



**International
Lithium
Corp.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT,

	<i>Notes</i>	Unaudited March 31, 2024	Audited December 31, 2023
ASSETS			
Current			
Cash		\$ 1,854,180	\$ 2,672,085
GST receivable	3	36,452	106,654
Marketable securities	5	116,911	177,909
Loan receivable	4	294,995	295,248
Prepaid expenses		18,198	45,133
		2,320,736	3,297,029
Advances	7	101,625	99,870
Equipment		1,515	1,757
Equity investment	6	3,107,771	3,136,186
Exploration and evaluation assets	7	6,809,071	6,661,670
		\$ 12,340,718	\$ 13,196,512

LIABILITIES AND SHAREHOLDERS' EQUITY

Current			
Accounts payable and accrued liabilities	8 & 9	\$ 86,657	\$ 189,340
		86,657	189,340
Shareholders' Equity			
Share capital	10	19,200,195	19,200,195
Equity reserves	10	4,966,991	4,966,991
Accumulated other comprehensive loss		(134,436)	(135,740)
Deficit		(11,778,689)	(11,024,274)
		12,254,061	13,007,172
		\$ 12,340,718	\$ 13,196,512

Nature of operations and going concern (Note 1)

Commitments (Note 9)

Subsequent event (Note 15)

Approved and authorized by the Board on May 30, 2024.

_____ *"John Wisbey"* Director _____ *"Maurice Brooks"* Director _____

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31,

	<i>Notes</i>	2024	2023
OPERATING EXPENSES			
Consulting fees	9	\$ 215,437	\$ 192,471
Depreciation		242	537
Directors' fees	9	104,788	169,450
Foreign exchange (gain) loss		(28,853)	4,018
Interest and bank charges		1,695	1,589
Professional fees		53,266	39,744
Project investigation		150,716	-
Office and miscellaneous		15,467	29,680
Shareholder communications		102,600	36,892
Share-based payments	9 & 10	-	255,002
Transfer agent and filing fees		5,593	9,932
Travel and promotion		<u>49,856</u>	<u>43,045</u>
Total operating expenses		<u>(670,807)</u>	<u>(782,360)</u>
Interest income	4	7,109	6,674
Gain (loss) on marketable securities	5	(60,998)	11,610
Loss on equity investment	6	<u>(29,719)</u>	<u>(13,001)</u>
Total other income (loss)		<u>(83,608)</u>	<u>5,283</u>
Loss for the period		(754,415)	(777,077)
OTHER COMPREHENSIVE INCOME			
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation	6	<u>1,304</u>	<u>41,023</u>
Comprehensive loss for the period		<u>\$ (753,111)</u>	<u>\$ (736,054)</u>
Basic and diluted loss per common share		\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		248,586,588	248,461,588

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (754,415)	\$ (777,077)
Items not affecting cash:		
Accrued interest income	(6,756)	(6,674)
Depreciation	242	537
Foreign exchange	5,254	(315)
Loss on equity investment	29,719	13,001
Share-based payments	-	255,002
Unrealized loss (gain) on marketable securities	60,998	(11,610)
Changes in non-cash working capital items:		
Receivables	70,202	149,320
Prepaid expenses	26,935	178,684
Accounts payable and accrued liabilities	<u>(108,635)</u>	<u>(87,611)</u>
Net change from operating activities	<u>(676,456)</u>	<u>(286,743)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures, net of grants received	<u>(141,449)</u>	<u>39,166</u>
Net change from investing activities	<u>(141,449)</u>	<u>39,166</u>
Change in cash for the period	(817,905)	(247,577)
Cash, beginning of period	<u>2,672,085</u>	<u>6,079,566</u>
Cash, end of period	\$ 1,854,180	\$ 5,831,989

Supplemental disclosure with respect to cash flows (Note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	<u>Share capital</u>		Equity reserves	Accumulated other comprehensive income (loss)	Deficit	Total
	Number	Amount				
Balance at December 31, 2022	248,461,588	\$ 19,192,695	\$ 4,711,989	\$ (159,565)	\$ (9,376,574)	\$ 14,368,545
Equity gain on carried interest	-	-	-	-	212,268	212,268
Share based payments	-	-	255,002	-	-	255,002
Other comprehensive income	-	-	-	41,023	-	41,023
Loss for the period	-	-	-	-	(777,077)	(777,077)
Balance at March 31, 2023	248,461,588	19,192,695	4,966,991	(118,542)	(9,941,383)	14,099,761
Balance at December 31, 2023	248,586,588	19,200,195	4,966,991	(135,740)	(11,024,274)	13,007,172
Other comprehensive income	-	-	-	1,304	-	1,304
Loss for the period	-	-	-	-	(754,415)	(754,415)
Balance at March 31, 2024	248,586,588	\$ 19,200,195	\$ 4,966,991	\$ (134,436)	\$ (11,778,689)	\$ 12,254,061

