

17 July 2023

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## MARICUNGA LITHIUM BRINE PROJECT STATUS

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Lithium Power International Limited (**ASX: LPI**) (“**LPI**” or the “**Company**”) has become aware of recent media speculation pertaining to the status of its Maricunga Project tenements and the Company’s market disclosure. LPI refutes the information in the news articles (AFR online, Street Talk 16/7/23, reporting on a Chilean newspaper article) and confirms that the market has been fully informed, as repeated below.

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On the evening of Thursday, 20 April 2023 (Chilean time), Chilean President Gabriel Boric formally announced the Chilean National Lithium Policy (“**NLP**” or “**Policy**”) on National Television. This initial speech outlined the Policy in relation to the Atacama Salar and the two producing lithium brine companies. A subsequent speech was given by President Boric on Friday, 21 April 2023 (Chilean time), discussed the other Chilean lithium brine projects, including the Company’s’ project on the Maricunga salar.

On Monday 24 April 2023, the Company, aware of its ASX Continuous Disclosure obligations, provided a comprehensive analysis of the Policy and the effect on its Maricunga project. Shareholders and Investors were also invited to attend an investor conference call, hosted by LPI’s Chief Executive Officer, Cristobal Garcia-Huidobro, on Monday 24 April 2023, at 12.00pm (Noon) AEST, to discuss the NLP further. This webinar was very well attended.

For ease of reference, the key points from this announcement are contained in an Appendix to this ASX release.

The Company also provided further information on NLP in the March 2023 Quarterly Activities Report, released to ASX on Friday 28 April 2023.

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In response to the content of the latest article, LPI informs the following:

- The standing of its concessions and permitting according to Chilean law is solid and there are not, nor have there ever been, judicial processes that have had the purpose of questioning the aptitude, rights and capacity to exploit Lithium from Mining Properties constituted prior to the year 1979.
- In addition, all rights have been confirmed and published by various administrative bodies of the State of Chile, including the Environmental Approval RCA N° 0094/2020 ratified by the Committee of Minister in January 2022, and the Chilean Nuclear Energy Commission permit (CCHEN) Resolution N° 039/2018.
- These have also been ratified by resolutions of various superficial land easements rulings of different Ordinary Courts and the Illustrious Court of Appeals of Copiapó
- Furthermore, all the previous have been ratified in the recent ruling issued by the Hon. Supreme Court on April 5, 2023.
- This has been reinforced by Legal Opinions presented during the last three years from several large and specialist law firms in Chile.
- Notwithstanding the foregoing, the company has requested the legal opinion from the most experience and well known Chilean lawyers, who, having the respective background information, have not only confirmed the aptitude, rights and capacity of its Pre-79 Assets to exploit Lithium, but they have also carried out a solid analysis and interpretation of the current Organic Constitutional and legal norms, included in the recent ruling issued by the Hon. Supreme Court on April 5, 2023. Thus, it is worth noting for her career and professional prestige, the former Codelco Prosecutor and former Lawyer member of the Hon. Supreme Court, expert in mining law Mrs. Laura Novoa; the lawyer, professor and tenured academic of the PUC in Civil Law, the most prestigious Law School in Chile, Mr. Víctor Vial; the former lawyer member of the Constitutional Court and professor Mr. Enrique Navarro; the academic in civil law of the University of Concepción and former member of the Hon. Supreme Court Mr. Daniel Peñailillo; the current lawyer member of the Hon. Supreme Court and professor Ricardo Abuabud and the prominent civil law professor and former member of the AC of Santiago, Iñigo de la Masa.

LPI has absolute confidence in the Chilean legal system and in its strict compliance by its authorities, including Ministers, where only the Courts have the jurisdiction to interpret laws. LPI confirms that there are not, nor have there ever been, judicial processes that have had the purpose of questioning the aptitude, rights and capacity to exploit Lithium from Mining Properties constituted prior to the year 1979.

