

# International Lithium Provides Corporate Update

written by Raj Shah | March 23, 2018

✖ March 23, 2018 ([Source](#)) – International Lithium Corp. (TSXV: ILC) (the “**Company**” or “**ILC**”) announces: Following the announcement on March 16, 2018 that John Wisbey has replaced Kirill Klip as Chairman and Chief Executive Officer of the Company, the Board of ILC is pleased to confirm a few more details.

The Company, as a junior exploration company, has mineral exploration assets it considers valuable and worthy of further exploration, but until one or more projects come to fruition, the Company has no revenue. Accordingly raising funds is, and always has been, key to the Company’s ability to progress its projects. It was previously announced on January 8, 2018, that the Mariana lithium project in Argentina, being developed in conjunction with Jiangxi Ganfeng Lithium Co. Ltd., had set a US\$17 million development budget in 2018. With its 17.246% share in Mariana, the Company has a funding need for that project of its pro rata 17.246% share of US\$17 million. In addition, the Company has to fund its operating expenses. In total, the Company needs to raise around CAN \$5 million of finance in 2018 to meet its commitments to fund Mariana, Avalonia and pay staff and suppliers.

Before the recent management changes, the Company did not raise funds quickly enough or in sufficient quantity to stay ahead of the Company’s cash needs. The new management needs to address the level of risk that the Company has consequently been placed in, including meeting the need to pay staff and suppliers as well as meet the cash calls on Mariana and other projects.

Because the private placement of March 6, 2018 raised only CAN \$450,000 out of the intended CAN \$1 million, this caused the Company liquidity issues, affecting its ability to meet commitments when due. Had a cash call not been met by March 23, 2018, the Company's share in Mariana would have reduced from 17.246% to 16.263% or less, and had a subsequent call not been met, the shareholding would have reduced further to around 14.6%. This week the Company has drawn down around CAN \$200,000 of short term financing from John Wisbey out of a total being made available by John Wisbey of CAN \$1,180,000. The funds were used to pay and cure a Mariana cash call that was in default, pay an accounting fee to allow completion of the year-end financial statements so that they can be filed on time, and to pay certain other overdue creditors. On completion of documentation and satisfactory conditions precedent being met, including TSX Venture Exchange ("TSXV") approval, it is anticipated that the Company will be able to draw the rest of this amount. Full details will be published when the financing is completed.

The proposed issuance of private placement securities to a non-arm's length party constitutes a related-party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Because the Company's shares trade only on the TSXV, 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.

Lastly, we wish to comment on some of the recent social media commentary around ILC. We are concerned there is a danger that some of the statements made on social media about the potential sale of the Company cheaply, but in no way approved by the ILC Board, may be viewed as reflecting Company policy, the more so

since some of those posting social media comments can easily be associated with former management of the Company. They do not reflect Company policy. John Wisbey, Chairman and CEO, comments as follows on behalf of the Board:

“Any company is always for sale at the right price, and it is part of the job of every CEO or Chairman to forge links with companies that could potentially be future buyers of the company or buyers of some of its key assets, or indeed companies which the company might see as merger or acquisition targets. I and my senior team will certainly be doing this. However, the Company is not at the present time in any current discussions with any party, for the sale of the Company as a whole or of its main Mariana asset. We have no intention of letting the Company be sold too cheaply to anyone, and the key is to make the Company financially strong again so that selling assets too cheaply let alone selling the whole company too cheaply, becomes an issue that the board does not need to give serious consideration to. My main focus and that of the Chief Financial Officer, Maurice Brooks, will be, firstly stabilizing the Company’s financial position and then restoring the financial position to the point where we are ahead of rather than behind the funding curve. In parallel with that, the team and I will give more emphasis to looking at possible additional projects to provide further opportunities for the Company.”

### **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](http://www.internationallithium.com)

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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: 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](http://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.