International Lithium and Ganfeng Lithium Approve $17M Budget for Mariana JV, Argentina

written by Raj Shah | January 8, 2018

January 8, 2018 (Source) – International Lithium Corp. (TSXV: ILC) (the "**Company**" or "**ILC**") is pleased to announce, together with joint venture partner Mariana Lithium Co. Ltd. (("MLC"), a subsidiary of Jiangxi Ganfeng Lithium Co. Ltd. ("Ganfeng Lithium")) the adoption of a 2018 budget for continued work at the Mariana lithium brine project ("Mariana JV") in Salta, Argentina, a joint venture between the two companies. Current ownership of the project is through a joint venture company, Litio Minera Argentina S. A., a private company registered in Argentina, ownership of which will be 82.754% by Ganfeng Lithium and 17.246% by ILC. In addition, ILC has an option to acquire 10% in the Mariana project through a back-in right.

Highlights of the US $17 million budget for 2018 include:

1. continued natural evaporation studies;
2. membrane separation studies;
3. aquifer characterization studies;
4. preliminary economic assessment ("PEA"); and
5. pre-feasibility studies ("PFS").

On December 27, 2017, ILC and MLC unanimously approved the budget for the 2018 calendar year for the Mariana JV. The budget calls for US $14,044,000 (US $17,343,517 including contingencies and administrative fees) to be invested in ongoing exploration

and evaluation work including continuing studies that will be used to formulate a basis for a PEA, which is expected to be completed in the first half of 2018. The results of the PEA will be used to determine the course of action for pre-feasibility studies expected to be conducted throughout the remainder of the year.

Membrane Separation Studies

An important component for ILC in the ensuing budget is the allocation of US $400,000 that will be applied to the continuation of membrane separation studies. In a news release dated September 5, 2017, the Company reported the results of a proof of concept study that utilized membrane technology to successfully liberate lithium from the raw brine without the need for pre-concentration or any other special treatment. The study showed that the resultant retentate from the membrane separation could be directly converted to hydrated lithium hydroxide making for a more refined end product at the mine site.

The proof of concept study was conducted utilizing (filtered) raw brine from the Salar de Llullaillaco, the location of the Mariana JV. Results from the study indicate that the selective recovery of lithium directly from raw (filtered) brine, with the simultaneous rejection of other cation and anion species, using a proprietary lithium selective separation process (the “technology”) is possible. Lithium was selectively recovered from the raw brine to produce lithium hydroxide (“LiOH”), an ingredient used directly in lithium battery manufacturing, as a final product.

Summary of Study Results:

- The use of the technology presents a possible alternative to the natural evaporation process currently proposed at

the Mariana JV.

- The technology could provide a process route to produce lithium hydroxide directly from the raw brine without the need to remove contaminants like magnesium by liming, as would be required in the natural evaporation process.
- Based on initial estimates, the technology can achieve higher recoveries than natural evaporation even with relatively low concentrations of lithium.*
- Use of the technology has the potential to enable a considerable increase in production rate compared to evaporative ponds. Lithium is directly removed from the brine and the (spent) brine can be returned to the basin with little effect on the water balance.*
- With further refining, the technology could also permit the recovery of potassium and other cations if desired.

* At present, the Mariana JV partners have not conducted any formal economic analyses on the project. Statements regarding comparisons of recoveries are based on initial bench scale tests for the natural evaporation process and for the selective membrane technology. Additional testing and scaling up of the process is required before any definitive statements regarding recoveries can be made, and projected capital and operating costs can be effectively modeled and compared. The information provided herein is to provide a minimum level of confidence that the selective membrane method presents a possible alternative to the natural evaporation method of lithium extraction from the brine and further study is warranted based on these results. The "Study" is not a preliminary economic assessment, preliminary feasibility study or feasibility study. Any economic analysis would have to be supported by a preliminary economic assessment, preliminary feasibility study or feasibility study. The reader is cautioned that the Mariana project is still at an exploration stage and there is no guarantee that an economic mining scenario will result and no mineral reserves have yet to be defined as

per the standards of disclosure defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

Ganfeng Lithium have agreed to investigate this membrane process and through its majority interest in the project, have indicated that they will carry out the next stage of membrane tests at their facilities in China. ILC is confident that the membrane process will be a key technological advent to create additional value for the Mariana JV, as the original plan to use natural evaporation to create a brine concentrate for export is expected to require further time and resources to achieve definitive test results that will be necessary for the anticipated upcoming preliminary feasibility studies.

