FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS - AMENDED
FOR THE THREE MONTHS ENDED MARCH 31, 2018

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The following discussion and analysis ("MD&A"), prepared as of May 30, 2018, should be read together with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2018 and the consolidated financial statements for the years ended December 31, 2017 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available on the Company's website at www.internationallithium.com and SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of lithium or potassium or rare earth metals commodities, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of commodities;
- the availability of financing for the Company's development of projects on reasonable terms;
- the political and regulatory environment of countries in which the Company operates;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and
- the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, lithium and potash prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risks they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**

Description of Business

International Lithium Corp. (the "Company" or "ILC") was incorporated under the laws of the Province of British Columbia on March 26, 2009 and is in the process of exploring its resource properties. It became a quoted public company on TSXV in 2011. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary International Lithium (US) LLC in the United States. All inter-company transactions and accounts have been eliminated upon consolidation.

The Company is in the process of exploring and developing its mineral properties located in Argentina, Canada and Ireland and it and its development partners have not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company and of its development partners to obtain necessary financing to complete the development of those reserves and upon future profitable production.

The Company, as an exploration company, currently requires additional financing to continue in business and is likely to continue to require such additional financing for some time. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Overall Performance

The Company incurred a comprehensive loss of $390,056 (2017 - $660,361) during the three months ended March 31, 2018.

Significant Events and Transactions

Significant events and transactions during the three months ended March 31, 2018 and to the date of this MD&A include the following:

- On May 3, 2018 the Company closed the first tranche of a previously announced $1,800,000 non-brokered private placement of secured convertible debentures known as 2018 Series 2 Convertibles to raise proceeds of $275,000. The Debenture will mature on June 30, 2019 and bear interest at a rate of 15% per annum, payable quarterly. The debenture shareholders 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 (8.5 cents) per common share, with $0.080 being the previous day's closing trading price of the Company's shares. The Company will have the right to repay the convertible loan on notice, at any time after three months from the date of advance. The convertible loan will be secured by a general security agreement against the Company's assets.

- During April 2018 and following issue of the 2018 Series 1 Convertible, the Company repaid in full to two directors the outstanding balance of $400,000 of two maturing convertibles that had been issued in April 2017. The remaining $125,000 of those convertibles had been converted by other holders during 2017.

- On April 18, 2018, the Company entered into a non-brokered private placement of convertible debentures, known as 2018 Series 1 Convertibles, in the principal amount of $1,180,000 with a director who is also an officer of the Company. The Debenture will mature on June 30, 2019 and bear interest at the rate of 15% per annum, payable quarterly. The debenture shareholder 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 (8.5 cents) per common share. The Company has the right to repay the convertible loan on notice, at any time after three months from the date of advance. The convertible loan is secured by a general security agreement against the Company's assets.

- On April 18, 2018, the Company granted 1,505,000 stock options to directors and officers of the Company. The Options are exercisable at $0.085 per share until five years from the date of grant and will become fully vested one year from the date of grant.

- On April 9, 2018 the Company announced developments on the Mavis Lake project following drilling by Pioneer Resources. The Board believes that this is a positive development making more likely Pioneer Resources exercising its option on Mavis Lake and Raleigh, but notes that should this occur it would have additional funding implications for the Company if the Company decides to pay its share of project costs.

- Management changes in 2018: On March 14, 2018, the Company appointed John Wisbey as Chairman and Chief Executive Officer of the Company, replacing Kirill Klip, who now has no remaining executive position in the Company and is no longer on any board committees. Maurice Brooks, formerly Interim CFO, became CFO.

- On December 29, 2017 the Company announced an intended $1,000,000 private placement of 5,000,000 units ("Unit") at a price of $0.20 per Unit. Each Unit consisted of one common share and one-half share purchase warrant. Each warrant is exercisable at a price of $0.30 for a period of 24 months from closing. On January 25, 2018, the Company made the first closing of this private placement and issued 2,250,000 units for $450,000. The placement was closed on March 9, 2018 without any further subscription monies having been received after the first closing. As at December 31, 2017, the Company had received $88,140 in advance of the private placement.

- In November 2017, the Company issued $700,000 of convertible debentures to TNR Gold Corp. ("TNR"), a significant shareholder of the Company. The convertible debentures bear interest at the rate of 15% per annum, payable January 31 and have a maturity date of January 31, 2019. TNR may convert at any time, all or a portion of the principal into common shares of the Company at a price of $0.14 per common share. The Company has the right to repay the convertible loan, at any time on notice.

- In August 2017 the Company closed a $1,000,000 non-brokered private placement of convertible debentures, in tranches of $100,000 in April 2017, $425,000 in April 2017 and $475,000 in August 2017. The debentures bear interest at 15% per annum, payable quarterly, with a maturity date of one year from the date of advance. The lenders may convert at any time, all or a portion of the convertible debentures into common shares of the Company at a price of $0.14 per common share. The Company has the right to repay the convertible debentures at any time after three months from the date of advance. The convertible debentures are secured by a general security agreement against the Company's assets. During the three months ended March 31, 2018, $125,000 of convertible debentures were converted into 892,856 common shares.

