

International Lithium Announces Convertible Debenture Private Placement

written by Raj Shah | March 30, 2018

☒ March 29, 2018 ([Source](#)) – International Lithium Corp. (TSXV: ILC) (the “**Company**” or “**ILC**”) announces, further to its news release of March 23, 2018, that it will conduct a non-brokered private placement (the “Private Placement”) of a secured convertible debenture (the “Debenture”) in the principal amount of up to \$1,180,000 with John Wisbey, Chairman, CEO and a significant shareholder of the Company. The Debenture will mature on June 19, 2019 and bear interest at a rate of 15% per annum, payable quarterly. The lender may convert at any time, all or a portion of the convertible loan principal into common shares of the Company at a price of \$0.085 per common share, being the closing trading price of ILC shares on March 28, 2018. Should Debenture conversion take place more than one year after closing, the conversion price will be \$0.10 per common share.

Proceeds of the Private Placement will be used for:

- Payment of creditors and other working capital needs.
- To fund the Company’s portion of operating expenses on the Mariana lithium project joint venture, of which the Company’s share remains at 17.246%.
- Repayment of up to \$400,000 of convertible debentures that are due in April 2018.

The Debenture will be secured by a general security agreement against the Company’s assets.

Mr. Wisbey currently owns or controls 2,261,000 common shares of

the Company, representing 2.39% of the outstanding shares, and securities convertible or exercisable into 6,255,943 common shares. If all these securities were converted or exercised (and if no others of the same class were converted or exercised) this would represent 8.45% on a diluted basis. Should the \$1,180,000 Debenture and all other securities be converted, Mr. Wisbey would own 22,399,296 shares, representing 19.52% on a diluted basis, calculated on the basis of no other securities of the same class being converted. If the new convertible debenture were converted in full, Mr. Wisbey would become the largest shareholder of the Company.

John Wisbey commented, "This private placement will allow us to be current with all our existing payables, including cash calls on the Mariana project, and still have sufficient contingency. We now need to address staying ahead of the Company's cash requirements for the future, and I am hoping that some of our existing shareholders, as well as some new shareholders, will support us in the next round of financing. I believe strongly in the Company and the underlying value of Mariana and our other projects, which is why I have been willing to invest a lot of my own money in the Company at a time that it needs it. We have finished a challenging quarter, but now we need to ensure that the next quarter keeps us in the same or a better financial position than after this financing, so that we can again concentrate on value creation for our shareholders."

All securities issued pursuant to the Private Placement will be subject to a statutory hold period expiring four months and one day from closing. Completion of the Private Placement is subject to a number of conditions, including, without limitation, approval of the TSX Venture Exchange.

The proposed issuance of Private Placement securities to a non-arms' length party constitutes a "related party transaction"

within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Because the Company’s shares trade only on the TSX Venture Exchange, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101. This news release is being filed less than 21 days before the expected closing of the Private Placement because the Company wishes to complete the Private Placement in a timely manner.

About International Lithium Corp.

International Lithium Corp. has a significant portfolio of projects, strong management, 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 shortly to 82.754% by Ganfeng Lithium and 17.246% by ILC in order to reflect each party’s current JV interest. 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 ownership of the Avalonia project is currently 55% GFL and 45% ILC. GFL have an option to earn an additional 24% by either incurring CDN\$10 million expenditures on exploration activities or delivering a positive feasibility study on the project, at which time the ownership will be 79% GFL and 21% ILC.

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,

John Wisbey
Chairman and CEO

www.internationallithium.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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: continued agreement between the Company and Jiangxi Ganfeng Lithium Co. Ltd. regarding the Company's percentage interest in the Mariana project, the success of raising funds for the Company to continue to operate, and the Company's ability to maintain its ownership interest in its assets. 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.

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