

Brazil lithium projects on a huge bull run, who could be next?

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Over the past two years, Brazil has come from nowhere in the lithium space to now becoming a significant player. It all started with the tremendous success of Sigma Lithium Corporation (NASDAQ: SGML | TSXV: SGML), followed by Latin Resources Limited (ASX: LRS), and potentially next is [Lithium Ionic Corp.](#) (TSXV: LTH | OTCQB: LTHCF).

The chart below shows the incredible bull run of these companies with Brazil lithium projects led by Sigma Lithium, with the other two now giving chase.

A 2 year stock price comparison of the leading Brazil lithium project companies – Sigma Lithium (blue line) up 652%, Latin Resources (green line) up 438%, Lithium Ionic (red line) up 230%



Source: [Yahoo Finance](#)

Actually, if we dial back 5 years then Sigma Lithium has been one of the leading stocks globally with a stunning [2,343% return](#). That's equal to a 24.43x return. Wow!

Looking at the three above they currently have market caps of [C\\$5.13 billion](#) (Sigma Lithium), [A\\$713 million](#) (Latin Resources) and [C\\$261 million](#) (Lithium Ionic). The fourth key player in Brazil lithium is Atlas Lithium Corporation (NASDAQ: ATLX) with a market cap of [US\\$220 million](#).

Lithium Ionic Corp. (TSXV: LTH | OTCQB: LTHCF)

Lithium Ionic's focus is their Itinga and Salinas lithium projects spread over 14,182 hectares in the northeastern part of Minas Gerais, Brazil. This region of Brazil is a hot spot for lithium. The Itinga Project is very near (<4kms) to Sigma Lithium's Grota do Cirilo Mine and the Salinas Project sits adjacent to Latin Resources' Colina deposit ([45.2Mt @1.34% Li20](#)), currently the two largest lithium deposits in Brazil.

Lithium Ionic's Salinas Project and Itinga Project location map in a proven lithium region of Brazil



Source: [Lithium Ionic June 2023 Company presentation](#)

The Itinga Project

The Itinga Project is located between the towns of Araçuaí and Itinga within Brazil's "Lithium Valley". It is situated in the same region as CBL's Cachoeira lithium mine, which has produced lithium for 30+ years, and very near to Sigma Lithium's Grota do Cirilo Mine (deposit of [85.6Mt @ 1.44% Li20](#)), which hosts the largest hard-rock lithium deposit in the Americas and recently commenced production of lithium spodumene.

In some very positive news on June 27, 2023, Lithium Ionic [announced](#) their Maiden 43-101 compliant mineral Resource estimate at their Itinga Lithium Project (Bandeira and Outro Lado (Galvani) deposits). The Measured and Indicated ("M&I") Resource is 7.57 million tonnes ("Mt") grading 1.40% lithium oxide ("Li20") and the Inferred Resource is 11.86 Mt grading 1.44% Li20.

Lithium Ionic plans to drill a further 50,000m in H2, 2023 with a goal of further expanding the Resource. Lithium Ionic [state](#):

“The MRE includes the Bandeira and Outro Lado (Galvani) lithium deposits (see Figure 1), on properties which together cover only 872 hectares within its large land package of 14,182 hectares.”

Blake Hylands, P.Geo., Chief Executive Officer of Lithium Ionic, [commented](#):

“This initial mineral resource estimate marks the most important milestone to date for our Company, highlighting large scale and high-grade lithium deposits with significant future growth potential.....We are very excited to be undertaking one of the largest drill programs in the region with 13 drills now turning at several regional properties which have exhibited anomalies and exploration results.....We look forward to delivering resource updates later this year in parallel with the planned PEA in Q3 and Feasibility Study by year-end.”

That’s tremendously fast progress and one of the advantages of Brazilian projects.

Lithium Ionic company highlights



Source: [Lithium Ionic June 2023 Company presentation](#)

Closing remarks

Lithium Ionic (~19Mt resource) still has a much lower market cap than Latin Resources (~45Mt Resource) and Sigma Lithium (85Mt Resource and producing mine). This is due to the earlier stage of development and smaller resource. However given Lithium Ionic

has two projects, both practically adjacent to the above-mentioned huge resources, the exploration potential upside remains very significant.

Management appears to be moving extremely fast with 13 drills turning, a PEA due in Q3, 2023, a DFS in Q4, 2023, and permitting underway. An unbelievably fast timetable.

Very exciting times for the Company and Lithium Ionic investors. Stay tuned.