Lithium Ionic Expands Holdings in Emerging Brazilian Lithium Province and Reports Promising Drill Results

written by InvestorNews | March 22, 2023

When I first wrote about Lithium Ionic Corp. (TSXV: LTH | OTCQB: LTHCF) in early December, the focus of the story was on closeology (the main project was near Companhia Brasileira de Lítio's (CBL) Cachoeira lithium mine and Sigma Lithium Corporation (TSXV: SGML | NASDAQ: SGML) construction-stage Grota do Cirilo project) and an active drilling program. All those things are still true but the Company has added another key aspect to the business over the last few months – expanding its land holdings in the prolific Araçuaí Pegmatite District in Minas Gerais State, Brazil. In fact, last December this Canadian-based lithium-focused mining company boasted properties covering approximately 2,000 hectares. At least four transactions later, including one announced the day the last article was published, Lithium Ionic now has various working interests in over 14,000 hectares, a 600% increase.

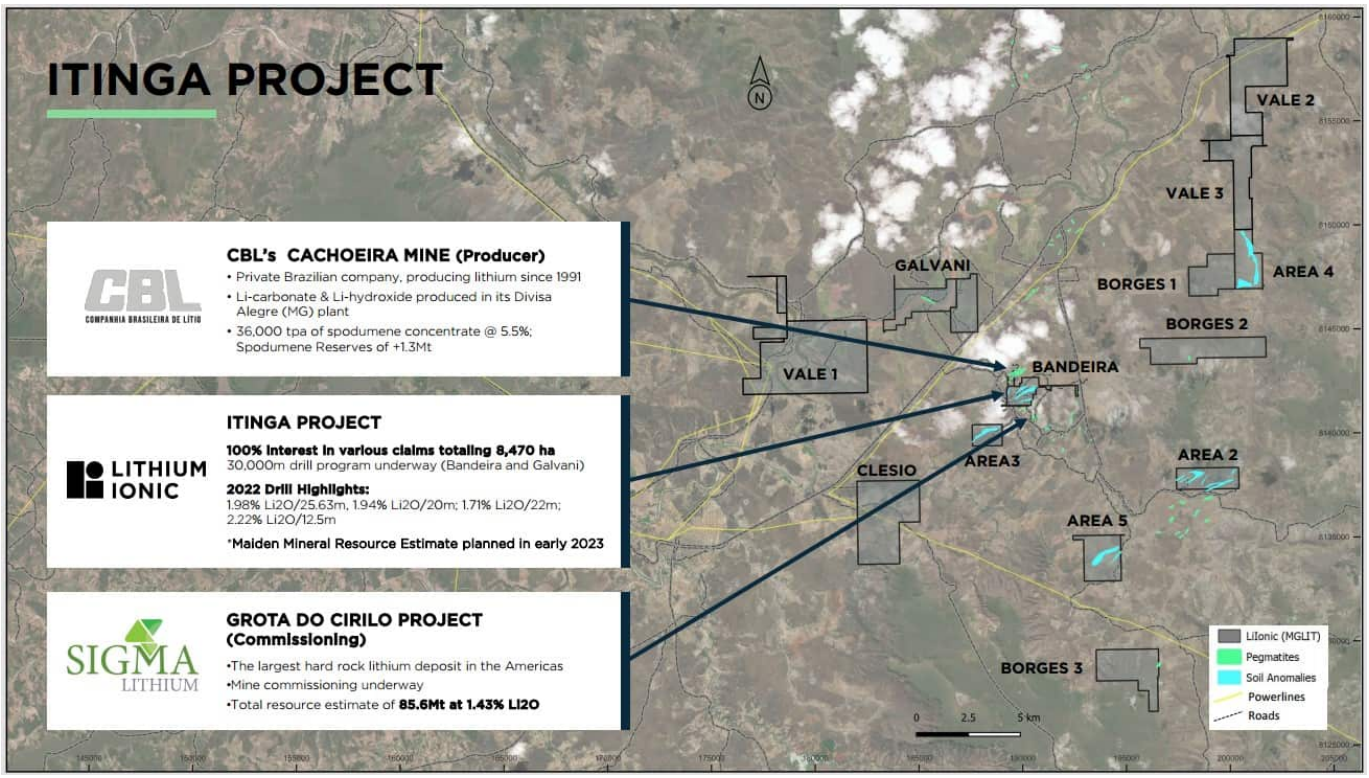
Brazil's Araçuaí Pegmatite District hosts 100% of Brazil's official lithium reserves