Ongoing Activities

Crews are currently on site and preparing for the continuation of activities such as exploratory geophysics for freshwater resources and high-volume, long-term pumping tests to quantify the aquifer's specific yield capacity.

"We welcome very positive developments at the Mariana JV with our partner Ganfeng Lithium," commented Kirill Klip, Executive Chairman of ILC. "This comprehensive budget for 2018 is expected to bring the Mariana JV to important valuation milestones for the Company; preliminary economic assessment and pre-feasibility studies. We are looking forward to the confirmation that membrane technology provided by Ganfeng Lithium will allow our joint venture operation to produce lithium hydroxide in Argentina."

Afzaal Pirzada, P.Geo., a "Qualified Person" for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects, has reviewed and approved the scientific and technical information contained in this news release.

About International Lithium Corp.

International Lithium Corp. has a significant portfolio of projects, strong management, robust financial support, and a strategic partner and keystone investor, Jiangxi Ganfeng Lithium Co. Ltd., (“Ganfeng Lithium”) a leading China-based lithium product manufacturer.

The Company’s primary focus is the strategic stake in the Mariana lithium-potash brine project located within the renowned South American “Lithium Belt” that is the host to the vast majority of global lithium resources, reserves and production. The Mariana project strategically encompasses an entire mineral rich evaporite basin, totaling 160 square kilometres that ranks as one of the more prospective salars or ‘salt lakes’ in the region. Current ownership of the project is through a joint venture company, Litio Minera Argentina S. A., a private company registered in Argentina, ownership of which will be revised to 82.754% by Ganfeng Lithium and 17.246% by ILC in early 2018. In addition, ILC has an option to acquire 10% in the Mariana project through a back-in right.

Complementing the Company’s lithium brine project are three rare metals pegmatite properties in Canada known as the Mavis, Raleigh, and Forgan projects, and the Avalonia project in Ireland, which encompasses an extensive 50km-long pegmatite belt. The Avalonia project is under option to strategic partner Ganfeng Lithium that currently owns 55% of the project. The Mavis and Raleigh projects are under option to strategic partner Pioneer Resources Limited pursuant to which Pioneer can acquire up to a 51% interest in the projects.

The Mavis, Raleigh and Forgan projects together form the basis of the Company’s Upper Canada Lithium Pool designated to focus on acquiring numerous prospects with previously reported high

concentrations of lithium in close proximity to existing infrastructure.

With the increasing demand for high tech rechargeable batteries used in vehicle propulsion technologies and portable electronics, lithium is paramount to tomorrow's "green-tech", sustainable economy. By positioning itself with solid strategic partners and acquiring high quality assets for the Energy rEVolution supply chain, ILC aims to be the partner of choice for investors in green-tech and to continue to build value for its shareholders.

On behalf of the Board of Directors,

Kirill Klip
Executive Chairman

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Cautionary Statement Regarding Forward-Looking Information

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information or forward-looking statements in this news release include: the timing and anticipated results of environmental impact studies and pump tests, timing of preliminary economic studies on the Mariana project, the expectation of feasibility studies, lithium recoveries, modeling of capital and operating costs, results of studies utilizing membrane technology, and continued agreement between the Company and

Jiangxi Ganfeng Lithium Co. Ltd. regarding the Company's percentage interest in the Mariana project. Such forward-looking information is based on a number of assumptions and subject to a variety of risks and uncertainties, including but not limited to those discussed in the sections entitled "Risks" and "Forward-Looking Statements" in the interim and annual Management's Discussion and Analysis which are available at www.sedar.com. While management believes that the assumptions made are reasonable, there can be no assurance that forward-looking statements will prove to be accurate. Should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Forward-looking information herein, and all subsequent written and oral forward-looking information are based on expectations, estimates and opinions of management on the dates they are made that, while considered reasonable by the Company as of the time of such statements, are subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect and are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.