- Management changes in 2017: In January 2017, Kirill Klip, President of ILC, was appointed Chief Executive Officer of the Company, such that he acted as the CEO, President and Chairman of the Company. On Kirill Klip's appointment, Gary Schellenberg resigned as CEO and a director of the Company. Mike Sieb and Wayne Spilsbury have also resigned as directors of the Company and Jerry Bella has resigned as Chief Financial Officer and Corporate Secretary. To fill the vacancies of the departing directors and officers, and to add an additional director, as permitted by ILC's articles, David Shen, Maurice Brooks, John Wisbey and Ross Thompson were appointed as directors of the Company. John Wisbey was appointed as Corporate Secretary (position taken over by Nancy La Couvee in November 2017) and Deputy Chairman. Patricia Fong was appointed as CFO and resigned in May 2017, at which point Maurice Brooks was appointed as Interim CFO. Xiaoshen Wang and David Shen resigned from the Board of ILC in July 2017.

- On 7 December 2017, The Company granted 3,500,000 stock options to directors, officers and consultants at an exercise price of $0.18 per common share until December 7, 2022. These options vest 1 year from date of grant. The Company granted 750,000 stock options to various consultants at an exercise price of $0.14 per common share until April 19, 2022; these options vested immediately.

- On March 8, 2017, the Company announced an independent resource estimate on the Mariana project. The resource estimate was prepared by Geos Mining Minerals Consultants ("Geos") based in Sydney, Australia. The Technical Report containing the resource estimate, entitled "Technical Report: Mariana Lithium Project, Salar de Llullaillaco, Argentina" and dated April 10, 2017, is now available under the Company's profile at www.SEDAR.com. The effective date for the resource estimate is January 20, 2017, which represents the date of the most recent data that supports the brine estimate and the report. The following highlights taken from the report, and set out below, should be considered in the context of the detailed information provided:
    - Indicated resource for Resource Area 1 contains an estimated 747,000 tonnes of lithium carbonate equivalent (LCE).
    - The indicated resource for Resource Area 1 is estimated at 765 billion litres of brine grading 306 mg/L lithium ("Li") and 9,457 mg/L potassium ("K").

- Based on drill information, the brines within the project area are interpreted to cover an area of about 135 square kilometres and extend from depths of about 0.5 m to at least 329 m.

- The management committees for the Avalonia lithium pegmatite project in Ireland and the Mariana lithium brine project in Argentina decided that GFL International Co. Ltd. ("GFL") and Mariana Lithium Co. Ltd. ("Mariana") take over the role as Manager of each project, respectively, and continue to carry out the exploration work pursuant to the respective option and joint venture agreements.

  In January 2017, a Cash Call requiring the Company to pay a capital contribution to the Mariana joint venture project was made and the Company did not make its required payment. The Company and GFL entered into a settlement agreement dated December 26, 2017 whereby the Company's participating interest was reduced to 17.246% resulting in a dilution loss of $666,314, of which $642,975 was expensed due to change in ownership and $23,339 was charged to other comprehensive income (loss) due to foreign currency translation, the Company was required to make a one time payment in the amount of USD$105,890 ($132,387), which has been recorded in accounts payable and accrued liabilities in the December 31, 2017 consolidated financial statements. This payment, which was made in January 2018, relates to reimbursements of expenditures and fees. The Company has paid all Cash Calls due in 2018 to the date of this MD&A and do not expect any further dilution of the Company's participating interest. A participating interest diluted to less than 5% would be converted to a 1% NSR. During the three months ended March 31, 2018, the Company charged $168,039 (2016 - $291,085) in operator income for the Mariana project. GFL has since assumed management of the Mariana project.

  As the Mariana Property Joint Venture was no longer considered an investment in associate effective December 26, 2017, the carrying value of the investment in associate was transferred to available for sale securities with any gain (loss) on remeasurement recorded in profit or loss on the date of transfer, and any subsequent remeasurements recorded to other comprehensive income.

Exploration Summary

Avalonia Project – Ireland

The Avalonia lithium project is comprised of eight prospecting licences totalling 292 square kilometres centred 80 km south of Dublin straddling Counties Carlow and Wicklow in southeastern Ireland. The property encompasses an extensive NE-SW oriented 50 kilometre long rare metals pegmatite belt situated within the East Carlow Deformation Zone along the eastern side of the Leinster Granite. Since acquiring the licences in 2009, the Company has conducted a series of exploration programs to advance the project. The Company has a 45% interest in the project with the remaining 55% held by GFL International Co. Ltd.

On June 9, 2016, the Company announced it had completed the drill program announced on April 11, 2016 at the Avalonia lithium project. A total of 23 diamond drill holes comprising 1,756 metres of NQ sized core were completed in the central part of the Avalonia project's lithium belt and entirely within County Carlow. Of these, 10 holes focussed on further delineating pegmatites in the Aclare area. Down-dip extension and infill drilling was used to delineate the distribution of lithium and rare metals in the system and identify thickening vectors of the pegmatite body.

Highlights of the drilling include three drill holes which intersected a previously unknown pegmatite 450 metres east of the main Aclare pegmatites. This new pegmatite is hosted in a granite sill parallel and adjacent to the granite sill hosting the main Aclare pegmatites where drill hole ACL13-04 intersected 2.23% Li2O over a drill width of 23.3 metres, including 3.43% Li2O over 6 metres (see Company news release dated June 25, 2013). All lengths reported are drill intercepts and have not been converted into true widths.

Spodumene bearing pegmatite boulders were discovered in field walls between the new pegmatite and the Aclare mineralization. These boulders contain spodumene crystals that are greater than 40 centimetres in length and some of the largest identified on the property to date.

Drilling Highlights (News release July 21, 2016)

- Most notable pegmatite intersection grading 2.33% Li2O over 4.62m at southern extent of Aclare pegmatite;
- Aclare pegmatite high-grade mineralization open along trend to the southwest and at depth;
- Improved understanding of mineral zonation to assist future targeting; and

- Plans to extend drill pattern at Aclare and initiate exploration in the vicinity of a high-grade spodumene boulder field at Moylisha in preparation for drilling.