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

1. NATURE OF OPERATIONS AND GOING CONCERN

International Lithium Corp. (the “Company”) was incorporated under the Business Corporations Act, British Columbia on March 26, 2009 and is considered to be in the exploration stage with respect to its mineral properties. The Company’s records office address is 550 Burrard Street, Suite 1008, Vancouver, British Columbia, Canada, V6C 2B5 and head office address is 789 West Pender Street, Suite 1120, Vancouver, British Columbia, Canada, V6C 1H2. The Company is listed on the TSX Venture Exchange and trades under the stock symbol “ILC”.

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

These condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing, to sell mineral assets from time to time, and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company estimates that it has adequate resources for the next twelve months. The following table provides information regarding the Company’s working capital and accumulated deficit as at March 31, 2024 and December 31, 2023.

	March 31, 2024	December 31, 2023
Working capital	\$ 2,234,079	\$ 3,107,689
Accumulated deficit	\$ (11,778,689)	\$ (11,024,274)

2. BASIS OF PREPARATION**Statement of Compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2023.

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

2. BASIS OF PREPARATION (cont'd...)

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars, which is the presentation currency and functional currency of the Company.

Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated. The Company's subsidiaries are as follows:

	Country of Incorporation	Ownership
International Lithium UK Ltd.	United Kingdom	100%
International Lithium Canada Ltd.	Canada	100%
International Lithium Africa (Private) Limited	Zimbabwe	75%

The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary is recognized at its fair value and any gain or loss resulting from deconsolidation is recorded through profit or loss.

Significant accounting judgments and estimates

The preparation of these condensed interim 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 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 functional currency of the Company and significant influence over associates.

Functional currency

Judgment is involved in the assessment of the functional currency of the Company, its equity investment, and its subsidiaries.

Significant influence over associates

Management deems the Company to have significant influence over an associate when the Company is able to influence the financial and operating decisions of the associate. The Company has determined that its investment in Blackstairs Lithium Limited is an investment in associate.

The most significant estimates relate to the recognition of deferred tax assets and liabilities, calculation of share-based payments, and recoverability of exploration and evaluation assets.

INTERNATIONAL LITHIUM CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

2. BASIS OF PREPARATION (cont'd...)

Significant accounting judgments and estimates (cont'd...)

Deferred tax assets and liabilities

The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry forwards. Changes in these assumptions could significantly affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

Share-based payments

Share-based payments, as measured with respect to stock options granted and re-priced, have been 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 10.

Recoverability of exploration and evaluation assets

Recorded costs of exploration and evaluation assets and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Management is required, at each reporting date, to review its exploration and evaluation assets for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgements based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

3. RECEIVABLES

As at March 31, 2024 and December 31, 2023, receivables are comprised of input tax credits.

4. LOAN RECEIVABLE

On November 2, 2022, the Company entered into a loan agreement with a director and officer of the Company. The Company advanced USD\$200,000 (\$270,340) for a term of six months, since extended. The loan is unsecured and bears interest at the rate of 10% per annum.

During the period ended March 31, 2024, the Company recorded \$7,109 interest income on the loan (2023 – \$6,674). As at March 31, 2024, the carrying value of the loan receivable is USD\$228,219 (\$294,995) (December 31, 2023 - USD\$223,233 (\$295,248)). (Note 9)

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

5. MARKETABLE SECURITIES

During the period ended March 31, 2024 and December 31, 2023, marketable securities consisted of shares of a publicly traded company, Critical Resources Limited (“Critical Resources”). The Critical Resources shares were received as part of the Asset Purchase Agreement for the Mavis Lake Lithium Project (*Note 7*). Marketable securities are measured at fair value by reference to quoted stock prices on established exchanges.

