

11 March 2021

Resource Drilling at Maricunga expected to expand current resource

HIGHLIGHTS

- Two of five diamond core holes (S-25 and S-26) completed to the target depth of 400m ahead of schedule.
 - Undisturbed core samples collected between 200m and 400m depth and sent for analysis for laboratory measurement of drainable porosity and other hydraulic parameters.
 - Positive preliminary field analysis for resource expansion confirmed the expected geological structure for the interval, as well as the existing hydrogeological model of the area, all with favourable specific yield and permeability characteristics.
 - Positive brine density from the samples collected at 12m intervals during the drilling and preliminary measurements at the wellhead indicate high lithium concentrations, similar to the ones found on the 0 m to 200 m interval. Significant resource expansion is expected.
 - Holes S-25 and S-26 will be used as observation wells during the long-term pumping test planned in adjacent production well P-5, which is currently being drilled by Andinor with a 30% advance to date, also ahead of schedule.
 - Optimisation of the production process continues with GEA Messo in Germany, with basic engineering already commenced for the re-sizing of the plant.
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CHARGING THE FUTURE

Lithium Power International Limited (**ASX: LPI**) (“**LPI**” or the “**Company**”) is pleased to provide an update on exploration activities and the preliminary results from the Maricunga Project, located in Chile.

As announced on 27 January 2021, the Company commenced additional exploration at the Maricunga Project with the aim of expanding the current resource, which is from near surface to 200m depth, to include the interval between 200m and 400m.

LPI has now completed the first two of five diamond core holes (S-25 and S-26) drilled to the target depth of 400m ahead of schedule, with undisturbed core samples collected and sent for analysis for laboratory measurement of drainable porosity and other hydraulic parameters.

The Company has also undertaken positive preliminary field analysis which will provide valuable information. The expected geological profile has been confirmed for the interval, with the sequence of coarse grained NW Alluvial sediments, followed by the Upper Volcanoclastics, the Lower Sands and the Lower Volcanoclastics. These units confirm the existing hydrogeological model of the area, all with favourable specific yield and permeability characteristics.

In addition, results from the samples collected at 12m intervals during the drilling have shown positive brine density, with preliminary measurements at the wellhead indicating high lithium concentrations, similar to the lithium concentrations found in the 0m to 200m interval.

Holes S-25 and S-26 were completed as monitoring wells to a depth of 400m and will be used as observation wells during the long-term pumping test planned in adjacent production well P-5, which is currently being drilled by Andinor which is now 30% completed, also ahead of schedule.

Drilling for the project’s 2019 Definitive Feasibility Study, established that there was a thick sequence of volcanoclastic material, established by MSB’s historical S-19 exploration hole drilled to 362m, (Figure 1) beneath gravel and near surface clay units in the “Old Code” concessions. This zone has high drainable porosity and permeability that is considerably higher than near surface units. Expansion of the resource would result in expansion of the project brine reserve, supporting the projected 20 year-plus mine life for the project.

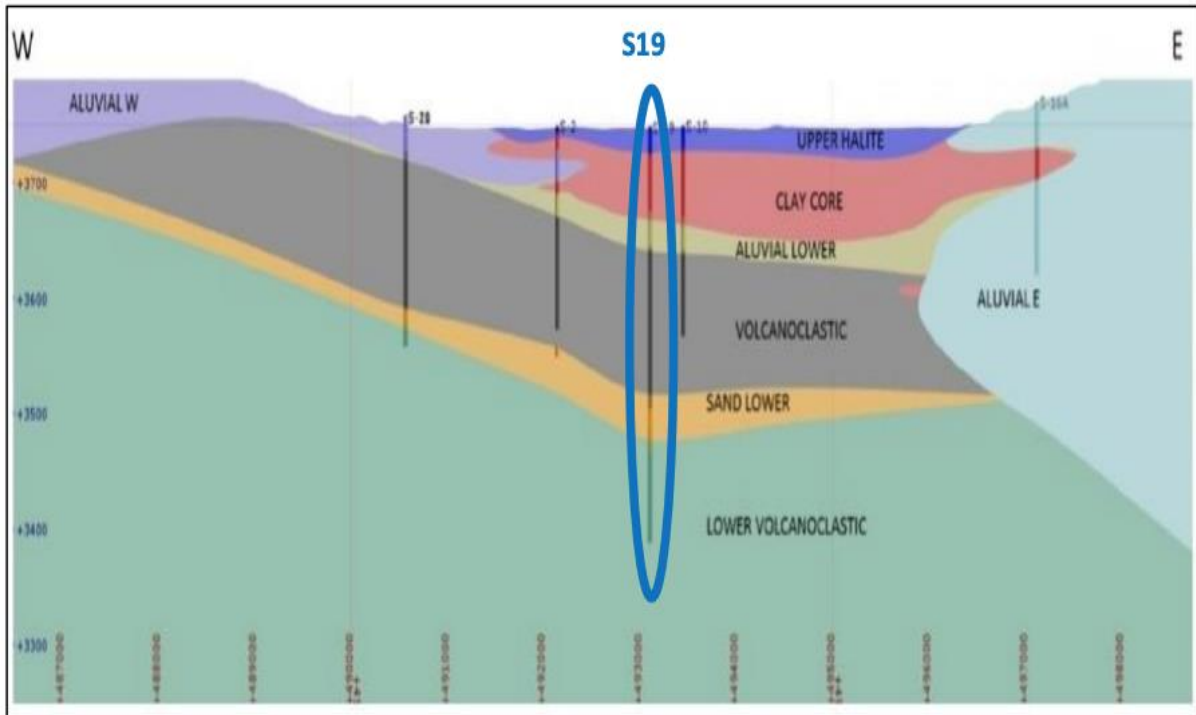


Figure 1 - West to East section, looking north, through historical drilling, with the target for the 400 m holes the lower volcaniclastic. Historical MSB hole S19 drilled to 362 m