Particularly encouraging results (ACL16-22) are from the southern extent of the drilling and show that mineralization is open to the southwest with significant widths and grades. Holes ACL16-15 and 22 determined that an area previously mapped as a fault controlled break in the pegmatite is in fact a bend in the mineralized zone revealing that the pegmatite zone is continuous and is made up of several closely spaced parallel bodies in this area.

Table of significant lithium values from the 2016 Avalonia drilling program

Hole_ID	**From (m)**	**To (m)**	**Length* (m)**	**Li2O%**
ACL16-15	68.18	78.83	10.65	1.07
including	70.87	75.97	5.10	1.62
including	70.87	72.12	1.25	2.50
ACL16-22	85.23	89.85	4.62	2.33
including	86.26	87.93	1.67	3.29
ACL16-09	46.10	48.45	2.35	1.58
including	46.10	47.03	0.93	2.99

* All lengths reported are drill core intercepts and have not been converted into true width.

The area drill tested by the Company represents one of the main prospects located along the 42 kilometre lithium pegmatite belt that falls within the Avalonia licences. A total of 23 targets have been identified to date by geochemical surveys and prospecting along the belt. Since its discovery in the late 1960s, the Aclare area has received more exploration activity and drilling than other targets and consequently is the most geologically understood part of the belt. This makes Aclare a valuable area for testing methods that will then be applied at other targets along the 42 km belt.

On August 1, 2017, the Company received word from the manager of the Avalonia joint venture that the annual reports summarizing work activities for the prospecting licensing held in counties Carlow and Wicklow were filed with the Department of Communications, Energy and Natural Resources in Ireland. A budget proposal for continued exploration work in 2017 is currently in progress.

On December 27, 2017, ILC and Ganfeng Lithium approved a budget for the 2018 calendar year for the Avalonia JV. The budget calls for Euro 705,000 (approximately CDN $1 million) to be invested in the Avalonia project. The budget covers ongoing exploration and evaluation work, administration fees and contingencies.

Work currently planned for 2018 is to follow up on the 2016 exploration results, in particular at the Moylisha target area, where extensive boulder trains of spodumene-bearing pegmatite assaying up to 4.59% Li2O* have yet to be traced back to source.

The 2018 drilling will take place in two phases with a total of approximately 2,000 metres drilling at the Moylisha target area. The first phase which has already started, will focus on drilling in proximity to the previous drilling from 1976 and 2013 to aid in the interpretation of geophysical work conducted in 2017. The second phase of drilling will target previously undrilled areas at Moylisha and any new targets identified during the first phase. A total of 25 sites have been permitted for drilling although not all will be drilled. Each phase of drilling is expected to take about six weeks (totalling twelve weeks for the entire programme).

* Previously reported grab sample in a Company news release dated January 31, 2012. Grab samples are by definition selective and are unlikely to represent average grades on the property.

Mariana Project – Salta, Argentina

The Mariana property is comprised of 13 mining licenses, covering approximately 22,133 hectares' land over Salar de Llullaillaco, located in Salta Province, Argentina. ILC owns between 14.492% and 20% of Litio Minera Argentina, S.A. ("Litio") which holds title to the Property. A subsidiary of Jiangxi Ganfeng Lithium Co., Ltd. ("GFL") holds the remainder of Litio. The interest in Litio is subject to a dispute with the other joint venture partner and if the Company is unsuccessful in resolving the dispute, the Company's interest in Litio may be reduced to 14.492%.

Under the terms of an Option Agreement dated May 19, 2011 entered into between the Company, the Company's then wholly owned subsidiary Litio, and the Company's then parent company TNR Gold Corp ("TNR"), Litio acquired the Mariana property, and the Company with Litio as co-signatory agreed to pay TNR a Net Smelter Royalty ("NSR") of 2% of gross revenues received from sale by payer of all concentrate, metal and products derived from the Mariana property less appropriate costs, which can be reduced to 1% at the Company's option on payment to TNR Gold Corp. of $1 million within 240 days of the commencement of commercial production.

The Mariana project, a lithium-potash salar covering an expansive 160 km^2 project area, strategically encompasses the entire salar and a significant portion of the surrounding area to provide prospective land for a potential future processing plant facility. Salars, or salt lakes, host some of the largest known lithium resources in the world and the Mariana basin is one of the more prominent salars in the renowned lithium belt of South America that provides more than 70% of global production.
On July 18, 2016 the Company announced that a budget of US $12 million is approved to accelerate the exploration and development program currently underway at the Mariana Lithium project in Argentina (see Company news releases dated May 11, 2016 and June 16, 2016).

On March 8, 2017, the Company announced an independent NI 43-101 resource estimate on the project. The resource estimates were prepared by Geos Mining Minerals Consultants ("Geos") based in Sydney, Australia. A technical report containing the resource estimate was prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The report, entitled "Technical Report: Mariana Lithium Project, Salar de Llullaillaco, Argentina" and dated April 10, 2017, is now available under the Company's profile at www.SEDAR.com. The effective date for the resource estimation is January 20, 2017, which represents the date of the most recent data that supports the brine estimate and the report. The following highlights taken from the report, and set out below, should be considered in the context of the detailed information provided.

