

## MEDIA RELEASE

LPI.AX

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# LITHIUM POWER EXECUTES JOINT VENTURE AGREEMENT TO DEVELOP WORLD CLASS MARICUNGA LITHIUM BRINE PROJECT

- **Lithium Power signs final Joint Venture documentation with Minera Salar Blanco and Minera Li to develop the Maricunga lithium brine project in Chile**
- **Maricunga project is regarded as the highest quality pre-production lithium asset in Chile, located close to critical road and port infrastructure**
- **Strategic exploration and resource drilling program scheduled to commence at Maricunga project in coming weeks**

Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) is pleased to advise that it has executed the Joint Venture (“JV”) agreement with Chilean-based Minera Salar Blanco (“MSB”) and Minera Li (“MLi”) for the exploration and development of the high-grade Maricunga lithium brine project in Chile.

The finalisation of the JV documents has been achieved one month earlier than LPI’s original timeline (refer to ASX announcements on 20 July, 28 July, and 1 September). In addition, the Company can also advise that the new JV entity “NewCo” has been incorporated, with all assets held by the existing Maricunga partners, MSB and MLI, now to be transferred to the new entity.

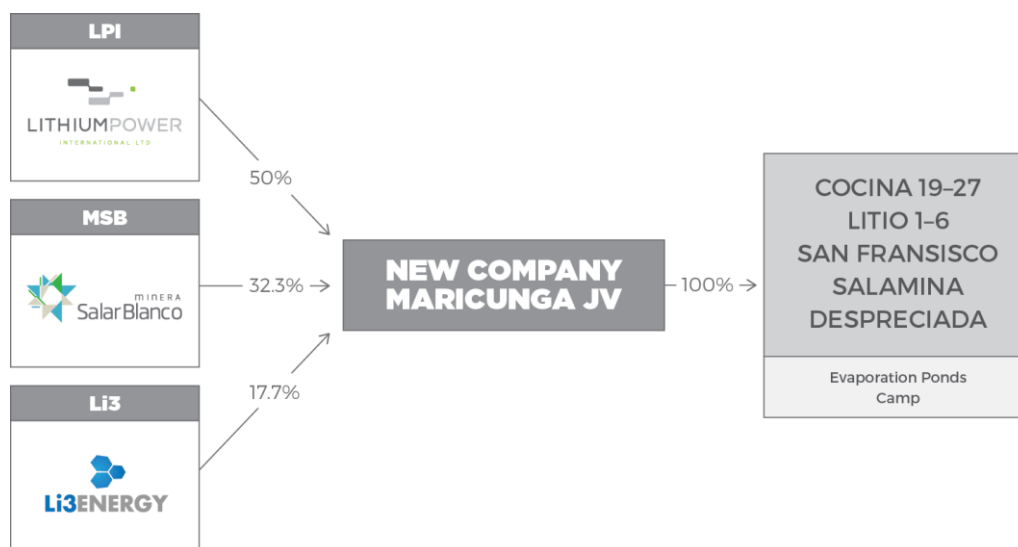
LPI is now focused on finalising preparations for the drilling program at the Maricunga project, scheduled to commence by month-end. With final JV documentation now signed, LPI will provide NewCo with the necessary funds to enable the fast-tracking of the continuation of the exploration and development program. This will include the drilling of 16 diamond drill holes and 2 pumping wells across the Maricunga salar, aimed at further expanding the existing lithium resource.

The Maricunga lithium brine project is regarded as the highest quality pre-production lithium project in Chile, with characteristics comparable to the world-leading Atacama brine deposits operated by Sociedad Quimica y Minera de Chile (NYSE: SQM) and Albermarle (NYSE: ALB) in the same region. In addition, LPI remains the only ASX-listed company with exposure to a lithium brine resource in Chile.

Maricunga is located 170km north-east of the mining town of Copiapo and 250km from the Chilean coast. It is adjacent to International Highway 31, which connects northern Chile and Argentina.

### Joint Venture Terms:

- NewCo JV ownership structure: LPI 50.0%, MSB 32.3%, Li3 17.7%. The JV will contain all Maricunga tenements and assets held by the three parties.
- LPI to fund exploration and development costs over the next 2.5 years to earn a 50% equity interest in NewCo, with the target of completing a Definitive Feasibility Study by late 2018. LPI will hold 50% voting rights from the start of the JV.
- MSB to sell to LPI three options over the San Francisco, Salamina and Despreciada tenements in exchange for 16 million ordinary shares in LPI, voluntarily escrowed until 24 June 2018. The share issue will be subject to LPI shareholder approval.
- LPI to provide up to US\$3.5 million via a secured loan to NewCo in order to fast-track the initial exploration activities, funded from current cash on hand.
- The Board and Technical Committee for NewCo will be split between LPI, MSB, Li3 from the outset, based on each company's respective shareholding in the Maricunga JV.



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

"We are very pleased to have executed the final JV documentation with our Chilean partners Minera Salar Blanco and Li3 Energy, and we are now focused on unlocking the underlying value from what we believe is a world-class lithium brine project in Chile.

The Company is well poised to become a near-term production company given our footprints in the key lithium producing jurisdictions of South America and Western Australia. We look forward to providing our shareholders with further operational updates in the coming weeks as we commence drilling at Maricunga."

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