ASX RELEASE

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MARICUNGA LITHIUM BRINE PROJECT
FIRST LITHIUM CARBONATE SAMPLES PRODUCED

Highlights

- ✓ **Highly experienced process company GEA has produced the first samples of lithium carbonate from Maricunga brine**
- ✓ **Initial sample has a purity of 99.4% lithium carbonate and very low cation concentrations, consistent with production of battery grade lithium carbonate with specifications similar to those produced in Chile by Albemarle and SQM**
- ✓ **The Maricunga project is one of less than half a dozen pre-production brine projects with lithium carbonate samples produced and has the highest lithium grade of these projects**
- ✓ **WorleyParsons is well advanced with the Definitive Feasibility Study**
- ✓ **The environmental impact assessment for the project is progressing towards submission in the 1st quarter 2018**

Lithium Power International Limited (ASX: LPI) ("LPI" or "the Company") is pleased to advise that the first lithium carbonate sample has been produced from Maricunga brine for the Maricunga Joint Venture company (MSB) using the optimised process being developed by experienced process company GEA of Germany.

Peter Ehren Principal Process Consultant to the Maricunga Project (MSc. Raw Materials Technology, MAusIMM CP under JORC and QP under NI43-101) commented:

"Minera Salar Blanco (MSB) has produced its first lithium carbonate sample from Salar de Maricunga brine at GEA facilities in Germany. The brine was concentrated at the pilot plant solar evaporation ponds at the Maricunga site for almost 12 months, and subsequently treated at the GEA lab in Duisburg, Germany, to purify it and precipitate lithium carbonate suitable for battery grade specification similar to those produced in Chile by Albemarle and SQM. The process route is based on conventional technology and comes with the know how to be able to scale up to commercial production. The purity of the product is above 99.4% (Table 1 below)."

Lithium Power International's Chief Executive Officer, Martin Holland and Minera Salar Blanco's Chief Executive Officer, Cristobal García-Huidobro, jointly commented:

"We are very pleased with this news, as it's a major milestone on our route to become one of a select few lithium carbonate producers, and demonstrates the value of our project. Now we are able to produce a value added, refined product which we believe meets cathode manufacturers' rigorous material specifications.
Our environmental impact study is nearing completion and we look forward to updating shareholders with additional development advances regarding this significant lithiumproject over the coming months."

About the GEA company

GEA is a major global process engineering company with headquarters in Düsseldorf, Germany which employs 17,000 people globally and specializes in design and production of equipment for the chemical, pharma, environmental and food industries. GEA has been operating a pilot plant in their facilities for the Maricunga JV since 3Q17, when they began working to optimise the lithium carbonate extraction process. This work will be ongoing during the Definitive Feasibility Study that the joint venture is undertaking during 2018. Optimisation of the lithium extraction and potassium production aims to establish the lowest cost for the process, with the highest possible lithium recovery.