- Indicated resource estimate contains an estimated 1,248,000 tonnes of lithium carbonate equivalent (LCE).
- Inferred resource estimate contains an estimated 618,000 tonnes of LCE
- The indicated resource for Resource Area 1 is estimated at 765 billion litres of brine grading 306 mg/L lithium ("Li") and 9,457 mg/L potassium ("K").
- The inferred resource is estimated at 361 billion litres of brine grading 322 mg/L lithium ("Li") and 10,316 mg/L potassium ("K").
- Brine resources are tabulated and reported for average specific yield (SY) of 15% and a cut-off value of 230 mg/L Li.

On April 25, 2017 the Company received word from the manager of the Mariana Joint Venture that three large evaporation ponds measuring 14 x 14 metres have been constructed and filled to 30 centimetres depth with raw brine from Salar de Llullaillaco to conduct evaporation tests at the site and begin the development of a natural evaporation concentration process for the brine. Two smaller ponds that are to be used for the later stages of the brine concentration were also constructed at the site. A field laboratory and liming plant are currently still under construction.

On September 5, 2017 the Company received a final report, "Proof of Concept Study – Lithium Recovery Using Membrane Separation" (the "Study") prepared by Synexus (Pty) Limited of South Africa ("Synexus"). Results from the Study indicate that the selective recovery of lithium directly from the Mariana project's raw (filtered) brine, with the simultaneous rejection of other cation and anion species, using a proprietary lithium selective separation process (the "technology") is possible. Lithium was selectively recovered from the raw brine to produce lithium hydroxide ("LiOH"), a high value ingredient used directly in lithium battery manufacturing, as a final product.

In the case of the Mariana project, this new technology could provide an alternative to the currently adopted plan of using natural solar evaporation of producing a brine concentrate containing about 6% lithium that would be exported for refining.

On December 6, 2017 the Company received a report prepared by Geos Mining Minerals Consultants of Australia ("Geos") through ILC's joint venture partner, Mariana Lithium Co., Ltd., a subsidiary of Jiangxi Ganfeng Lithium Co., Ltd. The report summarizes results from trial pump tests conducted in September 2017 at the Mariana lithium brine joint venture project. The trial tests are part of ongoing pump tests at three locations on the project. A conclusion from the trial pump test report states, "A step-drawdown test pumped at three (3) rates of between 10 and 30 litres per second ("L/s") indicated a high transmissivity, hydraulic conductivity and storativity." The ultimate goal for these ongoing tests is to carry out long term pumping at a constant rate of 60 L/s at three sites within the resource area.

On December 27, 2017, ILC and Mariana Lithium Co. Ltd. (("MLC"), a subsidiary of Jiangxi Ganfeng Lithium Co. Ltd. ("Ganfeng Lithium")) unanimously approved the budget for the 2018 calendar year for the Mariana JV. The budget calls for US $14,044,000 (US $17,343,517 including contingencies and administrative fees) to be invested in ongoing exploration and evaluation work including continuing studies that will be used to formulate a basis for a PEA, which is expected to be completed in the first half of 2018. The results of the PEA will be used to determine the course of action for pre-feasibility studies expected to be conducted throughout the remainder of the year.

Mavis - Fairservice Project - Ontario, Canada

The Mavis-Fairservice Project ("Mavis Lake Lithium Project") is wholly-owned by the Company and consists of a package of nineteen adjacent mineral claims which include thirteen unpatented mining claims (the Mavis claims) and six patented mining leases (the Fairservice property). This package covers the lithium-tantalum core of the Mavis Lake Pegmatite Group adjacent to Mavis Lake near Dryden, Ontario, Canada.

Mavis Option Agreement

On June 22, 2016, the Company announced that Pioneer Resources Limited ("Pioneer") (ASX:PIO) had entered into an option agreement (the "Option Agreement") to advance an exploration program on the Company's Mavis Lake lithium project (the "Project") (see Company news releases dated March 14, 2016 and April 20, 2016). Under the terms of the Option Agreement, Pioneer can earn up to an 80% interest in ILC's Mavis Lake lithium project. The Project includes the Fairservice patented mining leases.

Key terms of the Option Agreement include (all amounts in Canadian dollars):

- Pioneer may earn an initial 51% interest in the Project by spending $1.5 million on exploration activities within three years and paying to ILC a total of $375,000 in cash and shares on an equal basis over the same three years (the "First Earn-in").
- Following the First Earn-in, ILC will be granted a 1.5% Net Smelter Return Royalty ("NSR"), purchasable at any time for $1.5 million.
- Pioneer will then be granted, if they choose, a second option whereby they can earn an additional 29% by spending $8.5 million within seven years (total $10 million over ten years). Thereafter, ILC and Pioneer will contribute on a pro-rata basis. If either party dilutes to 15% Project equity, their interest will be converted to a 1.5% NSR.

During the year ended December 31, 2016, the Company received $37,500 in cash from Pioneer, a first instalment of Pioneer common shares valued at $29,316, and recoveries totalling $108,093. During the three months ended March 31, 2018, the Company received $75,000 for option payments from Pioneer comprised of $37,500 in cash, a second instalment of 2,073,075 common shares valued at $37,500, and recoveries totaling $15,654.

Mavis Exploration

On February 8, 2017, the Company announced that the first drill hole of the 2017 drill program at the Mavis Lake lithium project has intersected a spodumene-bearing pegmatite. The first drill hole, MF-17-39, intersected 18m* of spodumene-bearing pegmatite between 79.9m and 97.9m down-hole. The spodumene zone is described as exhibiting broken crystals with the largest observed spodumene crystal oriented parallel to the core axis and measuring approximately 45cm in length.

On April 11, 2017, the Company announced the analytical results from the winter drill program at the Project. Drilling at the Project commenced on February 4, 2017 under the direction of Pioneer and was completed on March 2, 2017. In total, 12 oriented diamond core drill holes were completed for a total of 1,305 metres across three target areas: PEG006, PEG006.5 and PEG018.

