

Recommendation: **Buy (S)**
 Target Price: **\$3.50**

Current Price	\$0.90	Shares Outstanding (MM)	
52 Wk High	\$1.78	Basic	158.6
52 Wk Low	\$0.41	Diluted	185.5
Cash (MM)	\$28.1	Mgmt and Dir	31.7
Debt (MM)	\$0.0	Mkt Cap. (MM)	\$142.7
NAV	\$3.59	EV (MM)	\$114.6
P/NAV	0.25x		
NAV (spot)	\$1.19		
P/NAV (spot)	0.76x		
Total Return	289%		

NAV: Cormark deck is US\$1,625/t SC6% long term (2028+); spot is US\$785/t SC6% (source: asianmetal.com).

Company Description:

Lithium Ionic is a Brazilian hard rock lithium developer with a 17,000 ha land package in Minas Gerais' prospective Lithium Valley. The flagship Bandeira project is located adjacent to the only two lithium producers in the region: Sigma Lithium's Xuxa open-pit (Phase 1 operation) and CBL's Cachoeira underground mine. The project is in the final stages of environmental permitting following a July 2024 FS centred on the 1.4 MMt LCE contained (M&I+I resources) deposit. Resource and technical study updates are anticipated throughout the year as the company continues to de-risk Bandeira toward near-term construction and targeted first production.

Lithium Ionic Inc.

(LTH - TSXV)

Resource Increase Highlights Northern Project's Value

Unless otherwise denoted, all figures shown in C\$

Event:

Updated resource estimate for Salinas (Baixa Grande) project results in a 32% tonnage increase.

Impact:

Positive (neutral to our formal valuation). Lithium Ionic tabled a 32% tonnage increase in the Baixa Grande deposit to 19.4 MMt M&I+I resources grading 1.01% Li₂O, or 0.49 MMt LCE contained. This resource update compares to Cormark's previously estimated increase of 35%, based on additional drilling (+8,704 m or 45 drill holes) completed since the company tabled its November 2023 maiden resource ([report](#)). Recall the company's Salinas (Baixa Grande) project is located adjacent to the east of Latin Resource's (LRS-ASX) 77 MMt grading 1.24% Li₂O (2.4 MMt LCE contained) Colina project and is interpreted to contain an extension of the stacked, spodumene-bearing pegmatites that characterize Colina. Latin is on deck to be acquired by major Australian hard rock lithium producer Pilbara Minerals (PLS-ASX), following the latter's August 2024 offer of US\$369 MM—implying a potential baseline in-situ value for Salinas (Baixa Grande) of \$102 MM based on US\$/t LCE contained (Cormark models \$131 MM of in-situ value for Salinas based on potential additional property upside).

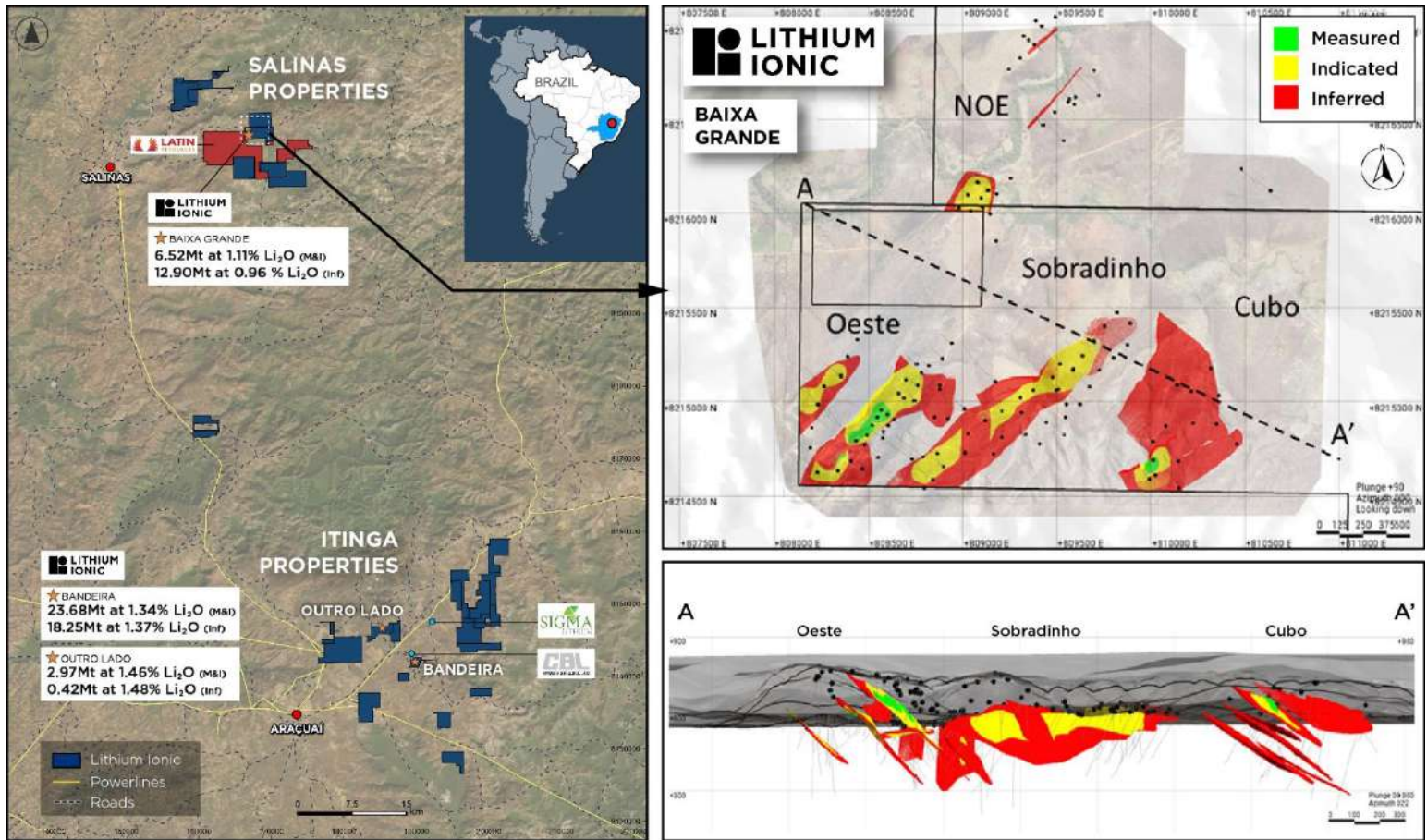
Commentary:

