

# RAIN CITY RESOURCES INC.

---

## NEWS RELEASE

### RAIN TO ACQUIRE UP TO 100% INTEREST IN DIRECT LITHIUM EXTRACTION (DLE) COMPANY AND APPOINTS CEO, BOARD AND EXECUTIVE POSITIONS

**Thursday June 13, 2024 – Vancouver, BC – Rain City Resources Inc. (RAIN:CSE) (the “Company”)** reports that it has entered into a Binding Agreement to acquire up to 100% interest in Avonlea Lithium Corporation (“Avonlea”). Avonlea is a Canadian company based in Calgary, Alberta, that has developed a new, proprietary and innovative approach to Direct Lithium Extraction (“DLE”) that has the potential to materially alter both the economics and the environmental footprint of lithium extraction from desert salars and deep brines.

#### Highlights:

- Avonlea’s “Advanced Chemical & Cavitation Extraction of Lithium” (“ACCELi”) process is a new and innovative (patent pending) approach to DLE
- Capital costs are a fraction of other DLE methods with comparable operating costs
- Unlike other DLE processes, the ACCELi process requires little or no outside fresh water
- The developer has four years’ commercial operations with its proprietary technology, processing over 20 million barrels of water from oil field formations.

#### About Brine-Hosted Lithium Extraction

Lithium mining companies have been grappling with the twin challenges of both lithium demand and environmental stewardship. On one hand, a world transformed by the “electric revolution” has created an ever-increasing need for lithium-based battery storage. Whilst on the other hand, the lessons learned in the hyper-speed rush to market beginning in 2019, highlight the need for responsible water management and support for local communities. At the centre of this challenge is brine-hosted lithium - the single largest mineable resource of lithium on the planet – and the electric revolution depends on it.

Until recently the only brine-sourced lithium in commercial production relied on evaporation ponds. This process requires the injection of water into salt deposits through deep boreholes, and pumping lithium-rich salt water (brine) into vast multi square-kilometre evaporation ponds, leaving a high concentration of lithium-rich brine for further processing. While this method has proven relatively simple and effective, it requires vast amounts of water which is lost to the atmosphere. The biggest lithium-bearing brines are found in the “Lithium Triangle” of South America, occupying parts of Chile, Bolivia, and Argentina. Given these projects are often located in desert regions already starved of water, the evaporation process was disastrous for local ecosystems and communities.

The mining industry has responded with a suite of technologies sharing the umbrella term Direct Lithium Extraction. They rely on a variety of methodologies and cost-benefits, some proven, some novel, but they all share a fundamental aspiration – a closed loop solution. In short, brine is collected, stripped of

its contained lithium, and returned to the water reservoir from which it came. DLE can shrink land use by 95%. It can also boost lithium recovery from ~ 65% to 95%, reduce water use; in some cases completely, and cut production time to hours or days from the months or years required under the evaporation process.

DLE technology not only promises a solution for the significant challenges of Latin America's desert salars, it also opens up new potential sources of lithium in other jurisdictions. More recently there is an increasing interest in extracting lithium from deep brines, such as those in oil field formations in North America. Large companies, including ExxonMobil, Albemarle, and LANXESS, in partnership with third-party operators, are actively exploring for lithium or developing DLE processes to extract lithium.

These technologies are still operating at pre-commercial or limited commercial levels, and outside capital (both private sector and governmental) has funded developers on a path to commercial operation. Since 2020 DLE developers have received more than US\$900m in funding and the four most advanced proprietary DLE-focused public companies have market capitalizations ranging from \$150m to over \$500m.

### **About ACCELi**

Avonlea's process (ACCELi) puts energy into brine through a process known as cavitation, creating chemical reactions that target lithium ions, bringing them out of solution into a high purity, powdered product. This proprietary process has been successfully and commercially deployed by the operator in the water purification sector, treating over 20m barrels of fluid over a four-year period. Products generated through the ACCELi process are magnesium hydroxide, calcium carbonate and lithium phosphate, which can be easily converted to lithium carbonate. All products are highly marketable with the treated brine cycled back into the reservoir.

Competitive feature set of ACCELi compared to other technologies:

- Produces a better than 97% pure  $\text{Li}_3\text{PO}_4$  (lithium phosphate) solid product without additional steps;
- Does not require fresh water and can generate fresh water in some applications;
- Does not require input heat, it generates heat via the process;
- In addition to lithium removal, the ACCELi process also generates additional saleable products; (eg:  $\text{Mg}(\text{OH})_2$  (magnesium hydroxide) and  $\text{CaCO}_3$  (calcium carbonate))
- Operating costs at or below DLE comparables
- Very low Capex relative to comparables and easily scalable

## **Terms of Acquisition**

### **Option Earn-In Payments**

Rain to invest USD\$800,000 to earn a 7.5% interest in ALC ("Payment 1") on or before 60 days from the date of the earn-in agreement.

On or before the earlier of (i) the 12-month anniversary of Payment 1 and (ii) the date 60 days after a successful field pilot test program, Rain to invest an additional USD\$1,200,000 to earn an additional 11.25% interest in ALC ("Payment 2").

On or before the 12-month anniversary of Payment 2, Rain to invest an additional USD\$6,000,000 to earn an additional 24.5% interest in ALC ("Payment 3").

On or before the 12-month anniversary of Payment 3, Rain to invest an additional USD\$2,000,000 to earn an additional 8.25% interest in ALC for an aggregate 51.5% interest ("Payment 4").

(Payments 1 to 4 together "Option 1")

Additional rights are granted to Rain to purchase the remaining 48.5% interest in ALC after completing Option 1.