Key intersections from the Pegmatite 6 Target Area indicate*:

- 1.47% lithium oxide ("Li2O") over 17.90 metres from 80.00 metres in drill hole MF17-39;
- 1.70% Li2O over 26.30 metres from 111.9m in drill hole MF17-49, including a zone grading 2.97% Li2O over 7.70m; and

- 1.45% Li2O over 16.55 metres from 74.55 metres and 1.40% Li2O over 23.10 metres from 122.00 metres in drill hole MF17-50.

** All lengths reported are drill core intercepts and have not been converted into true width. True width of the drill hole intercepts, which may be shorter than those reported, are currently unknown.*

Subsequent to the first anniversary of the Mavis Option Agreement, June 22, 2017, the Company received payment from Pioneer Resources Limited in accordance with the terms as set out in the option agreement. Pioneer has indicated to ILC that it intends to continue exploration on the project later in 2017.

Raleigh Lithium Pegmatite Project, Ontario, Canada

The Company's wholly-owned Raleigh project ("Raleigh") is situated 7 kilometres south of the Trans-Canada Highway, 60 kilometres southeast from the Company's Mavis Lake lithium project, 80 kilometres southeast from the town of Dryden, Ontario and approximately 240 kilometres northwest of Thunder Bay. Four unpatented mining claims totalling 368 hectares were recently staked increasing the Project area to 809 hectares. The expanded claim boundaries now cover an extensive zone exhibiting multiple intensely anomalous bands known to host high-grade lithium pegmatites.

Previous exploration campaigns on the Raleigh project included mapping, lithogeochemistry, trenching (1,500 m) and diamond core drilling (2,817.5m in 17 holes) resulting in the identification of several substantial pegmatites and numerous smaller ones (see Company news releases dated March 23, 2016 and July 13, 2016 for further details).

Mapping and litho-geochemical sampling indicate a highly fractionated rare-metals' pegmatite belt at least 5 km in length and 2 km in width now fully enclosed within the Company's expanded claim boundaries. The strength of the litho-geochemical signature in the host rock adjacent to known pegmatites will be a highly effective exploration tool to signal the location of hidden or blind pegmatites; pegmatites buried under soil cover or capped by another rock type.

Ownership of the Raleigh project is subject an option agreement between ILC and Pioneer. Key terms of the Raleigh option agreement are summarized below (all amounts in Canadian dollars):

- Pioneer may earn an initial 51% interest in Raleigh by spending $1.25 million on exploration activities within three years and paying to ILC a total of $250,000 in cash and shares on an equal basis over the same three-year period (the "First Earn-in").
- Following the First Earn-in, ILC will be granted a 1.5% NSR, purchasable at any time for $1.5 million.
- Pioneer will then be granted, if ILC elects not to participate and if Pioneer elects to pursue, an option where Pioneer can earn an additional 29%, for a total 80% interest, by sole funding exploration expenditures and the production of a pre-feasibility technical report within six years from the completion of the First Earn-In. Thereafter, ILC and Pioneer will contribute on a pro-rata basis. If either party dilutes to 15% project equity, their interest is converted to a 1.5% NSR.

On July 28, 2016, the Company announced that strategic partner Pioneer committed $1 million in exploration expenditures on the Mavis Lake and Raleigh lithium pegmatite projects.

During the year ended December 31, 2016, the Company received $25,000 in cash from Pioneer and a first instalment of Pioneer common shares valued at $16,150 resulting in a recovery on the project in excess of carrying value of $17,701. During the three months ended March 31, 2018, the Company further received $25,000 in cash from Pioneer and 735,552 Pioneer common shares valued at $10,763 resulting in a recovery on the project in excess of carrying value of $35,763.

The Upper Canada Lithium Pool

The close proximity of the Mavis Lake and Raleigh projects presents clear strategic and operational advantages. ILC is pursuing lithium prospects with reported high grades in this region and seeking to consolidate them with the aim to identify sufficient resources in multiple prospects to potentially feed a common processing facility. The Upper Canada Lithium Pool is the anticipated geographical consolidation of projects and partnered companies hosting amenable grade, volume, access and infrastructure in order to mitigate the financial burden on any one company when advancing specific projects to reach this goal.

Afzaal Pirzada, PGeo, a Qualified Person under the meaning of Canadian National Instrument 43-101 and a consultant of the Company, is responsible for the technical content of this Management's Discussion and Analysis.

Mineral Properties and Commitments

A detailed listing and narrative of the Company's properties is provided in the consolidated financial statements for the three months ended March 31, 2018, including the capitalized exploration and evaluation costs presented on a property-by-property basis.

Detailed exploration and evaluation expenditures (including acquisition costs) for the period ended March 31, 2018 are as follows:

March 31, 2018	Mavis Lake Fairservice, Ontario	Raleigh, Ontario	Total
Exploration and evaluation costs, beginning of the period	$ 1,348,594	$ -	$ 1,348,594
Additions during the period:			
Geological consulting	-	-	-
	1,348,594	-	1,348,594
Recoveries and option payments	-	-	-
Exploration and evaluation costs, end of the period	$ 1,348,594	$ -	$ 1,348,594

Outlook

The Company's primary focus for the foreseeable future will be following up on positive results and advancing exploration through drilling, geochemical surveys and other methods on its Mariana lithium-potash brine (Argentina), and Avalonia lithium (Ireland) rare metals pegmatite projects. The Company continues to work with strategic partner GFL to advance exploration programs on these projects. The Company will also be working with Pioneer to facilitate the exploration on the Mavis Lake lithium project and Raleigh lithium pegmatite project. The Company is actively seeking out new project opportunities globally.

