

# International Lithium's Strategic Partner, Ganfeng Lithium, Takes Large Stake in Mariana and a \$10 million Option on the Blackstairs Projects

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Vancouver, B.C. / TNW-ACCESSWIRE / March - 2014 / [International Lithium Corp.](#) (the "Company" or "ILC") (TSX VENTURE:[ILC.V](#)) announces several major transactions with strategic partner GFL International Co., Ltd. ("Ganfeng Lithium" or "GFL").

ILC and strategic partner Ganfeng Lithium have finalized two separate agreements. The parties have finalized their joint venture agreement for operation of the Blackstairs lithium pegmatite project in Ireland and have entered into a loan conversion and investment agreement on the Mariana lithium brine project in Argentina in exchange for work commitments and the cancellation of approximately US\$3.3 million in loans plus interest indebted to GFL. The aggregate work commitments on both projects is approximately \$20 million.

The resultant ownership of the Blackstairs project will be 51% GFL and 49% ILC until the CAN\$10 million expenditures are reached or a positive feasibility study is produced for the project at which time the ownership will be 75% GFL and 25% ILC.

The resultant ownership of the Mariana project if all conditions are met will be 80% GFL and 20% ILC. ILC is granted a back in right to acquire an additional 10% in the project following the completion of a Feasibility Study (as described in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) that demonstrates the feasibility of placing the Mariana Property or part thereof into commercial production. Additionally, GFL will grant ILC a loan for up to \$2 million to carry ILC's participating interest in the project, which if fully executed will amount to a total of US\$10 million being expended on the project. The loan (and any accrued interest) is repayable from ILC's proportionate share of the proceeds from the joint venture.

## Blackstairs Lithium Project, Ireland - Joint Venture

Further to the Company's press releases dated October 2, 2012 and November 14, 2012, announcing the original option terms, GFL have approved and finalized a joint venture agreement on the Blackstairs Lithium project in Ireland. GFL exercised their option to acquire 51% of the Blackstairs project (press release October 1, 2013) and subsequently, according to the option agreement have now entered into a joint venture with the Company with the possibility to acquire an additional 24% in the project by spending CAN\$10,000,000 within 10 years or producing a positive feasibility study. According to the terms of the joint venture agreement, ILC has formed an Irish subsidiary company, Blackstairs Lithium Ltd. ("BLL"), where 51% of the shares will be held by GFL. BLL will act as the joint venture company and carry out any and all activities required to advance the project. ILC will initially be the manager of the project and will receive a management fee of up to 10% of the exploration expenditures. The companies are currently working out the budget for the first phase of exploration at Blackstairs.

## Loan Conversion and Investment Agreement for Mariana Property, Argentina

Further to the Company's press releases dated November 28, 2012, April 30, May 10 and June 5, 2013 announcing the original loan arrangements and amendments, ILC and GFL have negotiated a Loan Conversion and Investment Agreement, subject to TSX Venture Exchange approval, involving the Mariana lithium brine project in Argentina. The agreement settles repayment provisions of the loans

**described in the above press releases and grants GFL an additional interest in the Mariana project for cash.**

#### **Notice of Conversion of Loans for Mariana Property Interest**

**In a loan agreement dated May 3, 2013 and amended July 18, 2013 GFL loaned ILC a principal amount of US\$2,289,000 to be issued in two installments for the purposes of completing the property payments to the underlying vendors of the Mariana project. These loans were convertible into a total 51% interest in the Mariana project.**

**On March 17, 2014 under the terms of the May 3, 2013 loan agreement, GFL gave notice to ILC that it is converting the first advance of the loan (\$1,199,000) into a 26% interest in the Mariana project. As a result of the conversion all repayment obligations of ILC to GFL in respect of the first advance and related interest are extinguished.**

In accordance with the loan agreement, GFL will make the second advance (\$1,090,000) to ILC on or before May 1, 2014. Upon receipt by ILC, the second advance will convert automatically into a 25% interest in the Mariana property. As a result of the deemed conversion, the repayment obligations of ILC to GFL in respect of the second advance and related interest are cancelled.

#### **Additional Mariana Interest granted on conversion of Non-Equity Convertible loan**

**In a loan agreement dated November 16, 2012 (press release November 28, 2012) and amended July 18, 2013, GFL loaned ILC a principal amount of CAN\$2,000,000, of which CAN\$1,000,000 is convertible into shares of the Company at a price of \$0.10 per share. GFL and ILC agree that the Non-Equity Convertible Loan and any outstanding accrued and unpaid interest from January 1, 2014 owing from ILC to GFL under the November 16, 2012 loan agreement will be converted by GFL into a 19% interest in ILC's rights in the Mariana Property. GFL agrees and confirms that as a result of the conversion, the repayment obligations of ILC to GFL in respect of the Non-Equity Convertible Loan are extinguished, and ILC agrees that GFL has earned an additional 19% Interest in ILC's rights in the Mariana Property.**

GFL and ILC agreed to extend the due date of the Convertible Loan to December 19, 2015.