Optimisation of the production process continues with GEA Messo in Germany, with basic engineering already commenced for the re-sizing of the plant. Detailed scope of work for Worley already defined. Activities expected to commence during April.

Drilling activities are ahead of schedule as shown on the Exploration Program below (Figure 2).

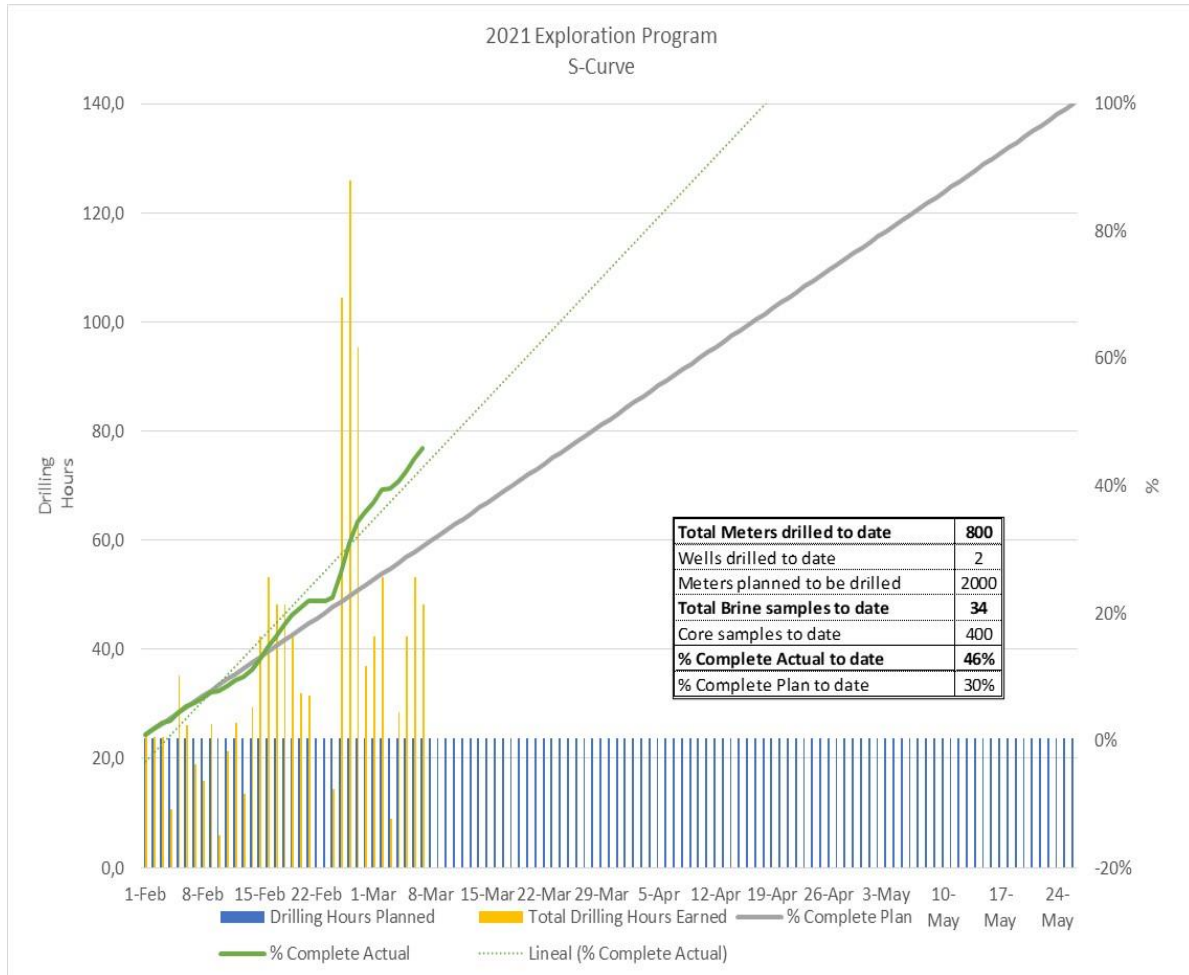


Figure 2 – Exploration timeline

Lithium Power International’s Chief Executive Officer, Cristobal Garcia-Huidobro, commented:

We are pleased with the positive preliminary results on the targeted resource expansion work, with the completion of the first two drill holes and the positive preliminary field analysis which confirmed the expected geological structure for the interval, as well as the existing hydrogeological model of the area. Activities are continuing as planned and we remain ahead of the timeline for exploration work.



Figure 3 – Core samples recovered from the first completed hole



Figure 4 – Shift one Drilling crew on site

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