

21 April 2021

Maricunga Resource Expansion Activity Update

HIGHLIGHTS

- Drilling program ahead of schedule with three exploration core holes (S-25, S-26 and S27) completed to the target depth of 400m and core hole #4 now passing 300m. Completion now expected by early May.
- A total of 31 undisturbed core samples collected from core holes S-25 and S-26 have been sent to GeoSystems Labs in the US for drainable porosity and other hydraulic parameters.
- 56 brine samples collected and sent to Andes Analytical Assay Labs for chemical analysis. Positive preliminary sample analysis indicates average lithium concentrations above 1,000 ppm and positive lithium/calcium/magnesium ratio.
- Activities for the DFS update with Worley commenced during the first week of April. Several opportunities for improvement have been detected.
- Optimisation of the production process continues with GEA Messo in Germany. Final tests for the SX Removal plant and the Ion Exchange plant now finalized (Outotec and Eurodia respectively). Basic engineering already commenced by GEA for the re-sizing of the plant.

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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 Lithium Brine 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 presently just from near surface to 200m depth, but will now include the interval between 200m and 400m.

LPI has now completed three out of five diamond core holes (S-25 S-26 and S-27) to the target depth of 400m. The fourth core hole is now being drilled with completion of the fifth exploration hole is expected for early May, two weeks ahead of schedule.

The first set of 31 undisturbed core samples collected from holes S-25 and S-26 have been sent to GeoSystems Analysis laboratories in Tucson, Arizona and the results of drainable porosity and other hydraulic parameters are expected by the middle of May.

Of a total of 56 brine samples collected at 12m intervals during the drilling, 20 samples have been sent to Andes Analytical Assay for analysis. Preliminary analysis shows average lithium concentrations above 1,000 ppm and positive lithium/calcium/magnesium ratios.

Optimisation of the production process continues with GEA Messo in Germany, with basic engineering already commenced for the re-sizing of the plant to 15,000 t/a LCE production. Final tests for the Solvent Extraction (SX) Removal plant and for the Ion Exchange plant were finalized with Outotec (Finland) and Eurodia (France) respectively.

Exploration activities are on schedule as shown on the Exploration Program below (Figure 1).

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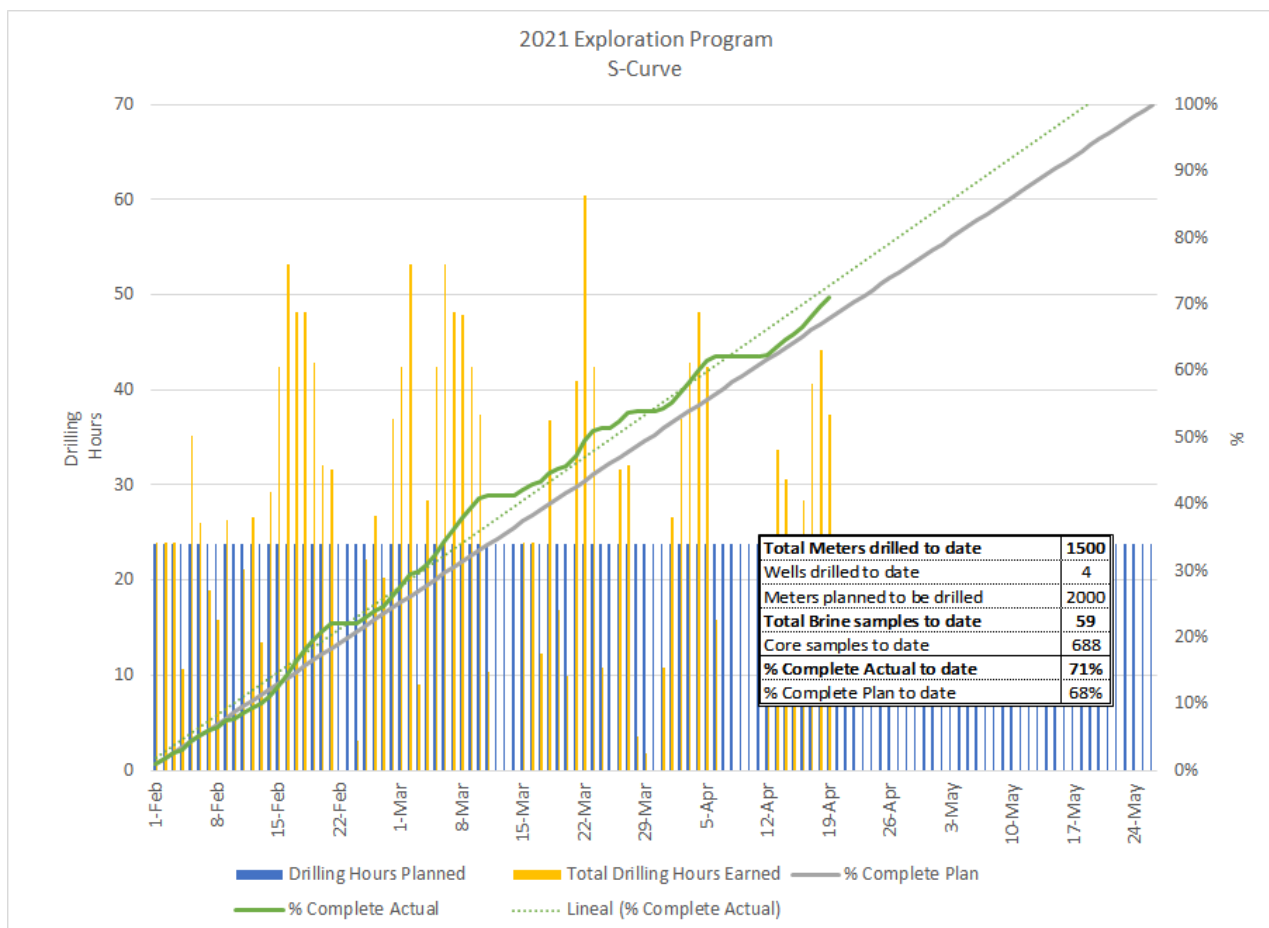


Figure 1: Exploration Program

A 200m water well was also drilled by Andinor early April for freshwater testing activities. Drilling of a 400m deep production well for the long-term pump test planned continues and has reached a 35% stage of advancement. A third shift was now added by Andinor to continue with the schedule as projected.

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Figure 2 – Andinor construction of a 400m production well.

The kick-off meeting for the DFS update of the Stage One was conducted with Worley the first week of April. Several possible areas of improvement have been identified. Engineering work will focus initially on the re-sizing of the evaporation ponds where opportunities to reduce the capital expenditure related to this item have already been detected.

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

“We are very pleased with the positive results to date and the progress of the drilling activities with more 70% of the work completed. Commencement of the DFS update by Worley and the basic engineering by GEA will allow the planned schedule to be achieved.”

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