Selected Annual Information

	2017	**2016**	**2015**
Net sales	$ Nil	$ Nil	$ Nil
Net loss	2,728,841	1,032,724	769,386
Loss per share – basic and diluted	0.03	0.01	0.01
Total assets	6,617,363	5,888,185	4,860,987
Total long-term liabilities	3,036,881	3,068,675	1,626,063
Cash dividends declared per-share	Nil	Nil	Nil

Over the periods presented, long-term liabilities have increased as the Company's Exploration Loan balance with GFL and accrued interest has increased.

Summary of Quarterly Results

	For the Quarters Ended			
	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Total assets	$ 7,380,147	$ 6,617,363	$ 7,562,603	$ 7,437,146
Exploration and evaluation assets	1,348,594	1,348,594	1,348,329	1,348,329
Working capital (deficiency)	(1,944,685)	(1,833,485)	(2,180,119)	(1,662,768)
Long-term debt	3,184,953	3,036,881	2,958,233	3,010,623
Shareholders' equity	2,050,623	1,648,144	2,186,508	2,436,503
Loss and comprehensive loss	(390,056)	(1,477,612)	(258,136)	(389,975)
Basic and diluted loss per share	(0.00)	(0.02)	(0.00)	(0.00)

	For the Quarters Ended			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Total assets	$ 6,562,567	$ 5,888,185	$ 6,052,000	$ 6,202,714
Exploration and evaluation assets	1,423,330	1,429,893	1,434,032	3,975,432
Working capital (deficiency)	(569,784)	142,659	665,477	479,919
Long-term debt	3,021,510	2,976,714	2,689,485	2,185,720
Shareholders' equity	2,631,275	2,819,510	3,129,113	3,271,869
Loss and comprehensive loss	(660,361)	(502,370)	(144,724)	(199,419)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.00)

Changes in key financial data over the periods presented can be attributed to the Company exploring mineral properties in Argentina, Canada and Ireland. Significant changes over the periods presented include the following:

- On July 12, 2016, the Company transferred 80% of its ownership in Litio, which holds title to the Mariana property, to GFL. The transfer of ownership diluted the Company's ownership in Litio from 100% to 20% resulting in deconsolidation of Litio and accordingly the Company's interest in Litio was recorded as an equity investment subsequent to July 12, 2016. Impacts of the deconsolidation on the financial statements were as follows:
  - The equity investment as at July 12, 2016 was valued at $2,394,229. During the period from July 13, 2016 to December 31, 2016, the Company's share in the loss of Litio was $21,129 and the Company contributed $823,488 into Litio.
  - Deconsolidation resulted in reductions to the following financial statement items: cash of $410,768, receivables of $42,597, exploration and evaluation assets of $2,561,165, and accounts payables and accrued liabilities of $606,594.
- In January 2017, a Cash Call requiring the Company to pay a capital contribution to the Mariana joint venture project was made and the Company did not make its required payment. The Company and GFL entered into a settlement agreement dated December 26, 2017 whereby: the Company's participating interest was reduced to 17.246% resulting in a dilution loss of $666,314, of which $642,975 was expensed due to change in ownership and $23,339 was charged to other comprehensive income (loss) due to foreign currency translation, the Company was required to make a one time payment in the amount of USD$105,890 ($132,387), was included in in accounts payable and accrued liabilities at December 31, 2017. This payment, which was made in January 2018, relates to reimbursements of expenditures and fees.
- The working capital (deficiency) for the three months ended March 31, 2018 relates to current liabilities for convertible debentures.

The Company has no present intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance project exploration and advancement.

Results of Operations

Three months Ended March 31, 2018 and 2017

The Company incurred a comprehensive loss of $390,056 (2017 - $660,361) during the three months ended March 31, 2018.

Significant changes are as follows:

- Consulting fees of $124,717 (2017 - $177,564) decreased over prior period due to the change in management.
- Directors' fees of $20,324 (2017 - $13,746) have been accrued according to board resolutions.
- Foreign exchange resulted in a loss of $79,755 relative to a gain of $8,652 in corresponding period 2017. The Company is exposed to foreign exchange movements on liabilities denominated and settled in US dollars including the exploration loan. Exposure in the prior period was higher due to the operator activities over the Mariana project.
- Loss on equity investments of $7,827 (2017 - $73,923) relates to the Company's proportion of the net loss in each of Litio Minera Argentina, S.A. and Blackstairs Lithium Limited.
- Interest and bank charges of $131,781 (2017 - $69,792) relates interest accruing on the Company's exploration loan with GFL and additional financing costs.
- Rent and Office increased to $42,190 (2017 - $16,506) as a result of additional work developing the Company's website and restructuring IT systems.
- Professional fees deccreased to $831 (2017 $67,537) subsequent to the management changeover.
- Shareholder communications remained relatively unchanged at $31,322 (2017 - $30,290).
- Share-based payments of $nil (2017 - $421,126) relates to the value of stock options granted and vesting in the period.
- Operator income of $nil (2017 - $168,039) relates to the Company's management of the Mariana project in accordance with the joint venture agreement. In March 2017 GFL took over operatorship of the Mariana project.

Liquidity and Capital Resources

To date, the Company has not yet realized profitable operations. The Company, as an exploration company, currently requires additional financing to continue in business and is likely to continue to require such additional financing for some time. There can be no assurances that such financing will be available or if available, will be on reasonable terms.

The consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

The following table provides information regarding the Company's working capital and accumulated deficit as at March 31, 2018 and December 31, 2017.

	March 31, 2018	December 31, 2017
Working capital (deficiency)	$ (1,944,685)	$ (1,833,485)
Deficit	(9,827,736)	(9,445,651)

At March 31, 2018 the Company had $144,405 (December 31, 2017 - $3,855) in cash. The Company works to invest in its mineral properties in a difficult economic environment.

Net cash used by operating activities during the three months ended March 31, 2018 was $43,923 (2017 – provided $80,361). The cash used in operating activities for the period consists of the operating loss net of non-cash items and changes in non-cash working capital.

Net cash used in investing activities during the period ended March 31, 2018 was $514,856 (2017 – $17,217). In the current period the Company advanced $537,723 (2017 - $23,781) to Litio as additional capital into the equity investee.

Financing activities provided cash of $699,329 during the three months ended March 31, 2018 (2017 – $51,000). The Company received $449,250, net of issuance costs, for shares issued, paid interest of $64,933 with respect to the convertible debentures, received cash of $240,372 advance for issuance of shares, received loan proceeds of $41,600 and received $33,000 (2017 - $51,000) for exercised stock options during the three months ended March 31, 2018.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of lithium and rare earth metals or interests related thereto. The economics of developing and producing mined material are affected by many factors including the cost of operations and the market price of the mined material. Depending on the market price of mined material, the Company may determine that it is impractical to continue commercial production (once commenced).

Related Party Transactions

The Company entered into the following transactions with related parties:

Transaction	Relationship	2018	2017
Management fees	0819315 BC Ltd., Gary Schellenberg, former CEO and former Director	$ -	$ 30,000
Administration fees	Heather Schellenberg, Spouse of former Director	-	6,000
Administration fees (Argentina)	Roberto Lara, Officer of Litio Minera Argentina, S.A.	-	4,500
Exploration expenditures	Coast Mountain Geological Ltd., Gary Schellenberg, former CEO and former Director	-	3,498
Exploration expenditures and consulting fees	Anthony Kovacs, COO and Blacksmith Metals Exploration Ltd.	36,000	48,000
IT Support Services	CONVENDIA Ltd., John Wisbey, CEO and director	33,389	-
Consulting fees	619517 BC Ltd., Jerry Bella, former CFO	-	25,000
Consulting fees	Kirill Klip, former CEO, President and Director	36,774	38,100
Consulting fees	Maurice Brooks, Director and CFO	9,193	12,000
Consulting fees	John Wisbey, CEO and director	5,806	-
Consulting fees	Nancy La Couvee, Corporate Secretary	12,000	-
Consulting fees	Patricia Fong, former CFO	7,040	4,080
Directors' fees	John Wisbey	7,742	12,746
	Maurice Brooks	6,291	-
	Ross Thompson	6,291	-

At March 31, 2018 and December 31, 2017, the Company had convertible debentures with a face value of $875,000 due to three directors of the Company (Note 9 of the consolidated financial statements for the three months ended March 31, 2018) and $700,000 due to TNR.

At March 31, 2018, due to related parties consisted of $175,779 (December 31, 2017 - $69,323) to various directors, officers and related companies for services detailed above and is included in accounts payable and accrued liabilities. At March 31, 2018, $nil (December 31, 2017, - $35,500) was receivable from a significant shareholder.

The Company entered into a non-brokered private placement of convertible debentures, known as 2018 Series 1 Convertibles, in the principal amount of $1,180,000 with a director who is also an officer of the Company. The Debenture will mature on June 30, 2019 and bear interest at the rate of 15% per annum, payable quarterly. The debenture shareholder 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 (8.5 cents) per common share. The Company has the right to repay the convertible loan on notice, at any time after three months from the date of advance. The convertible loan is secured by a general security agreement against the Company's assets.

Following issuance of the 2018 Series 1 Convertible, the Company repaid in full to two directors the outstanding balance of $400,000 of two maturing convertibles that had been issued in April 2017.

The Company granted 1,505,000 stock options to directors and officers of the Company. The Options are exercisable at $0.085 per share until five years from the date of grant and will become fully vested one year from the date of grant.

The Company entered into consulting agreements with two officers, who are also directors, of the Company for the provision of consulting services at a current cost of $180,000 and $120,000 per annum respectively. If either of the agreements are terminated without cause, the Company is required to pay a lump sum equal to twelve months' worth of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to the prior twelve months gross pay.

The Company closed the first tranche of a previously announced $1,800,000 non-brokered private placement (the "Private Placement") of secured convertible debentures (the "Debentures") to raise proceeds of $275,000. The Debentures will mature on June 30, 2019 and bear interest at a rate of 15% per annum, payable quarterly. The debenture holders 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. The Debentures will be secured by a general security agreement against the Company's assets. All private placement securities will be restricted from trading for a period of four months and one day from closing. The Company has the right to give notice of repayment of the convertible debenture, at any time after three months from the date of advance, although in this event the debenture

Commitments - Consulting agreements

The Company has entered into consulting agreements with two officers of the Company for the provision of consulting services at a current cost of $180,000 and $72,000 per annum respectively. The agreements renew annually at the discretion of the Company's compensation committee. If either of the agreements are terminated without cause, the Company is required to pay a lump sum equal to the greater of (a) one months' fees for each period the consultant has acted on behalf of the Company and (b) twelve months' worth of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to the prior twelve months' gross pay.

