

Lithium Ionic Corp.

Frederic Tremblay, CFA • (514) 841-0283 • frederic.a.tremblay@desjardins.com

Etienne Larochelle, CFA, Associate • (438) 466-4457 • etienne.a.larochelle@desjardins.com

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

LTH C\$0.87, TSX-V

Increased mineral resource estimate at Baixa Grande project

This morning, LTH released an updated mineral resource estimate (MRE) for the Baixa Grande project (formerly referred to as the Salinas project) in Minas Gerais, Brazil. We view the announcement as a slight positive which supports our constructive view on LTH. The update shows ~32% growth compared with the maiden MRE released in [April 2024](#) on the back of more tonnes at similar grades, mostly in the inferred category (Exhibit 1):

- Measured + indicated now stands at 6.52mt grading 1.11% Li₂O (vs 5.86mt at 1.09% previously).
- Inferred is now at 12.90mt grading 0.96% Li₂O (vs 8.90mt at 0.97% previously).

The update incorporates expanded data from 167 diamond drill holes comprising 35,734 metres of drilling completed between May 2023 and September 2024. According to management, the potential for significant additional lithium-bearing spodumene mineralization at Baixa Grande remains very high with the completion of additional drilling in the area.

While its MRE is currently smaller than *Bandeira's* (23.68mt at 1.34% Li₂O measured + indicated and 18.25mt at 1.37% Li₂O inferred), we view Baixa Grande as strategically important. Recall that in August 2024, Pilbara Minerals (PLS, ASX, not rated) put an important seal of approval on the Brazilian lithium sector with the announcement of an agreement to acquire Latin Resources (LRS, ASX, not rated) and its Colina deposit, which is located directly west of LTH's Baixa Grande deposit. This morning's MRE update reinforces our view that Baixa Grande is an attractive deposit on its own, or it could also represent a logical acquisition target for its neighbour (PLS/LRS).

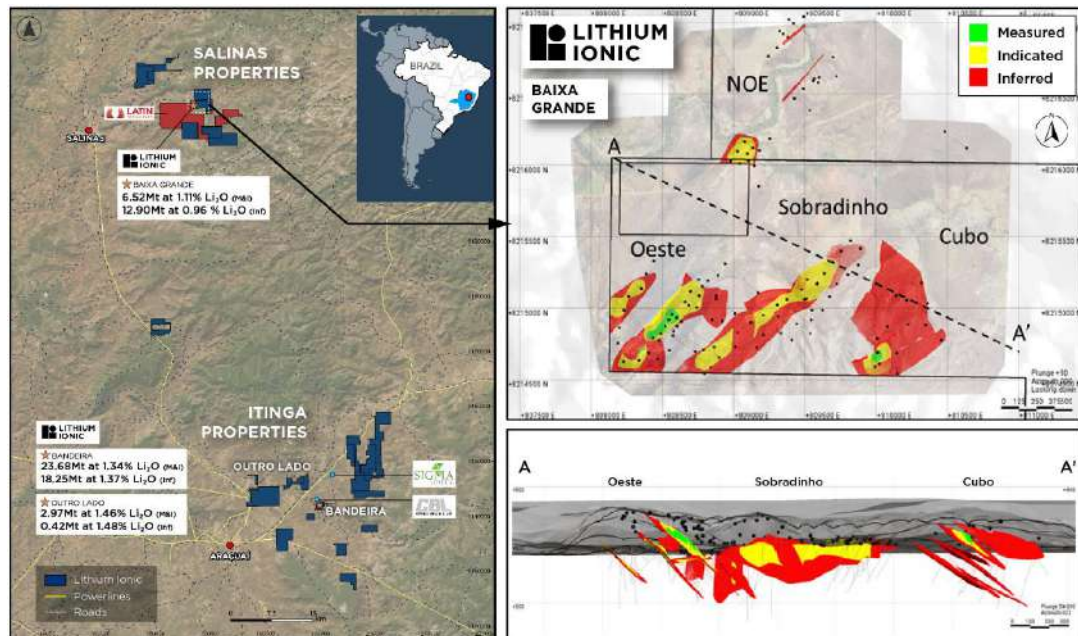
Looking ahead, we believe that a key near-term milestone for LTH relates to permitting at its *Bandeira* project. Earlier this month, the company indicated that it is on the verge of obtaining approval of the licença ambiental concomitante (LAC) licence, which will authorize construction to begin at *Bandeira*. The LAC application was submitted in late 2023 and is in the final stages of approvals.

