%
Sell	14	1.50%	7.14%
Speculative Buy	153	16.40%	52.94%
	933*	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)

A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx>

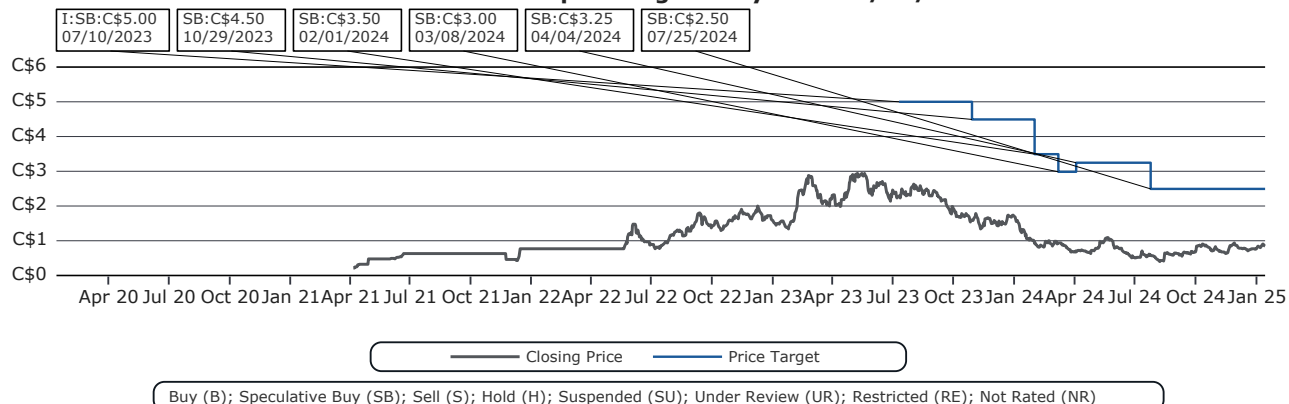
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A partner, director, officer, employee or agent of Canaccord Genuity or its affiliated companies, or a member of his/her household, is an officer, or director, or serves as an advisor or board member of Lithium Ionic Corp. and/or one of its subsidiaries, and such person's name is disclosed below.

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

Lithium Ionic Corp. Rating History as of 01/13/2025



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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