The following transactions occurred during the period:

	Period ended March 31, 2024		Year ended December 31, 2023	
	Shares		Shares	
Critical Resources shares				
Opening balance	9,460,498	\$ 177,909	9,460,498	\$ 374,094
Sale of marketable securities	-	-	-	-
Realized gain	-	-	-	-
Unrealized gain (loss)	-	(60,998)	-	(196,185)
Ending balance	9,460,498	\$ 116,911	9,460,498	\$ 177,909

6. EQUITY INVESTMENT**Avalonia Lithium Joint Venture**

The Avalonia Lithium Project is comprised of certain licenses in the Carlow and Wicklow counties, Ireland. The exploration rights for the project are held by Blackstairs Lithium Limited (“BLL”), a company owned jointly by the Company and GFL International Co. Ltd. (“GFL”).

BLL is recognized as an equity investment of the Company. The management committee of the joint venture is comprised of one representative of each of the Company and GFL. Voting is proportionate to each party’s participating interest which is, as at March 31, 2024 and December 31, 2023, 55% to GFL and 45% to the Company.

In order to earn an additional 24% interest in the Avalonia Lithium Project, GFL must incur \$10,000,000 in exploration expenditures or produce a bankable feasibility study within 10 years of the effective date of the agreement (extended to 12 years up to September 14, 2024). The Company will have a carried interest through to the completion of these exploration expenditures.

Once GFL has incurred a total of \$10,000,000 in exploration expenditures within the agreed timeframe, or once a positive feasibility study has been produced, the Company’s participating interest will be reduced to 21% without incurring additional costs. A participating interest that is subsequently diluted to less than 10% will be converted to a 1% net smelter royalty (“NSR”).

The Company accounts for its interest in BLL on an equity basis. As at March 31, 2024 and December 31, 2023, the Company holds a 45% interest in BLL. The functional currency of BLL is the Euro. Supplementary financial information regarding the Company’s investment in BLL is presented below, after adjustments to align accounting policies to those of the Company and to translate to Canadian dollars in accordance with the Company’s accounting policies.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

6. EQUITY INVESTMENT (cont'd...)**Avalonia Lithium Joint Venture (cont'd...)***Blackstairs Lithium Limited*

	March 31, 2024	December 31, 2023
Current assets	\$ 656,046	\$ 1,052,410
Non-current assets	6,426,381	6,063,120
Current liabilities	<u>(176,270)</u>	<u>(146,230)</u>
Net assets	6,906,157	6,969,300
The Company's share of the net assets – 45% (2023 - 45%)	\$ 3,107,771	\$ 3,136,186

	Period ended March 31, 2024	Period ended March 31, 2023
Loss for the period	\$ (66,043)	\$ (28,890)
Other comprehensive income – foreign currency translation	<u>2,899</u>	<u>91,163</u>
Total comprehensive loss	(63,144)	62,273
The Company's share of comprehensive income loss – 45% (2023 - 45%)	\$ (28,415)	\$ 28,023

	Period ended March 31, 2024	Year ended December 31, 2023
Investment in associate – BLL		
Balance, beginning of period	\$ 3,136,186	\$ 2,218,445
Equity gain on carried interest	-	838,081
Loss on equity investment	(29,719)	(78,682)
Equity – other comprehensive income (loss)	1,304	23,825
Deferred tax recovery resulted from equity investment gain	<u>-</u>	<u>134,517</u>
Ending balance, investment in associate – BLL	\$ 3,107,771	\$ 3,136,186

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

7. EXPLORATION AND EVALUATION ASSETS

	Raleigh Lake Project, Ontario	Wolf Ridge Project, Ontario	Firesteel Project, Ontario	EPOs, Zimbabwe	Other Zimbabwe projects	Total
Exploration and Evaluation Assets						
Balance, December 31, 2022	\$ 4,643,531	\$ 113,018	\$ -	\$ -	\$ -	\$ 4,756,549
Acquisition costs	-	-	-	291,953	15,780	307,733
Exploration expenditures	1,600,787	35,863	-	-	-	1,636,650
Option payments made	-	27,500	-	-	73,238	100,738
Government grant received	<u>(140,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(140,000)</u>
Balance, December 31, 2023	6,104,318	176,381	-	291,953	89,018	6,661,670
Acquisition costs	-	-	55,000	-	-	55,000
Exploration expenditures	71,994	2,000	11,714	-	-	85,708
Foreign exchange	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,130</u>	<u>1,563</u>	<u>6,693</u>
Balance, March 31, 2024	\$ 6,176,312	\$ 178,381	\$ 66,714	\$ 297,083	\$ 90,581	\$ 6,809,071

