



New lithium junior gets ready to explore

By: Salma Tarikh
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Newly listed **International Lithium Corp.** (ILC-V) spent two years cherry picking projects, securing a strategic partner and fulfilling a plan of arrangement in May, and now is ready to get the drills turning on its lithium and rare metal properties.

“Our near-term plan is fairly simple, it is to get exploring,” says International Lithium president Mike Sieb. “We have prime assets that are just crying for advancement and delineation.”

Formed in 2009 as a wholly owned subsidiary of **TNR Gold Corp.** (TNR-V) and recently spun-out as an independent publicly listed company on May 19, 2011, the junior’s portfolio contains four lithium brine projects in Nevada and Argentina, and five rare metal properties in Ontario, Northwest Territories and Ireland.

Sieb recalls it was only two and a half years ago when Gary Schellenberg, president of TNR, recognized that the interest in lithium and rare metals would soon pick up and directed the management team, where Sieb was chief of operations, to look for global opportunities for lithium and rare metal properties.

“We had the team and time to be able to be very selective in our acquisition process, before the competitive fervor that occurred afterwards,” he comments. “We went around the world looking for very high quality projects at extremely reasonable costs.”

One of those projects was the Mariana lithium brine project in Argentina, which is now International Lithium’s prized asset.

“Kudos to our team in Argentina who were able to pull together a significant land package,” remarks Sieb, after explaining TNR had a project manager and geologist in Argentina, scouring for a salar that had an indication of a compelling geochemistry and a reasonable land package.

Located in the mining friendly province of Salta, the 160-sq.-km project will soon see a two-phase drill program. The first phase will provide the company with confidence as to the geochemistry of the subsurface brine, and the latter phase will continue to delineate the brine to classify a resource. The junior hopes to calculate an inferred resource by early next year, and follow that up with a prefeasibility study. Meanwhile, it’s trying to source a drill rig to squeeze in before the end of July for the first drilling phase, which would cost \$1 million.

The Mariana project sits in South America’s lithium belt, stretching 800 km by 300 km, on the junction of Argentina, Chile and Bolivia, which hosts about 75% of the world’s lithium brine reserves and resources.

Sieb adds the property, which encompasses the whole salar, is very comparable to in size to **FMC Corp’s** (FCM-N) 225-sq.-km Salar de Hobre Muerto and in composition to **Sociedad Quimica y Minera’s** (SQM-N) Salar de Atacama because it too is primarily a halite salar.

An initial sampling program completed last May on Mariana returned average grades of 440 mg/L lithium, 12,700 mg/L potassium and 790 mg/L boron.

The company says it completed geological modeling which shows a potential for higher grades within the subsurface brine pools.

The juniors other three lithium brine projects — Fish Lake, Runway and Sarcobatus Flats — are in Nevada, and cover a total 48 sq. km. The projects sit near Chemetall-Foote's Clayton Valley lithium brine operation, which has been the only lithium producing brine in North America since 1967.

Sieb notes that the company was fortunate to acquire the properties at a low cost by staking Fish Lake and Runway, and optioning into Sarcobatus.

The junior accessed publically available information from an air force project in Nevada, which performed gravity surveys on several adjacent valleys from the Clayton Valley to determine bomb test sites. The company perused these military files to pinpoint key areas for potential lithium brine traps, which were indicated by a gravity low. The junior then followed up on these areas with geophysical surveys to identify drill targets, claiming it staked what it desired in Nevada.

"We were able to stake in our opinion, the prime areas of the adjacent valleys," says Sieb. "We got in there first and staked exactly what we wanted."

The company plans to get the drills turning at its Nevada properties this year.

It also aims to run a drill program this year at its Moose lithium-tantalum-niobium property near Yellowknife, N.W.T., and Mavis Lake and Fairservice pegmatite projects in Ontario.

Located 15 km from Dryden, Ont., Mavis Lake consists of several known rare metal pegmatites, within a 25-sq.-km block claim. The company says surface exploration work has shown high-grade lithium and tantalum zonation along with the occurrence of cesium and rubidium across several pegmatite bodies.

