

International Lithium Corp. to Dispose of Its Stake in Mariana to Ganfeng for CAD\$ 16.8m

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Vancouver, September 21, 2021 - The board of [International Lithium Corp.](#) (TSXV: ILC) (the "Company" or "ILC") is pleased to announce that it has agreed to the sale of its remaining 8.58% stake in Litio Miñera Argentina S.A. "LMA", the company owning the Mariana lithium salar project in Argentina, and also to sell its other rights in the project, including the right to acquire a further 10% in the Mariana project. The legal entity acquiring is Ganfeng Lithium Netherlands Co., B.V., a subsidiary of the Company's partner Ganfeng Lithium Co. Ltd, and it will purchase the interest for about USD 13.16m (approximately CAD\$ 16.8m) payable in cash. Immediately following the sale, ILC will repay to another Ganfeng subsidiary GFL International Co., Ltd an exploration loan taken by the Company from GFL in 2014 of USD 2.0m, plus accrued interest at 10% p.a. After repaying the exploration loan plus interest, ILC will be left with USD 10m (approximately CAD\$ 12.8m) from the transaction.

Background

The Company announced recently in a Chairman's Statement included within the July 8, 2021 news release that the board, after a strategic review of the options, had decided to seek to sell its remaining stake in Mariana. Foremost in this decision was the awareness that Ganfeng intended to invest USD 575m in the Mariana project over the next three or so years, and the strong feeling that even if financing the Company's share of this was feasible, the resulting dilution to existing shareholders on other projects would have been so significant as to undermine the investment case. Moreover, had the Company at any stage not been able to or decided not to raise sufficient funds and had the Company's stake in LMA/Mariana fallen below 5%, the Company's stake in LMA would, under a 2014 agreement between the Company and Ganfeng, have been substituted with a 1% net smelter royalty which would not have started to pay until 2025 or later.

Good progress was made on discussions with some substantial companies who had an interest in acquiring the Company's stake and also the financial ability to make the further investment needed, but in the end the board of the Company decided to progress its discussions with Ganfeng. Clearly as the 91.4% owner already, Ganfeng was the most logical buyer provided that the price was right.

Additional term for Blackstairs/Avalonia project

The Company also has a joint venture with Ganfeng in Ireland (the Avalonia project), and this is governed by another 2014 agreement between the Company and Ganfeng. In that agreement Ganfeng may increase its shareholding in Blackstairs from 55% to 79% if it spends CAD\$ 10m on exploration before September 2022. As part of the consideration for the Mariana deal, the Company has agreed to extend the deadline for that exploration spend on Avalonia by Ganfeng by two years to September 2024.

Use of sale proceeds

The Company plans to use part of the USD 10m net sale proceeds from Mariana, as well as part of the proceeds from the recent CAD\$ 1m private placement, to finance the next stages of exploration of the Raleigh Lake lithium and rubidium project in Ontario, Canada. At the same time the Company will also look for additional exploration opportunities.

Repayment of debt

In addition to exploration expenditure, the Company plans to repay most of its existing debt following this transaction for Mariana. This will be as follows, for a total annual interest saving of around CAD\$ 480,000:

1. As mentioned above around USD 3.16m of principal and interest on the Exploration Loan will be repaid to GFL International.
2. John Wisbey, Chairman and CEO, and his pension fund, are today exercising for CAD\$ 600,000, warrants to purchase 12,000,000 shares in the Company issued in conjunction with the Company's loan notes (which replaced previous convertible debentures). The Company is simultaneously repaying CAD\$ 600,000 principal amount of loan notes to John Wisbey and his pension fund.
3. The remaining CAD\$ 560,000 of 2022 loan notes will be prepaid, as is required contractually.
4. The convertible debentures maturing September 30, 2021, all owned by non-insiders and with remaining outstanding principal of CAD\$ 530,000, will also be repaid if they are not converted prior to maturity.

Following the exercise of warrants mentioned in (ii), the number of ILC shares in issue will be 223,280,443. Up to a further 10,600,000 shares may be issued depending on how many convertible debenture holders convert the convertible debentures on or before September 30, 2021. There will be remaining debt in the form of loan notes totalling CAD\$ 1,857,750 due September 30, 2023, and it has not yet been decided whether or if so when to prepay these even though the Company will have a significant net cash position and will be able to do so.

Regulatory Approval

The Mariana transaction counts as a "Reviewable Disposition" under TSXV policies and is subject to TSXV approval and shareholder approval by a majority of the shares entitled to vote on the transaction. The board is confident of being able to procure that shareholder majority within a short period of time. All the directors of the Company and the Company's three largest non-board shareholders excluding Ganfeng have today given their approval to the transaction.

