

ASX RELEASE

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**MARICUNGA LITHIUM BRINE PROJECT
PROCESS TESTING UPDATE**

Highlights

- **Engagement of internationally renowned companies GEA and Veolia appointed to finalise a process flowsheet for the final production of battery-grade lithium carbonate.**
 - **Maiden JORC resource pending.**
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Lithium Power International Limited (ASX: LPI) ("LPI" or "the Company") is pleased to advise an update on the ongoing process testing at the Maricunga lithium brine project located in Chile.

Maricunga Project – Process Testing

Initial positive results include the preliminary concentration of brine from trial evaporation ponds at our camp site. The Maricunga JV is currently working with two leading suppliers and service providers in the lithium space, Veolia and GEA. The background on these companies are detailed below.

Process studies to finalise a process flowsheet for the final production of lithium carbonate have been ongoing since late 2016. Initial positive results include the preliminary concentration of brine from trial evaporation ponds. Lithium-rich brine from the project is undergoing further processing to produce battery-grade lithium carbonate.

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

"Working with tier 1 companies such as Veolia and GEA on our process testing and development shows the confidence and merits of the Maricunga project. We are pleased with the progress to date on our development timeline. The Maricunga project activities continue to progress well, with the company's maiden JORC resource to be released shortly. The delivery timing change, from the May 2017 guidance, is due to the extended turnaround on the final porosity results from the USA laboratory, which is a critical part of defining the updated resource. In addition, as part of LPI's ongoing evaluation of the project, and thorough risk mitigation measures, the company has appointed SRK Consulting to complete an internal independent expert audit of the resource estimation".

About Veolia

Veolia Environment S.A., or Veolia, is a French transnational company with service offerings in the fields of water management, waste management, public transport and energy services. The company operates in 48 countries and headquartered in Paris, France. Its shares are quoted on the Euronext Paris (EURONEXT:VIE) and New York Stock Exchange (OTC Pink: VEOEY) with a market capitalization of US\$12 billion. Veolia is a significant partner in the lithium space, offering processing solutions and equipment for everything from evaporation, impurity removal, brine concentration, by-product recovery, and lithium precipitation, purification and crystallization. Their project capabilities range from designing, building, operation, maintenance and project execution. Veolia's equipment and services have been deployed in a number of lithium brine operations throughout Chile and Argentina.

About GEA

GEA Group AG, or GEA, is a global equipment and process technology provider over a wide range of industries. The company is headquartered Düsseldorf, Germany and trades on the Frankfurt exchange (FWB:G1A) with a market capitalization of €7 billion. Within the lithium space, GEA Technologies provides solutions spanning the entire production chain for lithium: evaporation, crystallization and drying technologies that are key to producing lithium from brine concentrates or from spodumene. Their project capabilities span engineering design, manufacturing and commissioning of the key process equipment. GEA's offerings have been used in a number of lithium projects around the world and was most recently selected a supplier to process Tianqi Lithium's production from the Greenbushes mine in Australia. The Greenbushes mine is owned by Tianqi Lithium (SHE:002466) and Albemarle (NYSE:ALB), and produces about 30% of the world's lithium supply.

Maricunga JV Background

The Maricunga lithium brine project is regarded as one of the highest quality undeveloped pre-production lithium brine project globally, with a very high lithium grade and strong flow rates. The company continues to advance towards a new JORC compliant resource estimate in 1H17, based on results of the drilling & pump testing program, with the project progressing to a Pre-Feasibility study in December 2017.

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