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MARICUNGA LITHIUM BRINE PROJECT AWARDED KEY REGULATORY EXPORT LICENCE

Highlights

- ✓ **The Chilean Nuclear Energy Commission (CCHEN) has awarded a key regulatory export licence for the production and marketing of lithium from LPI's 50%-owned Minera Salar Blanco (MSB) joint venture for a period of 30 years.**
- ✓ **The approval permits the initial extraction quota of 88,885 metric tonnes of lithium metal contained in brine or 472,868 tonnes of lithium carbonate equivalent (LCE).**
- ✓ **The CCHEN can increase the approved extraction quota upon MSB advancing the deep drilling exploration program scheduled for 2018.**
- ✓ **The extraction quota may also be increased by improvements in efficiencies at the production facilities.**

Lithium Power International Limited (ASX: LPI or the Company) is pleased to advise that its 50% owned Chilean joint venture company Minera Salar Blanco (MSB), responsible for developing the Maricunga Lithium Brine Project, has been awarded a key regulatory export licence by the Chilean Nuclear Energy Commission (CCHEN) to produce, market and export lithium products from Chile that are extracted from the Maricunga salar.

MSB was granted a significant extraction quota on 9 March 2018 to export lithium from Chile. The quota has a term of 30 years and covers brine extracted from Maricunga, containing 88,885 metric tonnes of metallic lithium in brine or 472,868 tonnes of lithium carbonate equivalent (LCE).

The CCHEN awarded MSB to extract and export lithium brine from its grandfathered mining concessions, which were registered prior to 1979 and are known as "old coded" concessions. Only twelve (12) production wells are required to produce 20,000 tonnes of LCE/pa with three (3) production wells already installed and operational. All production wells are designed to be installed on the old coded concessions.

In addition, MSB will be able to request an increase in the initial quota from the CCHEN once the company presents a Special Operation Contract (CEOL) covering its "New Coded" mining concessions, those registered after 1979. MSB intends to submit its CEOL request to the Chilean authorities this month.

The CCHEN resolution also allows MSB to request an increase on the initial quota once lithium resources between 200m-400m depth are upgraded to measured, indicated or inferred resource categories according to JORC and NI 43-101 standards. The new exploration phase to the greater depths to 400m and further development activities is scheduled to be carried out by MSB in 2018.

The CCHEN resolution states that the quota will be automatically increase on the same proportion as production plant efficiencies are improved. It is noted that the initial efficiency rate of 40% was submitted by MSB in its application to CCHEN, on which the quota was awarded. Further production testing and refinements carried out and reported in the last reports from GEA and Veolia are already showing improved efficiency rates.

MSB will have a four years period from the date of the authorisation to present the environmental approvals to the CCHEN. MSB will submit its environmental impact assessment next month.

Lithium Power's Chief Executive Officer, Martin Holland said:

"We are delighted to have gained the authorisation and support from the Chilean Nuclear Energy Commission which reaffirms our confidence that Chile's Government will continue to encourage and protect foreign investment as a leading mining jurisdiction".

On the CCHEN deal MSB's Chief Executive Officer, Cristobal Garcia-Huidobro, said:

"This permit represents a key milestone on the critical path for the company to advance the Maricunga project, placing it firmly as one of a select few advanced-stage lithium carbonate projects in the Americas. After four years of successful development, including our recent JORC and NI 43-101 reports and the Preliminary Economic Assessment (PEA), the company continues to progress on the next step to submit its Environmental Impact Assessment (EIA) to the authorities, making the Maricunga project the most advanced lithium project in Chile."

Investor and Shareholder Conference Call

Investor and Shareholders invited to join Martin Holland for a Q&A conference call today, **Wednesday 14 March 2018 at 11.00am AEDT.**

The dial in details are as follows:

Australia Free phone number: 1300-254-410
Overseas dial-in: +61-3-8687-0634
Conference Access Code: 7613815

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