Figure 1: The first lithium carbonate sample from the Maricunga brine

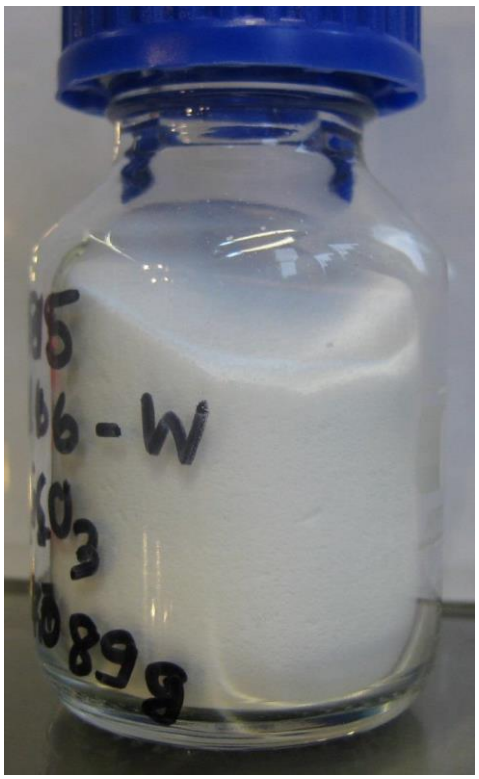

Figure 2: Washed lithium carbonate sample from the completed process

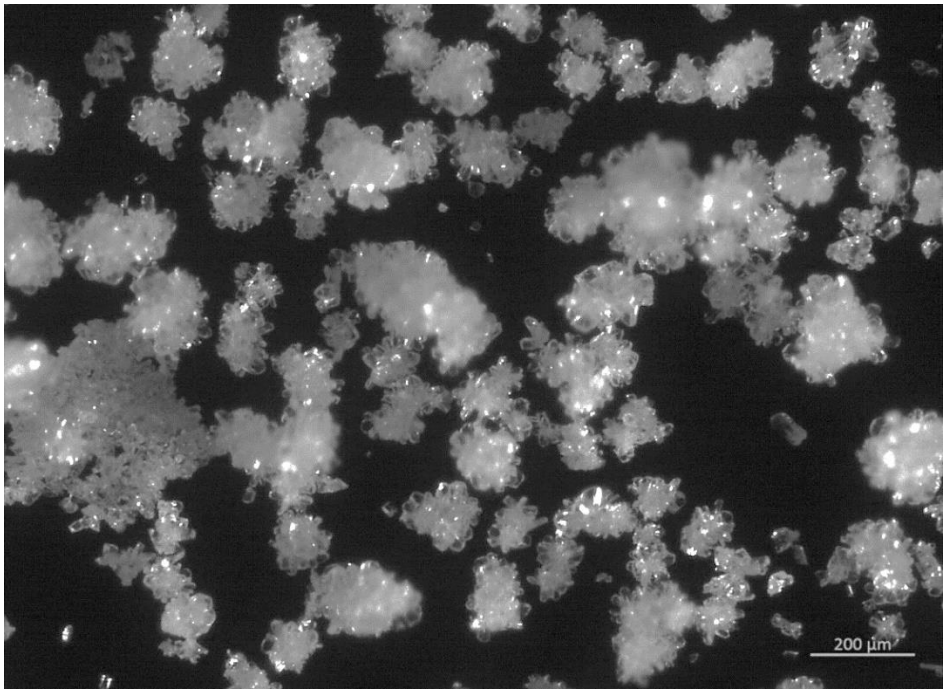

Table 1: Summary of first lithium carbonate sample specifications

Sample Title	Criteria	Target		Final product
Li_2CO_3	Minimum concentration	99.3	%	99.4
Na	Maximum concentration	600	ppm	252
Fe	Maximum concentration	10	ppm	1.6
Ca	Maximum concentration	100	ppm	131
SO4	Maximum concentration	300	ppm	Analysis pending
K	Maximum concentration	50	ppm	4.2
Cl	Maximum concentration	100	ppm	Analysis pending
Mg	Maximum concentration	100	ppm	15.7
Cr	Maximum concentration	10	ppm	0.12
Ni	Maximum concentration	10	ppm	0.27
Cu	Maximum concentration	10	ppm	0.046
Pb	Maximum concentration	10	ppm	0.017
Al	Maximum concentration	10	ppm	2.45
Zn	Maximum concentration	10	ppm	0.76
B	Maximum concentration	10	ppm	0.84
Insoluble. In HCl	Maximum concentration	100	ppm	Analysis pending
LOI (550°C)	Maximum concentration	0.5	%	Analysis pending

The company is still waiting for the final results for chloride, sulfate, insoluble material and loss of ignition (LOI). Optimization for lower impurities such as calcium will continue, a process which is considered to be easily achievable.

Environmental impact assessment progress

In parallel with the Definitive Feasibility Study and optimisation of the process the Maricunga JV is advancing with the project environmental impact assessment, to complete this and submit it to government agencies during 1Q18. The study includes quarterly monitoring of flora, fauna, air, soil and water, in addition to detailed non-seasonal assessments of other aspects of the project. Work is being undertaken by Tier-1 environmental consultancy MWH, who have extensive experience with projects in Region III of Chile, where the project is located.

Maricunga JV Background

The Maricunga JV is 50%-owned by LPI. The project is regarded as one of the highest quality pre-production lithium brine project globally, with a very high grade and strong flow rates. The company released a Preliminary Economic Assessment for the project on the 4 January 2018, which confirmed strong economic returns for production of 20,000t/a of lithium carbonate (LCE), with production of 74,000t/a of potassium chloride (KCl) from year 3 of the project operations.

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Figure 3: Maricunga project location in the Lithium Triangle in Chile