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## Appendix

### Extract of the Chilean National Lithium Policy commentary as released by the Company on 24 April 2023

*LPI wishes to clarify some core elements of the new Policy as it relates to the Company's Maricunga Project and assets:*

- *The Maricunga Stage One project is fully permitted for construction. Its Environmental Permit ("EIA") was approved in 2020 by the "Servicio de Evaluación Ambiental" ("SEA"), which was explicitly mentioned by President Boric as the government agency in charge of environmental aspects of any future project in Chile. LPI's EIA permit was ratified by the Committee of Ministers of the Chilean Government in 2022, rejecting all the objections submitted by third parties. It also obtained the necessary Chilean Nuclear Energy Commission ("CCHEN") permit in 2018 that allows LPI to export lithium products from Chile.*
- *With regards to the inclusion of communities and the environmental and technical aspects mentioned on the new Policy, LPI's Maricunga Stage One project development serves as an example by incorporating all social and community agreements as an integral part of its environmental permit. This includes Maricunga being one of the few projects in Chile with a comprehensive indigenous consultation process executed by the Government under the ILO Convention 169, defining a new standard of social relationships. The Company is proud of these achievements in promoting community participation over the long-term.*
- *The Maricunga project has established broad ranging the sustainable development initiatives, which sets a unique and complete ESG profile standard for the future of the project. LPI's corporate vision aims to make the Maricunga Project one of the first lithium operations globally to achieve carbon neutrality.*
- *The Company confirms that its wholly owned subsidiary Minera Salar Blanco ("MSB"), is the sole owner of the property and concessions of both Stage One and Stage Two of the Maricunga Project. There are no current legal processes challenging this aspect of the project. This is a fundamental difference from the current operations in the Atacama Salar, where state-owned company CORFO is the owner of the properties and concessions. CORFO then leases these concessions to the current operators in Atacama for a set period of time. It is also important to note that the mining concessions that serve as the base for the Maricunga Stage One project, were given by the Chilean Government, before 1979 when only then did lithium become defined as a strategic material.*

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- *The Maricunga Stage One concessions, because of their pre-1979 “Old Code” status, do not require a CEOL (Special Lithium Operation Contract) for exploitation. The Stage One project is shovel ready, and currently awaiting the closing of its financing process to begin construction.*
- *It is important also to clarify that a CEOL does not provide any claim to ownership over the area included under the CEOL contract. CEOL’s explicitly establish, that holders of the CEOL have no rights to enter the area, or execute any activity, (exploration or exploitation), without a previous negotiation with the owners of the mining concessions.*
- *LPI embraces the possibilities for future public-private alliances as declared by the NLP, for the development of Stage Two for the Maricunga project, which involve its post-1979 or “New Code” concessions. The Company will continue to work closely with the Chilean Government to transform the Maricunga Stage Two project into the first example of a public-private alliance under the new parameters established by the new Policy.*
- *The Company acknowledges the existence of the Australia–Chile Free Trade Agreement (“FTA”), which came into force in 2009, being the first FTA between Australia and a Latin American country, as well as the Trans-Pacific Partnership (“TPP”) recently ratified by Australia and Chile. Both international arrangements will positively support these public-private alliances and also incorporate clear mechanisms for investment protection under international law.*
- *The new Policy does not constitute a nationalisation of the lithium industry in Chile. Its objective, as clarified by the Mining Minister, is to set the conditions and parameters for the country to have a more active involvement and higher financial returns in a strategic industry, particularly where those lithium resources are located on concessions already owned by the Chilean State on the Atacama Salar. The NLP also seeks to accelerate the development of new projects in the country.*
- *LPI is currently evaluating a number of financing options for the Maricunga Stage One project, ranging from strategic equity investment from potential offtake partners to debt/equity financing alternatives. The announcement and future implementation of the NLP is timely to provide the clarity and certainty required by financiers/investors on the parameters under which the Maricunga project will be developed.*

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