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Deferred exploration costs were as follows:

	Raleigh Lake Project	Wolf Ridge Project	Firesteel Project	Total
Year ended December 31, 2023				
Assays and laboratory	\$ 67,099	\$ 7,702	\$ -	\$ 74,801
Drilling	770,131	-	-	770,131
Exploration expense	105,683	-	-	105,683
Travel and related	-	2,875	-	2,875
Geology and geophysics	<u>657,874</u>	<u>25,286</u>	<u>-</u>	<u>683,160</u>
Total	\$ 1,600,787	\$ 35,863	\$ -	\$ 1,636,650
Period ended March 31, 2024				
Assays and laboratory	\$ 22,846	\$ -	\$ -	\$ 22,846
Exploration expense	2,600	-	-	2,600
Geology and geophysics	<u>46,548</u>	<u>2,000</u>	<u>11,714</u>	<u>60,262</u>
Total	\$ 71,994	\$ 2,000	\$ 11,714	\$ 85,708

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Title to mineral property interests**

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Raleigh Lake Lithium and Rubidium Project, Ontario

The Raleigh Lake Project is wholly owned by the Company and consists of a total of 48,500 hectares of mineral claims in the Kenora Mining District of Ontario, Canada. It is the Company's most strategic project in Canada. A Maiden Resource Estimate was declared in March 2023 and Preliminary Economic Assessment was published in January 2024.

Mavis Lake Lithium Project, Ontario

In January 2022, the Company completed the sale of its 49% interest in the Mavis Lake Lithium Project (or "Mavis Lake - Fairservice"). Pursuant to the Asset Purchase Agreement (the "APA") with Critical Resources Limited ("Critical Resources"), Critical Resources will make the milestone payments as follows:

- AUD\$750,000 (received) on definition of a mineral resource estimate exceeding 5 million tonnes of which at least 50,000 tonnes of lithium oxide (Li₂O) (the "First Project Milestone Payment"); and
- A further AUD\$750,000 on definition of a resource exceeding 10 million tonnes of which at least 100,000 tonnes of lithium oxide (Li₂O) (the "Second Project Milestone Payment"), or, in case both milestones are defined at the same time, AUD\$1,500,000 in total.

During the year ended December 31, 2023, the Company received the First Project Milestone Payment of AUD\$750,000 (\$656,715).

Wolf Ridge Project, Ontario

On April 20, 2022, the Company entered into an option agreement to acquire 100% interest in the Wolf Ridge Property located in Ontario. In accordance with the terms of the agreement, the Company may earn a 100% interest in the property by spending \$350,000 on exploration expenditures and paying a consideration comprised of \$210,000 cash (\$30,000 paid) and 775,000 shares of the Company (225,000 issued) over the period of four years. The property is subject to NSR as follows:

- i) 1.0% NSR for all minerals that are not Nickel, Copper, Lead, Zinc, Molybdenum, Cobalt, Platinum, Palladium, Gold and Silver (the "Original Royalty"). The Company has a right to purchase at any time the entirety of the 1.0% of the Original Royalty by paying a consideration comprised of \$1,000,000 cash and 225,000 shares of the Company.
- ii) 2.0% NSR for all minerals that are Nickel, Copper, Lead, Zinc, Molybdenum, Cobalt, Platinum, Palladium, Gold and Silver (the "Nickel Royalty"). The Company may purchase at any time 1.0% of the Nickel Royalty (half of the Nickel Royalty) by paying a consideration comprised of \$1,000,000 cash and 225,000 shares of the Company.

Subsequent to the period ended March 31, 2024, the Company completed the second anniversary payment of \$40,000 and issued 150,000 shares pursuant to the Wolf Ridge Property option agreement. (Note 15)

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Firesteel Project, Ontario**

On February 16, 2024, the Company entered into a Purchase and Sale Agreement to acquire a 90% interest in the Firesteel Project in Northwestern Ontario. On May 21, 2024, the Company entered into an Amended Purchase and Sale Agreement (the "Amended Agreement"). Pursuant to the terms of the Amended Agreement, the Company acquired a 90% interest in the project by paying \$55,000 cash upon signing in February 2024 (paid) and paying \$110,000 cash upon signing of the Amended Agreement in May 2024 (paid) (See Note 15 Subsequent Events). The Company granted the vendor to receive the following milestone payments:

- if a Resource Calculation equal to or exceeding 10,000,000 metric tonnes at 1% Copper is established (the "First Resource Bonus Threshold"), the Company shall pay \$1,000,000; and
- if a Resource Calculation equal to or exceeding 15,000,000 metric tonnes at 1% Copper is established (the "Second Resource Bonus Threshold"), the Company shall pay further \$1,000,000.