## **Appointment of CEO and Director**

### **Benjamin Hill**

The Company is very pleased to announce the appointment of Benjamin Hill (Ben) as Chief Executive Officer and Director. Ben joins the Company with global resource experience across multiple commodities including nickel, lithium, copper, coal, gold and copper. As a considered investor, Ben has sat on boards of a number of companies in a variety of jurisdictions in both executive and non-executive positions. With experience in originating, structuring, funding, managing, and exiting investments across various sectors and locations, Ben brings great perspicacity and insight to the Company as it embarks on an exciting phase of growth and development. Ben is skilled in equity, convertible and debt financing with demonstrable experience in fund management having previously worked for a number of family offices and RAB Capital. He brings extensive private equity and capital markets expertise from his 25-year career, predominantly in the resources sector starting at RAB Capital's flagship Special Situations Fund (the "Fund") where he was part of the senior investment management team that grew the Fund's AUM from \$300M to over \$2.7B. A qualified Barrister, Ben used his legal, structuring and investment expertise to grow and manage the unlisted side of the Fund's portfolio under Philip Richards.

## **Appointment of Ian Hutcheon to Board of Directors**

### **Dr. Ian Hutcheon**

The Company also welcomes Dr. Ian Hutcheon to the Board of Directors. Dr. Hutcheon is Professor Emeritus of Geochemistry in the Department of Earth, Energy, and Environment at the University of Calgary. He has worked extensively with industry and government in Canada and worldwide. His research and industrial career spans more than 50 years focusing on the chemical reactions between rocks and waters, with particular emphasis on brines in deep formations as well as surface and groundwater. Since 2010 he has been engaged in lithium exploration and development projects in Chile and Nevada and, most recently, in examining various DLE technologies.

## **Appointment of Advisory Board**

The Company is very pleased to announce the following initial appointments to its newly created Advisory Board:

### **Doug Brett**

Mr. Brett is a Professional Engineer. Prior to joining Avonlea, Doug has been involved in the upstream oil and gas industry in various locations throughout the world. He brings considerable experience in building companies from the ground up along with both a business and technical background to Avonlea. From 2002 to 2009, Mr. Brett built and managed an international team of 140 exploration professionals headquartered in California for a company that developed drilling projects in over 8 countries. In 2018, Mr. Brett joined Avonlea as president and has been involved in all aspects of the technology development, business direction and its growth.

### **Ron Lincz**

Mr. Lincz is a Professional Engineer and the Chief Operating Officer for Avonlea with over 35 years' experience in Water Treatment and Industrial Waste Management in the Oilfield and other Industries. He was President of Newpark Environmental Services (NYSE:NR) for 6 years, managing over 260 staff until 2006 when he moved overseas for 8 years working in waste management, in Eastern Europe, MENA and Brazil. He has been COO at Avonlea since 2018 and jointly developed the Cavitek technology and related processes.

## **From the Chairman**

The Company's Chairman, David Shaw, noted, *"From my time as a Director of Talison Minerals, commencing in 2010, which became the world's largest lithium producer, I have reviewed many of the DLE technologies and strongly believe Avonlea's approach has considerable commercial advantages over adsorption and other competing technologies, with the potential for it to have global significance. I believe that the team we've assembled has the ability to take us there. Dr. Hutcheon is uniquely positioned to provide technical expertise as we develop commercial operations. Ben Hill's leadership and network will be key to both maintaining Avonlea's development momentum as well as sharing the ACCELi advantages to investors worldwide. I am especially pleased to welcome Mr. Brett and Mr. Lincz from Avonlea to the Advisory Board, and I look forward with great anticipation to our first field tests."*

## **Appointment of Head of Corporate Development**

### **Jason Cubitt**

The Company welcomes Mr. Cubitt to the executive team. He has worked for the past fifteen years with mining exploration companies and held executive and non-executive board positions with both private and publicly traded companies on Canadian, US and Australian exchanges. Most recently he served for seven years as president and CEO of Solis Minerals Ltd., a mining exploration company with copper projects in Peru and lithium projects in Brazil. He was formerly focussed on venture capital primarily serving the natural resource sector. He co-founded Ascenta Asset Management and Vertus Investment Advisory, offshore investment advisory firms for which he was responsible for precious metals and special situations mining funds. Prior to this, in 2005 he co-founded Ascenta Finance Corp. where he served as managing director and dealer for nine years.

## **Executive and Board Resignations**

The Company has accepted the resignation of Mr. Chris Reynolds as acting Interim Chief Executive Officer and thanks him for his contributions. Mr. Reynolds will remain on the Board of Directors.

The Company has accepted the resignations of Justin Corinella and Nicholas Rodway from the Board of Directors and thanks them for their contributions.

## **Financing**

The Company announces a non-brokered private placement financing of up to 25,000,000 shares of the Company at a price of \$0.075 per share for aggregate gross proceeds of up to \$1,875,000. The proceeds of the financing will be used to fund initial earn-in commitments to Avonlea and for general working capital purposes.

## **Stock Options**

The Company announces that it has granted 4-million incentive stock options to certain directors, officers, and consultants. Each Option entitles the holder to purchase one common share of the Company at an exercise price of \$0.075 for a period of 3-years from the date of grant.

## **FOR FURTHER INFORMATION CONTACT:**

Christopher Reynolds  
Director

[info@raincityresources.com](mailto:info@raincityresources.com)

Neither the Canadian Securities Exchange nor its Regulation Service Provider (as the term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy of accuracy of this news release.