#### **Additional Interest for Cash**

**Under the terms of the Loan Conversion and Investment Agreement ILC grants to GFL the sole and exclusive right and option to earn an additional 10% interest in ILC's rights in the Mariana Property by paying ILC US\$450,000 within 15 days of GFL receiving shareholder approval of the transaction.**

#### **Joint Venture for the Mariana Property**

**Upon performance by GFL of the obligations above, GFL and ILC will enter into a joint venture for operation of the Mariana Property with GFL having an 80% participating interest and ILC having a 20% participating interest.**

If required, GFL will make available to ILC a loan of up to US\$2,000,000 to cover a portion of, or the entirety of, ILC's required contribution to the joint venture. The loan will carry 10% annual interest. ILC may repay the loan and accrued interest from ILC's proportionate share of the proceeds of the joint venture or the NSR, if such are payable to ILC at the relevant time. ILC will not receive proceeds or the NSR until the loan and accrued interest are repaid to GFL.

#### **Back-In Right**

At any time and up until 120 days from the completion of a Feasibility Study (as described in National

Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") as may cross-reference to the standards of the Canadian Institute of Mining, Metallurgy and Petroleum) that demonstrates the feasibility of placing the Mariana Property or part thereof into commercial production, ILC will have the right to elect to "buy back" a 10% Participating Interest in the Mariana Property (the "Back-in Right") by giving written notice to GFL of the exercise of the Back-in Right.

**If ILC exercises the Back-in Right, ILC must pay to GFL 10% of the total exploration costs incurred by GFL from the date of the Loan Conversion and Investment Agreement to the time of ILC's election to exercise the Back-in Right. In addition to the payment of this fee, ILC must also pay to GFL interest on the fee at a rate of 10% per annum calculated annually on a straight-line basis and calculated for each budget year accordingly. The fee, along with the interest amount, must be paid by ILC to GFL within 15 days of ILC's delivery of written notice to GFL that it is exercising the Back-in Right.**

Mr. Kirill Klip, President, [International Lithium Corp.](#) comments, "We are very pleased to complete the negotiation of these agreements with our strategic partner Ganfeng Lithium, a leading Lithium materials producer. ILC has now secured a means to advance these projects without the need for dilutive equity financings at depressed share prices.

We can now look forward to finalizing the budget details for the Blackstairs project and begin the next phase of exploration work (up to \$10 million) immediately following the transfer of 51% of the shares of Blackstairs Lithium Ltd., the joint venture company registered in Ireland to advance the project.

The corporate transactions with Ganfeng Lithium regarding the various loans and new investment into the Mariana project allows us to strengthen our balance sheet, dramatically reduce our debt and move forward with the development of the Mariana project. The exploration loan provisions with Ganfeng Lithium will finance our portion of the exploration budget to the point where \$10 million will be invested in the project with no further dilution of ILC's interest and more importantly, no dilution to ILC's shareholders. The back-in right will provide additional benefits to our shareholders, as it is a lowered risk investment into the project deferred until a production decision is made for the project.

I would like to thank Ganfeng Lithium for their patience and fortitude in working with our team to finalize these deals. We have learned a lot from this experience and believe that our relationship will continue to get stronger as we jointly advance these projects."

#### [TNR Gold Corp.](#) Grants Short Term Loan to ILC

To facilitate the transactions between ILC and GFL, [TNR Gold Corp.](#) ("TNR")(TSX VENTURE:TNR.V) which holds approximately 25% of the shares of ILC, has agreed to provide a short term loan in the amount of CAN\$200,000 to ILC. The loan bears interest of 20% per annum and is due September 30, 2014.

#### Advance Notice Provisions

At its recent AGM, ILC's shareholders approved new articles, which included Advance Notice provisions for the election of directors at future shareholder meetings. The operation of the Advance Notice provisions is summarized in ILC's information circular for the AGM and the new articles are filed on ILC's SEDAR profile at [www.sedar.com](http://www.sedar.com). All shareholders are encouraged to review the new articles in their entirety.

#### About International Lithium Corp.

[International Lithium Corp.](#) is an exploration company with an outstanding portfolio of projects, strong management ownership, robust financial support and a strategic partner and keystone investor Ganfeng Lithium Co. Ltd., a leading China based lithium product manufacturer.

**The Company's primary focus is the Mariana lithium-potash brine project, within the renowned South American "Lithium Belt" that is the host to the vast majority of global lithium resources, reserves and production. The 160 square kilometre Mariana project strategically encompasses an entire mineral rich evaporate basin that ranks as one of the more prospective salars or 'salt lakes' in the region.**

**Complementing the Company's lithium brine project are rare metals pegmatite properties in Canada and Ireland. These projects reported highly encouraging lithium mineralization in drill holes targeting pegmatites that are unexposed at surface (news releases dated April 3, 2013 and June 25, 2013).**

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" economy. By positioning itself with solid development partners and acquiring high quality grass roots projects at an early stage of exploration, ILC aims to be the green tech resource explorer of choice for investors and build value for its shareholders.

**On behalf of the Board of Directors,**

**Kirill Klip**

**President, International Lithium Corp.**

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