Lithium Ionic's Bandeira Project: A Game Changer in the World of Critical Minerals

written by Tracy Hughes | October 19, 2023

In a significant news this morning, Lithium Ionic Corp. (TSXV: LTH | OTCQX: LTHCF) has announced the results of its Preliminary Economic Assessment (PEA) and an updated Mineral Resource Estimate (MRE) for its Bandeira project. Located in the mineral-rich state of Minas Gerais, Brazil, this wholly-owned project stands poised to make a seismic impact in the world of critical minerals and rare earths.

The PEA Findings

The PEA, independently completed by GE21 Consultoria Mineral Ltda with support from SNC Lavalin, unveils Bandeira's promising potential. The project could be a massive producer of low-cost spodumene concentrate, ensuring its economic viability. Some key highlights include:

- A post-tax NPV8% of $1.6 billion
- An internal rate of return (IRR) of 121%
- A rapid payback period of just 14 months
- A 20-year mine life, with an average LOM annual production of 217,700t of spodumene concentrate at 5.5% Li2O equivalent

Expanded Mineral Resources

The updated MRE is no less significant. Bandeira's M&I resources now stand at 13.72Mt grading 1.40% Li2O, and the Inferred

resources amount to 15.79Mt at 1.34% Li2O. This growth was the result of extensive drilling, marking a 196% increase in the Indicated category from the last estimate.

Company Insights

Blake Hylands, the CEO of Lithium Ionic, commented on the PEA, stating, “We congratulate our team on advancing the Project to this stage in a short time span. Our aim remains clear: becoming the next major Brazilian lithium producer.” He believes that the PEA marks a significant step toward supplying top-quality spodumene concentrate to the global lithium and electric vehicle supply chains.

Hylands also highlighted the project’s environmental conscientiousness, adding, “Commencing with a highly attractive underground project will result in significantly less surface disturbance.”

On the other hand, Helio Diniz, the President of Lithium Ionic, emphasized the company’s drive, saying, “We believe that the best approach for all of our stakeholders is to develop a significant producing operation in the shortest possible time frame.”

Bandeira Project: An Overview

The Bandeira Project encompasses 175 hectares of Lithium Ionic’s vast 14,182 hectares land package. It’s situated between Araçuaí and Itinga in Brazil’s emerging “Lithium Valley”, hinting at its strategic importance.

The engineering design for the Bandeira project envisages dual underground mining operations. The primary orebodies, which make up about 90% of the deposit, will be extracted using the “sublevel stoping” method. In contrast, the secondary southeast

orebody will be mined using the “room-and-pillar” technique.

Next Steps

With the PEA out, Lithium Ionic is gearing up for the next phases of the Bandeira project. A Definitive Feasibility and Environmental Impact Assessment is anticipated by the end of 2023. The company remains optimistic about the future, hoping that the Bandeira project will set the gold standard for further expansions and serve as a catalyst for more discoveries.