EPOs, Zimbabwe

The Company has applied for various Exclusive Prospecting Orders ("EPOs") in Zimbabwe. The aggregate cost of preparing and filing the EPO applications is USD\$219,250 which was paid by a subsidiary of the Company.

Other claims in Zimbabwe

The Company has entered into an option agreement to acquire a 100% interest in certain mineral claims located in Manicaland Zimbabwe. The total purchase consideration to acquire 100% interest in the claims is USD\$200,000 of which the Company has paid USD\$55,000 which was contracted and paid by a subsidiary of the Company. The option is valid until 7 days from the day the Company receives the first EPO. The Company also has a 25% interest in two Projects comprised of 440 hectares in Manicaland Zimbabwe. The Company paid purchase consideration of USD\$11,850 through a subsidiary of the Company.

Advances

As of March 31, 2024, USD\$75,000 (\$101,625) (December 31, 2023, USD\$75,000 (\$99,870)) were advanced to a consultant for the application and acquisition of mineral claims in Africa.

During the year ended December 31, 2023, the Company further advanced USD 30,850 to the consultant and recorded, from the advance, the EPO application costs of USD\$219,250, option payments of USD\$55,000 for certain claims in Manicaland, and purchase consideration of USD\$11,850 for two projects in Manicaland Zimbabwe.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	March 31, 2024	December 31, 2023
Accounts payable (<i>Note 9</i>)	\$ 48,757	\$ 119,340
Accrued liabilities	<u>37,900</u>	<u>70,000</u>
Total	<u>\$ 86,657</u>	<u>\$ 189,340</u>

All payables and accrued liabilities of the Company fall due within the next 12 months.

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the period ended:

Transaction	Relationship	March 31, 2024	March 31, 2023
Consulting fees	Directors and officers and related companies	\$ 163,854	\$ 149,794
Directors' fees	Directors	104,788	169,450
Share-based payments	Directors and officers	<u>-</u>	<u>197,149</u>
		<u>\$ 268,642</u>	<u>\$ 516,393</u>

During the period ended March 31, 2024, the Company awarded a bonus of \$nil to four directors of the Company (2023 - \$97,006) recorded as directors' fees.

At March 31, 2024, due to related parties consisted of \$539 payable to a director (December 31, 2023 - \$82,592 to various directors and officers) for expenses and services detailed above and is included in accounts payable and accrued liabilities.

At March 31, 2024, loan receivable with accrued interest of USD\$228,219 (\$294,995) was receivable from a director and officer of the Company (December 31, 2023 - USD\$223,233 (\$295,248)) (*Note 4*).

Commitments - Consulting agreements

The Company entered into consulting agreements with two officers, who are also directors, of the Company for the provision of consulting services at a cost of CHF314,400 and \$145,200 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 entered into a consulting agreement with an officer and director of the Company for the provision of consulting services at a cost of \$240,000 per annum. If the agreement is terminated without cause, the Company is required to pay the greater of a lump sum equal to twelve months' base compensation and one month's base compensation for each year engaged with the Company. 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.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

10. SHARE CAPITAL AND EQUITY RESERVES**Authorized share capital**

As at March 31, 2024, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

Issued share capital

At March 31, 2024, there were 248,586,588 issued and fully paid common shares (December 31, 2023 – 248,586,588).

On May 18, 2023, the Company issued 125,000 shares with fair value of \$7,500 pursuant to the Wolf Ridge Property option agreement. (Note 7)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding and exercisable, December 31, 2022	90,521,127	\$ 0.07
Warrants expired	<u>(57,812,875)</u>	<u>0.067</u>
Balance outstanding and exercisable, December 31, 2023	32,708,252	0.08
Warrants expired	<u>-</u>	<u>-</u>
Balance outstanding and exercisable, March 31, 2024	32,708,252	\$ 0.08

At March 31, 2024, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
12,571,073	\$ 0.08	February 3, 2026 *
12,550,510	\$ 0.08	February 19, 2026 **
<u>7,586,669</u>	\$ 0.08	June 30, 2024
32,708,252		