Exhibit 1: Baixa Grande updated mineral resource estimate (January 2025)

Deposit / Cut-Off Grade	Category	Resource (Mt)	Grade (% Li ₂ O)	Contained LCE (kt)
Open-Pit (0.5% cut-off)	Measured	1.08	1.19	31.86
	Indicated	5.44	1.10	147.72
	Measured + Indicated	6.52	1.11	179.58
	Inferred	11.67	0.97	280.73
Underground (0.5% cut-off)	Measured + Indicated	-	-	-
	Inferred	1.23	0.83	25.19
TOTAL	Measured + Indicated	6.52	1.11	179.58
	Inferred	12.90	0.96	305.92

Source: Company report

Exhibit 2: Baixa Grande project location and isometric view of the deposit



Source: Company report

DISCLOSURES

COMPANY-SPECIFIC DISCLOSURES

NA

ANALYST CERTIFICATION

Each Desjardins Capital Markets research analyst named on the front page of this research publication, or at the beginning of any subsection hereof, hereby certifies that (i) the recommendations and opinions expressed herein accurately reflect such research analyst’s personal views about the company and securities that are the subject of this publication and all other companies and securities mentioned in this publication that are covered by such research analyst, and (ii) no part of the research analyst’s compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by such research analyst in this publication.

STOCK RATING SYSTEM

Top Pick	Buy	Hold	Sell	Not Rated
Desjardins’ best investment ideas—stocks that offer the best risk/reward ratio and that are expected to significantly outperform their respective peer group* over a 12-month period	Stocks that are expected to outperform their respective peer group* over a 12-month period	Stocks that are expected to perform in line with their respective peer group* over a 12-month period	Stocks that are expected to underperform their respective peer group* over a 12-month period (includes recommendations to tender to a takeover offer)	Stock is being covered exclusively on an informational basis

RISK QUALIFIERS

Average Risk	Above-average Risk	Speculative
Risk represented by the stock is in line with its peer group* in terms of volatility, liquidity and earnings predictability	Risk represented by the stock is greater than that of its peer group* in terms of volatility, liquidity and earnings predictability	High degree of risk represented by the stock, marked by an exceptionally low level of predictability

* Peer group refers to all of the companies that an analyst has under coverage and does not necessarily correspond to what would typically be considered an industry group. Where an analyst’s coverage universe is such that ‘relative’ performance against a ‘peer group’ is not meaningful, the analyst will benchmark the rating against the most appropriate market index

Distribution of ratings					
Rating category	Desjardins rating	Desjardins coverage universe (# of stocks)	% distribution	Desjardins Investment Banking (# of stocks)	% distribution
Buy	Buy/Top Pick	115	74	93	76
Hold	Hold	37	24	27	22
Sell	Sell/Tender	3	2	3	2
Total		155	100	123	100

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

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

Full disclosures for research of all companies covered by Desjardins Capital Markets can be viewed at <https://desjardins.bluematrix.com/sellside/Disclosures.action>.

LEGAL DISCLAIMERS

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

Each Desjardins Capital Markets research analyst named on the front page of this research publication, or at the beginning of any subsection hereof, hereby certifies that (i) the recommendations and opinions expressed herein accurately reflect such research analyst's personal views about the company and securities that are the subject of this publication and all other companies and securities mentioned in this publication that are covered by such research analyst, and (ii) no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by such research analyst in this publication.