Contingency

On March 14, 2018 the Board removed Kirill Klip from his executive positions 'for cause', which would not place any obligation or liability on the Company to pay Kirill Klip any termination amount. However, the Company has received notice from Kirill Klip that he intends to claim for unfair dismissal, although at the date of these accounts he has not quantified his claim.

Financial Instruments and Other Instruments

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Please refer to Note 16 of the consolidated financial statements for further details.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at March 31, 2018.

Proposed Transactions

The Company does not have any proposed transactions as at March 31, 2018 other than as disclosed elsewhere in this document.

Adoption of New Accounting Policies

New standards adopted

IFRS 2 – Share Based Payments: the amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. It is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted provided it is disclosed. The Company does not expect that the adoption of this standard will have a material effect on the Company's consolidated financial statements.

IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. At this point, the Company does not expect that the adoption of this standard will have a significant effect on the Company's disclosure requirements.

IFRS 15 – Clarifications to IFRS 15 “Revenue from Contracts with Customers” issued. The amendments do not change the underlying principles of the standard, but simply clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018. The Company does not expect that the adoption of this standard will have any effect on the Company’s consolidated financial statements.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration: addresses how to determine the ‘date of the transaction’ when applying IAS 21. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company’s consolidated financial statements.

New standard not yet adopted

IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is evaluating the effect of this standard on the Company’s consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company’s consolidated financial statements.

Critical Accounting Policies

The preparation of the consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant judgments relate to the recoverability of the investments in associates, the Company’s functional currency, the recoverability of capitalized amounts of exploration and evaluation assets, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

The most significant estimates relate to the calculation of share-based payments, the valuation of deferred income tax amounts, impairment testing and the equity investment in Litio.

Share-based payments

Share-based payments, as measured with respect to stock options granted and re-priced, are estimated by reference to the Black-Scholes pricing model; a detailed discussion of management’s estimates with respect to the pricing model is found in Note 12 of the consolidated financial statements.

Impairment testing

The Company has reviewed its exploration and evaluation assets for indications of impairment and determined that there is no such indication.

Deferred income tax amounts

The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

Valuation of available for sale securities

The Company holds a 17.246% in Litio as at March 31, 2018. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of, and near term business outlook for, the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flow.

As at December 31, 2016, the Company held a 20% interest in Litio. The equity investment in Litio was subject to all estimates included in the financial information from the majority owner as well as estimates of impairment losses. The Company commenced equity accounting of Litio from July 13, 2016 and concluded December 26, 2017 (Note 6 of the consolidated financial statements).

The assessment that the Company does not have significant influence over the investment in Litio as at December 26, 2017 results in the conclusion of the equity method for accounting for this investment. In making their judgement, management considered its percentage ownership, the composition of the Board of Directors of Litio, the common directors and management between Litio and the Company and the intercompany transactions and relationship with Litio and concluded that no significant influence exists.

Outstanding Share Data

The following table summarizes the outstanding share capital, convertibles, stock options, and warrants as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	94,595,902
Convertibles ($475,000 and $700,000 at $0.14, and $275,000 and $1,180,000 at $0.085)	25,510,504
Stock options	9,455,000
Warrants	4,360,000
Total if all converted or exercised	**133,921,406**

Management's Responsibility for Financial Statements

Information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes that such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as liquidity, operational, market and regulatory risks. There are also legal risks and risks where we are relying on partners to make key decisions which affect the future of the Company's projects.

- Liquidity risk, in particular funding risk, is seen by the Board as the key issue or risk in 2018. The Company, as an exploration company, currently requires additional financing to continue in business and is likely to continue to require such additional financing for some time. The Company was in mid March 2018 within days of suffering an uncurable default on the Mariana project which would permanently have decreased its shareholding in Litio. Following the change in management in March 2018 considerable focus is being placed on funding the Company ahead of its needs and, except for some issues where there is a dispute, the Company is now substantially up to date with all its payables.

There can be no assurance that future financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution.

To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company. For example, for the Company's Mariana property if a cash call is missed and the default is not cured, there is a loss of shareholding in Litio. If three cash calls are missed and the default is not cured, the Company's equity interest in Litio can, under a 2014 agreement, be converted by its partner into a Net Smelter Royalty, with considerable potential loss of value to the Company. There are no defaults outstanding on Mariana or other properties at the time of this MD&A.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental laws and regulations, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and to the best of its knowledge adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Market risks include commodity prices, interest rates and the Canadian dollar, United States dollar, Argentinean Peso and Euro exchange rates, all of which are beyond the Company's control.

- Regulatory risks include possible delays in the Company or its partners getting regulatory approval to the transactions that the Board of Directors believe to be in the best interests of the Company, and also on a much smaller scale include increased fees for filings and the introduction of any additional reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

- Legal risks : In the mining industry there is always a risk over contractual interpretation of royalty rights and obligations, and it is possible that the Company's interpretation of its rights and obligations could be different from other parties' interpretation of them. This carries litigation risk.

- Partner risks can exist, and might exist in the future, where the Company's partner has different interests or capabilities from those of the Company and is unable or unwilling to progress projects at the same speed that the Company would like to. The company has mitigated its credit or liquidity risk by choosing a strong company Ganfeng Lithium as its key partner, but there is no guarantee that Ganfeng will prioritise Mariana and Avalonia for development over other projects even though the Board might wish that they do. Similarly the Company might argue, for example, that membrane technology is an appropriate technology to use at Mariana, but under the terms of the 2014 joint venture agreement it will ultimately be Ganfeng's decision on whether or not to adopt this technology.

For information on additional risks, please refer to the Company's consolidated financial statements for the three months ended March 31, 2018.

Internal Control Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the consolidated financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.