I will concede that simply adding a whole bunch of prospective mining claims is no guarantee of success but let's have a closer look at what the Company has picked up and the region as a whole to try and gain some perspective. The Araçuaí Pegmatite District (APD) is emerging as one of the largest lithium spodumene provinces in the world. This prolific Eastern Brazilian

Pegmatite Province is known for its large and high-grade hard-rock lithium deposits. It is also considered an under-explored region that presently hosts 100% of Brazil's official lithium reserves. The area is also well positioned, hosting excellent infrastructure including highways, access to hydroelectrical grid power, water, and nearby commercial ports. Lastly, Minas Gerais state is considered Brazil's most favorable mining jurisdiction with a highly efficient and expeditious permitting process.

That's all a great starting point, but in itself isn't enough to attract more than the most speculative of investors. Fortunately, there's a lot more meat on this bone. More specifically, Lithium Ionic's most active properties within its Itinga project – Bandeira and Galvani, which were the focus of last December's closeology article, are already in the heart of this emerging lithium jurisdiction. Bandeira is situated roughly 500 meters south of CBL's producing Cachoeira lithium mine (36,000 tpa of spodumene concentrate at 5.5% Li_2O), which has been producing lithium for over 30 years. Bandeira is also approximately 700 meters north of Sigma Lithium's Barreiro lithium deposit. Galvani is located approximately 2 km west of Sigma Lithium's large Xuxa lithium deposit and 3 km northwest of CBL's lithium mining operation.

Lithium Ionic's Itinga Project (Bandeira, Galvani, Area 2-5, Borges 1-3, Clesio, and Vale 1-3), and Other Company's Regional Projects (CBL and Sigma Lithium)



Source: Lithium Ionic [Corporate Presentation]

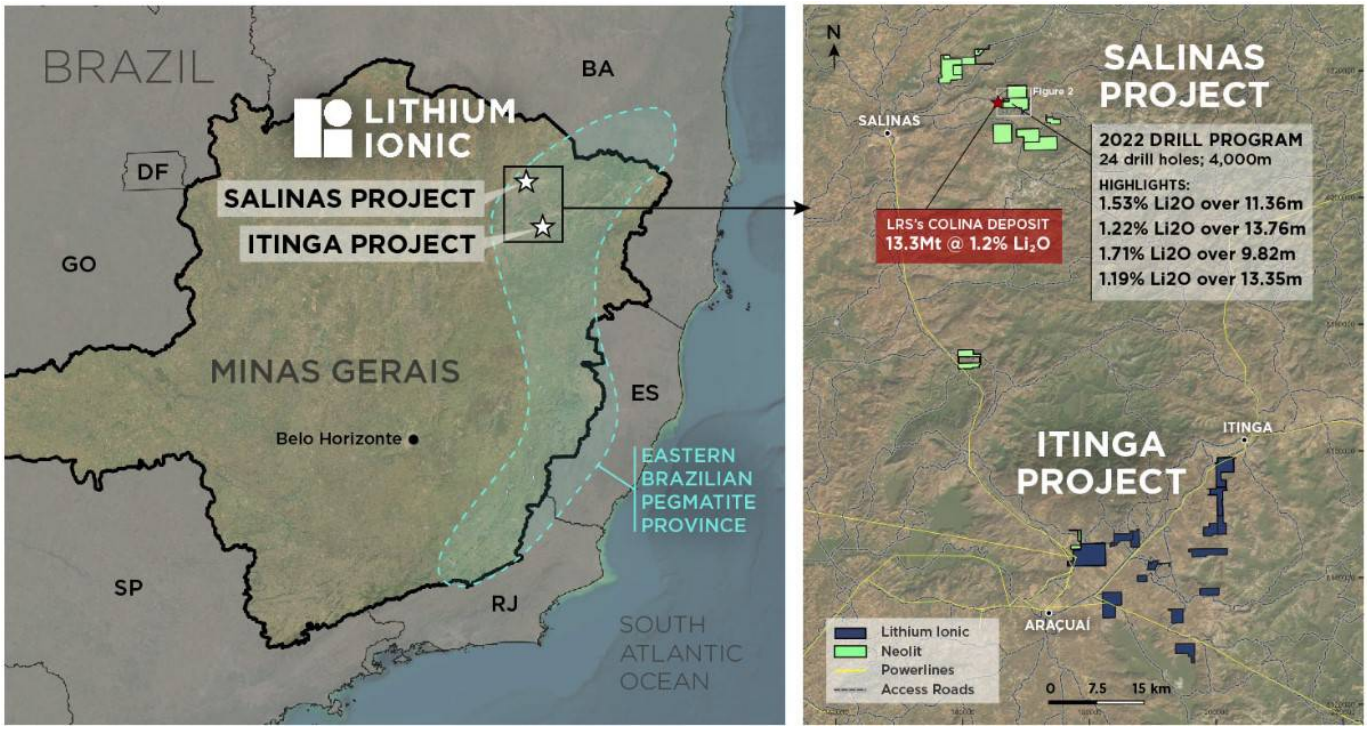
The picture above also shows most of the new acquisitions the Company has made since December including Borges, Clesio, and Vale and their proximity to existing known resources. However, the latest deal also has some closeology of its own and comes with its own drilling results. On March 13th, Lithium Ionic announced that it had acquired Neolit Minerals Participações Ltda., a Brazilian company that owns a 40% interest in the Salinas Project with the right to acquire up to an 85% ownership in the Project. The Salinas Project, located approximately 100 km north of Lithium Ionic's Itinga Project, includes nine exploration tenements totaling 5,713 hectares and is located directly adjacent to Latin Resources' Colina lithium deposit, which contains an estimated 13.3Mt @ 1.2% Li2O.