Adjacent to Mavis sits Fairservice, which includes six mining leases spanning 88.4 hectares. Past exploration at Fairservice discovered 10 east-trending spodumene-beryl-tantalite type pegmatites and delineated a non-compliant historic resource of 500,000 tons grading 1% lithium oxide.

The Moose property, some 12 km away from **Avalon Ventures'** (AVL-T) Thor Lake rare earth elements property, is accessible by barge in summer and across the ice in winter. Between 1947 and 1954, the site saw limited production, and is still open in all directions. The pegmatite body is historically estimated to host 771,610 tonnes of ore, of which 471,784 tonnes are lithium-bearing, and 299,715 tonnes are tantalum-niobium-bearing zones.

In Ireland, the company has the Blackstairs lithium-tantalum project, and exploration licences covering 300 sq. km and a 50-km long pegmatite belt, which equates to 1.5% of the country's landmass, says Sieb.

"It's quite a significant land package," he notes, "there has been historic work on the pegmatite and the drilling has intersected economic grades of lithium, with quantities yet to be determined, just really good grades. And there is an untested rare metal component to it."

Sieb adds that when TNR selected the pegmatite projects, which are now in International Lithium's portfolio, it not only picked the project based on how easily accessible and near existing infrastructure it was, but also chose ones that were untested for rare metal components or underexplored.

For example, Sieb notes historically it was common to test projects for lithium, and say cesium and rubidium but not for the other rare metal components, which presents an upside opportunity.

“Quite a number of the projects we have in our portfolio have not been tested for their rare metal component, which in a production sense would be the *crème*,” Sieb reckons.

“The lithium might completely cover the capitalization and operational costs,” he explains, saying the profit margin comes from the credit the company receives from the rare metal component and he believes the company’s Ireland project is a prime example of that.

Another example of that is the junior’s Niemi Lake and Forgan Lake projects in Thunder Bay, Ont., that have only been tested for lithium so far, but show potential for other rare metals.

Forgan Lake was discovered in the mid-1950s during the lithium staking rush and contains four previously drilled spodumene-bearing pegmatites, which are part of the Georgia lake pegmatite field. The company says channel samples from Forgan average 4.23% lithium oxide over 7.5 metres and from drill core average 1.78% lithium oxide over 1.5 metres.

Also within the Georgia Lake pegmatite field, is the Niemi lithium property, which consists of four contiguous claims, also found in the mid-1950s.

International Lithium received these lithium and rare metal properties, excluding Mariana, by offering 10 million of its shares and 10 million share purchase warrants to TNR as part of the plan of arrangement it completed on May 19 to list on the TSX Venture Exchange. Each warrant could be used to buy another International Lithium share at 37.5¢ apiece for two years.

Following the closing of the arrangement, International Lithium acquired a 100% interest in the Mariana project by adopting TNR’s four-year option agreement that it signed in 2009 with the underlying property owners. International Lithium agreed to cover TNR’s costs of buying and exploring the property, of which \$1 million is payable by offering 7 million of its shares and 7 million warrants, and by paying the rest in cash.

Also under the arrangement, TNR shareholders received one International Lithium share and one warrant for every four TNR shares held up until May 16.

And to help finance the arrangement, the company’s strategic Chinese investor, Jiangxi Ganfeng Lithium, a multi-product lithium manufacturer, bought a 9.9% equity stake of International Lithium for about \$1.6 million.

Sieb says the two companies have agreed on specific milestones over a three-year period to boost Jiangxi’s 9.9% stake to 30% through staged equity financings.

Through the plan of arrangement, the company received \$3 million, of which \$1 million would be spent on phase one drilling at Mariana, and another \$500,000 would be given to TNR to repay the amount it spent on the project prior to the spin out.

TNR owns 29% of International Lithium.

The junior debuted on the Venture at 25¢, and recently closed at 22¢.