John Wisbey, Chairman and CEO of the Company, commented as follows:

"We are certainly pleased with the price of CAD\$ 16.8m equivalent achieved for our share in the Mariana asset, and above all for the potential this gives us for funding our other strategic projects including our lithium and rubidium project at our 100% owned Raleigh Lake project near Ignace, Ontario. We had maiden drilling results at Raleigh Lake earlier this year with very promising results, especially the levels of rubidium oxide, and we have recently significantly expanded our claims there to 170 square kilometres, reflecting our belief in the potential of that project. We will also be looking at other projects. The annual interest saving of CAD 480,000 is also useful. It has been my goal since becoming CEO of ILC in 2018 to create a company which not only has a clear commercial vision, but which is sufficiently well funded to be able to realise that vision. This transaction puts ILC in the strongest financial position it has been in since its formation, and it is our hope that this is a key milestone for building a very exciting company in the next few years. It is not every day that companies sell a single asset for 80% of their market capitalisation and, given the dynamics of the capital investment required at Mariana and the workings of our joint venture agreement with Ganfeng, the board and I consider the transaction to be very much in the interests of ILC's shareholders."

About International [Lithium Corp.](#)

[International Lithium Corp.](#) believes that the '20s will be the decade of battery metals, at a time that the world faces a significant turning point in the energy market's dependence on oil and gas and in the governmental and public view of climate change. Our key mission in the new decade is to make money for our shareholders from lithium and battery metals while at the same time helping to create a greener, cleaner planet. This includes optimizing the value of our existing projects in Canada and Ireland as well as finding, exploring and developing projects that have the potential to become world class lithium and rare metal deposits. In addition, we have seen the clear and growing wish by the USA and Canada to safeguard their supplies of critical battery metals, and our Canadian Raleigh Lake property is strategic in that respect.

A key goal has been to become a well funded company to turn our aspirations into reality, and following the disposal of the Mariana project in Argentina in 2021, which is the subject of this announcement, we believe we are well placed in that respect.

[International Lithium Corp.](#) has a significant portfolio of projects, strong management, and strong partners.

Partners include Ganfeng Lithium Co. Ltd., ("Ganfeng Lithium") a leading China-based lithium product manufacturer quoted on the Shenzhen and Hong Kong stock exchanges (A share code: 002460, H share code: 1772) and [Essential Metals Ltd.](#), quoted on the Australian Stock Exchange.

The Company's primary strategic focus is now on the Raleigh Lake lithium and rubidium project in Canada and on identifying additional properties.

The Raleigh Lake project now consists of over 17,000 hectares (170 square kilometres) of adjoining mineral claims in Ontario, and is regarded by ILC management as ILC's most significant project in Canada. The exploration there so far, which is on only about 5% of ILC's current claims, has shown significant quantities of rubidium and caesium in the pegmatite as well as lithium. Raleigh Lake is 100% owned by ILC, is not subject to any encumbrances, and is royalty free.

Complementing the Company's rare metal pegmatite property at Raleigh Lake, are interests in two other rare metal pegmatite properties in Ontario, Canada known as the Mavis Lake and Forgan Lake projects, and the Avalonia project in Ireland, which encompasses an extensive 50-km-long pegmatite belt.

The ownership of the Mavis Lake project is now 51% [Essential Metals Ltd.](#) ("ESS") and 49% ILC. In addition, ILC owns a 1.5% NSR on Mavis Lake. ESS has an option to earn an additional 29% by sole-funding a further CAD \$8.5 million expenditures of exploration activities, at which time the ownership will be 80% ESS and 20% ILC.

The Forgan Lake project will, upon [Ultra Resources Inc.](#) meeting its contractual requirements pursuant to its agreement with ILC, become 100% owned by Ultra Resources, and ILC will retain a 1.5% NSR on Forgan Lake.

The ownership of the Avalonia project is currently 55% Ganfeng Lithium and 45% ILC. Ganfeng Lithium has an option to earn an additional 24% by either incurring CAD \$ 10 million expenditures on exploration activities by September 2024 or delivering a positive feasibility study on the project, at which time the ownership will be 79% Ganfeng Lithium and 21% ILC.

With the increasing demand for high tech rechargeable batteries used in electric vehicles and electrical storage as well as portable electronics, lithium has been designated "the new oil", and is a key part of a "green tech" sustainable economy. By positioning itself with projects with significant resource potential and with solid strategic partners, ILC aims to be one of the lithium and rare metals resource developers of choice for investors and to continue to build value for its shareholders in the '20s, the decade of battery metals.

On behalf of the Company,

John Wisbey
Chairman and CEO
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Except for statements of historical fact, this news release or other releases contain certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information or forward-looking statements in this or other news releases may include: the effect of results of the feasibility study of the Mariana Joint Venture Project, timing of publication of the technical reports, possible sale of the Company's interest in the Project, anticipated production rates, the timing and/or anticipated results of drilling on the

Raleigh Lake or Mavis Lake projects, the expectation of resource estimates, preliminary economic assessments, feasibility studies, lithium or rubidium or caesium recoveries, modeling of capital and operating costs, results of studies utilizing various technologies at the company's projects, budgeted expenditures and planned exploration work on the Avalonia Joint Venture, satisfactory completion of the sale of mineral rights at Forgan Lake, increased value of shareholder investments, and continued agreement between the Company and Ganfeng Lithium Co. Ltd. regarding the Company's percentage interest in the Mariana project and assumptions about ethical behaviour by our joint venture partners where we have them. 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, legislative, 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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