

ASX RELEASE

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CLARIFICATION TO CHILEAN MEDIA RELEASE

Lithium Power International Limited (LPI or the Company) provides clarification from the Maricunga JV Company, Minera Salar Blanco (MSB), on a recent press release featured this week in the Chilean media, along with statements made by the outgoing Chilean Mining Minister at the Prospectors & Developers Association of Canada (PDAC) convention in Toronto earlier this week.

These comments were in connection with the publication of Decree No. 64, which approves a future lithium special operation agreement (CEOL) between the Ministry of Mining in Chile and a subsidiary of a Chilean state-owned copper company Codelco.

Decree No. 64 authorizes the promotion, development and operation of lithium in certain areas of the Maricunga Salar brine until year 2057, setting the framework, minimum requirements and regulations for a CEOL to be executed.

It is noted that such agreement is yet to be executed between the Ministry of Mining and Codelco.

It is further noted that Decree No. 64 explicitly states that any future CEOL will not affect, in any manner whatsoever, any lithium concessions granted prior to 1979, under the “Old Code” mining regulations.

A significant proportion of MSB's properties, namely: Cocina, Salamina, Despreciada and San Francisco tenements are “Old Code” tenements, with only the Litio tenement classified as post 1979 “New Code”. Refer to Figure 1.

It is also advised that exploration has been conducted on all MSB tenements, with the results issued in the JORC and NI 43-101 complainant Resource Estimate and the Preliminary Economic Assessment remain a true reflection of the overall project.

MSB is confident that the Chilean government and all its entities will respect the rights of private entities, such as MSB, to participate in equitable conditions in the exploration and exploitation of lithium in the Maricunga Salar, within the in terms and conditions set forth in the Chilean Constitution, laws and applicable regulations.

MSB is confident that the new administration coming into office on 11 March 2018, will create all the required conditions to attract new investments in order to contribute to the progress and welfare of the country and all its people.

The judicial and social environment is what currently makes Chile an attractive jurisdiction for foreign investors.

Maricunga JV Background

The Maricunga JV is 50%-owned by Lithium Power International Limited. The project is regarded as one of the highest quality pre-production lithium brine project globally, with very high grades and exceptional porosity essential for high flow rates. The company released a Preliminary Economic Assessment for the project on 4 January 2018, which confirmed strong economic returns for production of 20,000t/a of lithium carbonate with production of 74,000t/a of potassium chloride from year 3 of the project.

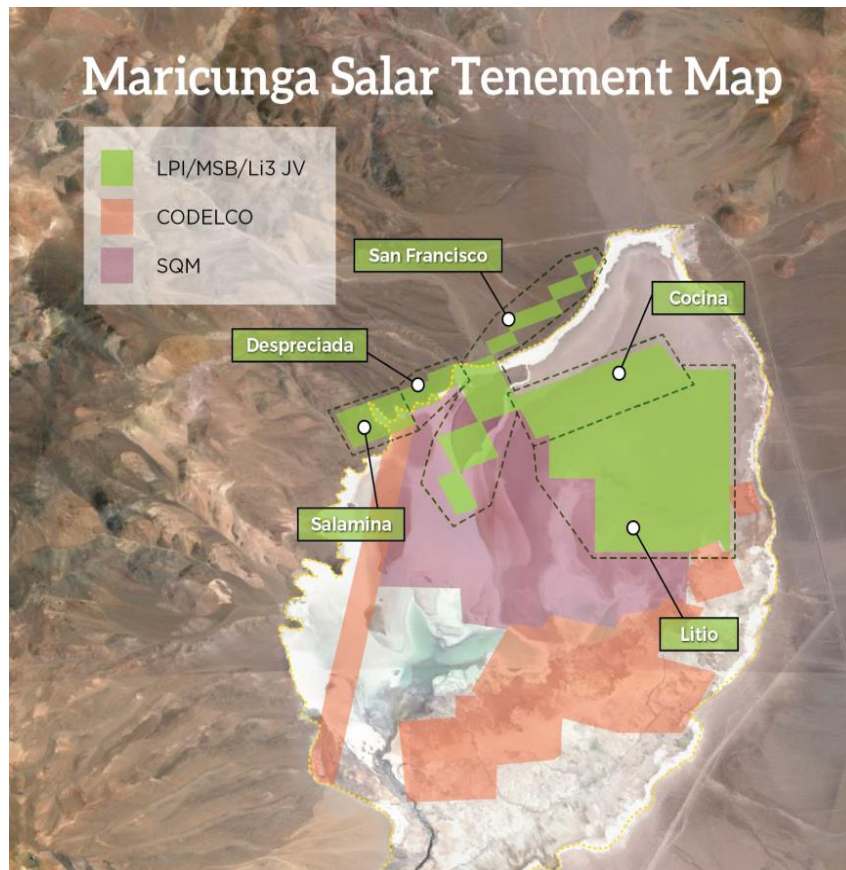


Figure 1

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