

MEDIA RELEASE

LPI.ASX

6 April 2017

LITHIUM POWER MOVES FORWARD DEVELOPMENT TIMETABLE TO FAST TRACK MARICUNGA LITHIUM BRINE PROJECT AND COMPLETES SUCCESSFUL CAPITAL RAISING

Highlights

- Maiden JORC-compliant Lithium Resource update expected to be released in May 2017.
- Decision made to move forward a milestone payment of US\$5.5m to fast track development of the high grade Maricunga lithium brine project in Chile.
- Successful domestic and international institutional placement to raise \$12 million.
- Company pleased to receive strong support from high-profile investors, including Toronto based International Resource Fund – Sprott Capital.

Lithium Power International Limited (ASX: LPI) (“**LPI**” or “the **Company**”) is pleased to provide an update of the developments of the Maricunga Lithium Brine Joint Venture Project in Chile (the **Project**). The Company also announces a successful institutional placement (“**Placement**”) of approximately 31.58 million fully paid ordinary shares at an issue price of \$0.38 (38 cents) (“**Offer Price**”) to raise approximately \$12 million (before costs).

Shares issued under the Placement will be offered with free attaching options, exercisable within 2 years of the date of their issue, at an exercise price of \$0.55 (55 cents) (“**Options**”). The Options will be issued on a 1 Option for every 1 new share subscribed basis under the Placement and will be offered under a separate transaction-specific prospectus to be issued by the Company. The issue of the Options will be subject to shareholder approval at the Company’s next General Meeting of Shareholders.

LPI’s shares will resume normal trading on ASX at the commencement of trading today.

Maricunga Project update

Further to the ongoing disclosure of the significant results of the exploration program made over the past six months at the Company's flagship Maricunga Lithium Brine Project in Chile, the Company has completed its initial resource drilling and pump test program at the Project and is currently completing analysis of the data extracted from these tests to finalise the company's Maiden JORC compliant Resource update.

The Company is pleased to announce that, based on the highly encouraging exploration results at Maricunga, the JV agreed accordingly to move forward payment of US\$5.5m to fast track the development of the Project.

By moving forward this payment, the development timeline of the Project will be brought forward by approximately three to six months.

The Company expects that a maiden, JORC-compliant lithium resource update will be completed in May 2017. Based on the highly encouraging exploration results announced to ASX, the Company anticipates that the maiden, JORC-compliant lithium resource update will be materially larger than the historical, non-JORC resource previously disclosed by the Company.

Details of the Capital Raising

Placement

The Company has undertaken a successful share placement to domestic and international institutional to raise approximately \$12 million through the issue of approximately 31.58 million new, fully paid ordinary shares (**Placement Shares**) at the Offer Price of \$0.38 (38 cents) per share.

The Placement Shares will be issued utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A, except for a placement of \$200,000 to a related party which will require Shareholder Approval at the next General Meeting of Shareholders.

The shares issued under the Placement will comprise approximately 16.1% of LPI's total issued share capital (on an undiluted basis) after the Placement with a total of approximately 195.9m fully paid ordinary shares on issue.

Shares issued under the Placement will rank equally with existing shares of the Company subject to the offer of Options described below.

Blue Ocean Equities acted as Lead Manager and Bookrunner with Sprott Capital Partners, Hartleys and EverBlu acting as Co-Managers to the Offer.

Options

Shares issued under the Placement will be offered with free attaching Options, exercisable within 24 months from the date of issue, at an exercise price of \$0.55 (55 cents).

The Options will be allocated at a ratio of 1 Option for every 1 Placement Share subscribed for under the Placement, and will be offered under a separate transaction-specific prospectus to be issued by the Company. It is expected that these options will be listed on the ASX.

Use of Funds

The Capital raise of \$12m, allows the Company to progress to the next stage of the Maricunga project development by fast tracking development work within the next quarter, including:

- The drilling of further deep holes, which the Company expects will enhance the maiden JORC resource upgrade;
- The progressing of the Pre-feasibility Study;
- The finalisation of the engineering requirements of the project;
- Completion of the Environment Impact Report;
- Confirmation of the production methodology, including an enhanced evaporation process, currently in test;
- Securing of key infrastructure including electricity and water supply;
- Community engagement processes; and
- General working capital.

Capital raising timetable

The indicative timetable for LPI's capital raising is set out below. These dates are indicative only and are subject to change at the Company's complete discretion.

Event	Date
Announcement of Placement and re-commencement of trading of shares on ASX	Thursday, 6 April 2017
Settlement of Placement	Tuesday, 11 April 2017
Issue and trading of the Placement Shares	Wednesday, 12 April 2017
Lodgment of prospectus in connection with offer of Options with ASIC	Friday, 21 April 2017
General Meeting of Shareholders (indicative)	Wednesday, 24 May 2017
Offer of Options under prospectus closes	Thursday, 25 May 2017
Issue of Options (indicative)	Friday, 26 May 2017
Trading of all Shares and Options (indicative)	Monday, 29 May 2017

Lithium Power International’s Chief Executive Officer, Martin Holland, commented:

“The strong support from well-regarded international and domestic resource investors will strengthen LPI’s position as an aspiring lithium producer whilst also enabling LPI to bring the project timeline forward considerably. LPI had significant success in its international roadshows in Northern America which has been reflected in the quality names that have been added to the register. We would like to thank all current shareholders for their continued support and welcome all new shareholders to the Company.”

For further information, please contact:

Martin C Holland – CEO

Lithium Power International

E: info@lithiumpowerinternational.com

Ph: +612 9276 1245

www.lithiumpowerinternational.com

[@LithiumPowerLPI](#)