* Expiry date amended from February 29, 2024 to February 3, 2026

** Expiry date amended from February 29, 2024 to February 19, 2026

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

10. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)**Stock options (cont'd...)**

The changes in options were as follows:

	Number of options	Weighted Average Exercise Price
Balance outstanding, December 31, 2022	12,530,000	\$ 0.10
Options granted	5,091,000	0.075
Options expired/cancelled	<u>(1,930,000)</u>	<u>0.09</u>
Balance outstanding, December 31, 2023	15,691,000	0.09
Options granted	-	-
Options expired/cancelled	<u>-</u>	<u>-</u>
Balance outstanding, March 31, 2024	15,691,000	\$ 0.09
Vested and exercisable	15,691,000	\$ 0.09

At March 31, 2024, options were outstanding enabling holders to acquire common shares as follows:

Number of Options	Exercise Price	Expiry Date
3,945,000	\$ 0.065	May 31, 2024
6,655,000	\$ 0.12	November 4, 2026
<u>5,091,000</u>	<u>\$ 0.075</u>	<u>February 9, 2028</u>
15,691,000		

During the period ended March 31, 2024, the Company recognized a total of \$nil (2023 - \$255,002) in share-based compensation for the options vested during the period.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the period:

	2024	2023
Risk-free interest rate	-	3.07%
Expected life of options in years	-	5
Expected annualized volatility	-	93.31%
Dividend yield	-	Nil

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash financing and investing activities during the period ended March 31, 2024 consisted of:

- Exploration and evaluation expenditures of \$14,992 in accounts payable.

There are no significant non-cash financing and investing activities during the period ended March 31, 2023.

INTERNATIONAL LITHIUM CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

12. SEGMENT INFORMATION

The Company operates in one business segment which is the exploration of mineral properties. The geographic distribution of exploration and evaluation assets is disclosed in Notes 6 and 7.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Financial instruments**

Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and marketable securities are classified as level 1. The fair value of loan receivable and accounts payable and accrued liabilities approximates their carrying value due to the short-term nature of the financial instruments.

Risk management

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. The Company is exposed to varying degrees of financial instrument related risks:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and loan receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The loan advanced to a director is approved by the remuneration and audit committees of the board. The Company considers that credit risk with respect to the loans receivable (*Note 4*) is minimal.

Liquidity risk

Liquidity risk, in particular funding risk, has historically been seen by the Board as a key risk issue. Liquidity risk is the risk that the Company will not have sufficient liquidity to be able to meet its obligations associated with its financial liabilities. The Company currently has appreciable cash resources and no borrowings outstanding, so does not consider this a major risk at present. The Company will in the medium term endeavor to raise funds from equity or debt financings, sales of mineral assets and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing and asset disposal activities.

Market risk

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value. The Company has no interest-bearing liabilities with variable interest rate.

INTERNATIONAL LITHIUM CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

March 31, 2024

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Risk management (cont'd...)

b) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly lithium. The lithium price has seen considerable volatility over the past two years. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company, especially as an input into economic decisions on whether to invest further in projects. As time goes on and if the Company's lithium resources become reserves and are closer to production, the company may wish to introduce hedging programmes to mitigate its price risk. Quite sophisticated hedging programmes are possible for much more heavily traded commodities such as copper, iron or gold, but there is less liquidity at present in lithium markets, and there may be practical issues for some time with executing such hedging programmes.

c) Foreign currency risk

The Company's operations are in Canada and Ireland. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars. Exploration programs are in Canadian dollars. Activity in associates occurs in Ireland and is denominated in the Euro. The Company compensates certain consultants and directors in US dollars, Swiss francs, and British pounds. A portion of the Company's cash is reserved in US dollars and marketable securities are denominated in Australian dollars. Consequently, the Company's investments and expenditures are subject to currency transaction risk and currency translation risk. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A 10% change in foreign exchange rates would increase/decrease loss for the period by approximately \$140,000.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

15. SUBSEQUENT EVENT

- The Company completed the second anniversary payment of \$40,000 and issued 150,000 shares pursuant to the Wolf Ridge Property option agreement. (Note 7)
- The Company completed the acquisition of 90% interest in the Firesteel Project by paying \$110,000 pursuant to the terms of the Amended Purchase and Sale Agreement. (Note 7)