Desjardins Capital Markets™ is a trademark used by Desjardins Securities Inc., Desjardins Securities International Inc. and Fédération des caisses Desjardins du Québec, wholly owned subsidiaries of Mouvement des caisses Desjardins.

Dissemination of Research

Desjardins Capital Markets makes all reasonable effort to provide research simultaneously to all eligible clients. Research is available to our institutional clients via Bloomberg, FactSet, FirstCall Research Direct, Reuters and Thomson ONE. In addition, sales personnel distribute research to institutional clients via email, fax and regular mail.

Additional Disclosures

Desjardins Capital Markets equity research analysts are compensated from revenues generated by various Desjardins Capital Markets businesses, including Desjardins Capital Markets' Investment Banking Department. Desjardins Capital Markets will, at any given time, have a long or short position or trade as principal in the securities discussed herein, related securities or options, futures, or other derivative instruments based thereon. The reader should not rely solely on this publication in evaluating whether or not to buy or sell the securities of the subject company. Desjardins Capital Markets expects to receive or will seek compensation for investment banking services within the next three months from all issuers covered by Desjardins Capital Markets Research.

Legal Matters

This publication is issued and approved for distribution in Canada by Desjardins Securities Inc., a member of the Canadian Investment Regulatory Organization (CIRO) and a member of the Canadian Investor Protection Fund (CIPF). In the US, this publication is issued via the exemptive relief described in SEC Rule 15a-6, and through reliance on Desjardins Securities International Inc., a member of FINRA and SIPC.

This publication is provided for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. The securities mentioned in this publication may not be suitable for all types of investors; their prices, value and/or income they produce may fluctuate and/or be adversely affected by exchange rates. This publication does not take into account the investment objectives, financial situation or specific needs of any particular client of Desjardins Capital Markets. Before making an investment decision on the basis of any recommendation made in this publication, the recipient should consider whether such recommendation is appropriate, given the recipient's particular investment needs, objectives and financial circumstances. Desjardins Capital Markets suggests that, prior to acting on any of the recommendations herein, you contact one of our client advisors in your jurisdiction to discuss your particular circumstances. Since the levels and bases of taxation can change, any reference in this publication to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is not a guarantee of future results.

This publication may contain statistical data cited from third party sources believed to be reliable, but Desjardins Capital Markets does not represent that any such third party statistical information is accurate or complete, and it should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this publication and are subject to change without notice.

US institutional customers: Desjardins Securities Inc. and Desjardins Securities International Inc. accept responsibility for the contents of this report, distributed by Desjardins Securities Inc., subject to the terms and limitations set out above. Securities offered in the United States are offered through Desjardins Securities International Inc., member of FINRA (www.finra.org) the US Securities and Exchange Commission and the SIPC. This communication and its contents are for institutional use only. Institutions receiving this report should effect transactions in securities in the report through Desjardins Securities International Inc.

Although each company issuing this publication is a wholly owned subsidiary of Mouvement des caisses Desjardins, each is solely responsible for its contractual obligations and commitments, and any securities products offered or recommended to or purchased or sold in any client accounts (i) will not be insured by the Federal Deposit Insurance Corporation ("FDIC"), the Canada Deposit Insurance Corporation or other similar deposit insurance, (ii) will not be deposits or other obligations of Mouvement des caisses Desjardins, (iii) will not be endorsed or guaranteed by Mouvement des caisses Desjardins, and (iv) will be subject to investment risks, including possible loss of the principal invested.

The Desjardins trademark is used under licence.

© 2025 Desjardins Securities Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of Desjardins Securities is prohibited by law and may result in prosecution.

OFFICES**Montreal**

1170 Peel Street
Suite 300
Montreal, Quebec H3B 0A9
(514) 987-1749

Toronto

25 York Street
Suite 1000
Toronto, Ontario M5J 2V5
(416) 607-3001

Calgary

110 9th Avenue SW
Suite 410
Calgary, Alberta T2P 0T1
(877) 532-6601

Vancouver

401 West Georgia Street
Suite 1050
Vancouver, British Columbia
V6B 5A1
(604) 656-2665