Lithium Ionic notes that the Baixa Grande pegmatites remain open at depth and along strike to the northeast—potential fertile ground for further upside expansion in pegmatites they have just begun to drill test or mapped at surface. Follow-up drilling has been planned in this area. However, the company will remain focused on the development of its flagship Bandeira project in the near-term. Proceeds from last year's US\$20 MM royalty agreement (2.25% GOR) with Appian Capital are earmarked to fund continued engineering work at the project, as well as early stage earthworks and Piauí River bridge construction following the receipt of final project permits (LAC)—with a decision now anticipated later this month (previously YE24; [report](#)). Financing efforts are also underway, as the company continues to advance its application for Export-Import Bank (EXIM) debt funding, presumably alongside supplemental/alternative avenues. Lithium Ionic had \$28 MM in cash and equivalents at Q3/24-end.

Investment Conclusion:

Lithium Ionic currently trades at 0.25x NAV, below its hard rock developer peer average of 0.36x. Its flagship project's near-term development timeline (Cormark estimates potential production start up mid-2027 based on a 2025 financing solution), globally low capex figure (\$266 MM), and location in a mining-friendly, experienced jurisdiction make Bandeira a standout amongst its hard rock development project peer group.

Figure 1: Map of Baixa Grande Location, With Resource Envelopes Projected To Surface And In Section



Source: Lithium Ionic Corp.

Figure 2: Cali Project And Neighbouring Claim Locations

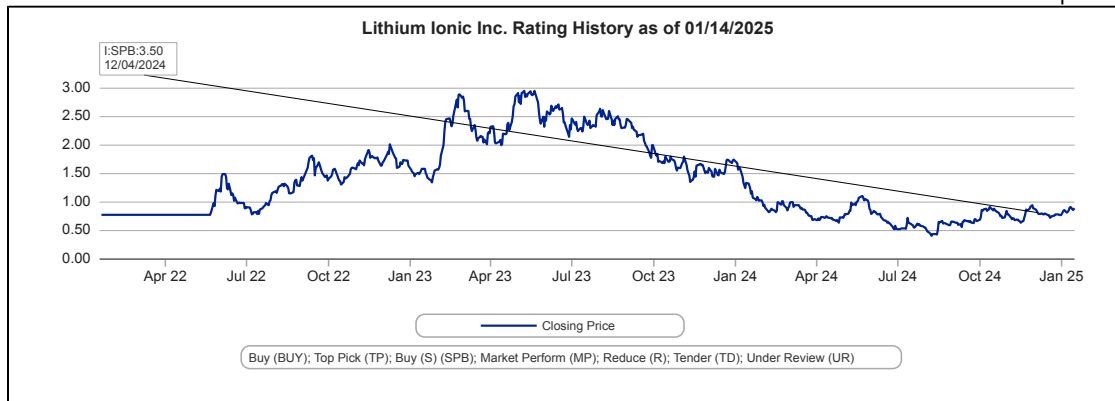
Category	Salinas (Baixa Grande) (OP & UG - 0.5% Li ₂ O COG) as at Nov 2023			Salinas (Baixa Grande) (OP & UG - 0.5% Li ₂ O COG) as at Dec 2024			Δ Tonnage (%)	Δ Contained (%)
	Tonnage (t)	Grade (% Li ₂ O)	Contained (t LCE)	Tonnage (t)	Grade (% Li ₂ O)	Contained (t LCE)		
Measured + Indicated	5,860,000	1.09%	158,678	6,520,000	1.11%	179,580	11%	13%
Inferred	8,900,000	0.97%	214,572	12,900,000	0.96%	305,920	45%	43%
Total M&I+I	14,760,000	1.02%	373,250	19,420,000	1.01%	485,500	32%	30%

Source: Cormark Securities Inc., after Lithium Ionic Corp.

Price Chart and Disclosure Statement

Updated January 15, 2025

*Information updated monthly on or about the 5th of each month



* Cormark has this percentage of its universe assigned as the following:

Buy or Top Pick	79%
Market Perform	14%
Reduce or Tender	4%
Not Rated	2%

The analyst viewed the material operations of Lithium Ionic Inc..
The company paid for certain travel expenses related to a site visit by the analyst.

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Market Perform expected to perform with its peer group

Reduce expected to underperform its peer group

Tender clients are advised to tender their shares to a takeover bid

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