Neolit's 4,000-meter, 24-hole maiden drill program from August 2022 yielded the following highlights:

- 1.53% Li_2O over 11.36m from 43.84m (SLOE-D014)

- 1.22% Li_2O over 13.76m from 36.60m (SLOE-D015)
- 1.71% Li_2O over 9.82m from 97.70m (SLOE-D013)
- 1.19% Li_2O over 13.35m from 239.65m (SLOE-D018)

Lithium Ionic's Recently Acquired Salanis Project: ~100 km north of the Itinga Project



Source: Lithium Ionic March 13, 2023 Press Release

With Healthy Balance Sheet, Drill Results Continue to Flow

But let's not forget what typically gets investors in exploration companies excited – drill results. Late December Lithium Ionic reported drilling highlights of 1.71% Li_2O over 5.7m, 1.49% Li_2O over 6.7m, and 2.22% Li_2O over 3.7m, at its Bandeira Deposit.

Additional drill results from the Company's ongoing 30,000-meter drill program at Bandeira were press released on January 24th and

included:

- 1.69% Li_2O over 9.6m,
- 1.27% Li_2O over 10m, and
- 1.61% Li_2O over 4.7m.

And then literally as this article was about to be posted, the latest drill results from Bandeira came out, highlighted by:

- 1.43% Li_2O over 17.1m,
- 1.73% Li_2O over 13.6m, and
- 1.47% Li_2O over 15m.

This brings the total drilled to date to 20,000 meters and identifies the discovery of multiple thicker and higher-grade intercepts that have extended several well-mineralized pegmatite veins to over 400 metres down dip. These latest results represent the widest and strongest lithium intercepts encountered at Bandeira to date.

Upcoming Catalysts

There are plenty of catalysts going forward. Lithium Ionic entered 2023 with a strong balance sheet of approximately C$30 million. Exploration activities are planned to continue throughout the year, including intentions to initiate a 20,000-meter drill program at the newly acquired Salinas project in the coming months.

As well, the Company has mobilized a sixth drill rig with four rigs at Bandeira and two at Galvani as it works towards completing a maiden NI 43-101 compliant mineral resource estimate by the end of June, which will form the basis for a

feasibility study in the second half of the year.

And you can bet that the Company will likely continue to review prospective strategic acquisitions given how busy they've been over the last 4 months.

Lithium Ionic trades at a market cap of approximately C$250 million.