

Chile Explore Congress 2016

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CHARGING THE FUTURE

7 September 2016

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The information contained in this ASX release relating to Mineral Resources has been compiled by Mr Murray Brooker. Mr Brooker is a Geologist and Hydrogeologist and is a Member of the Australian Institute of Geoscientists and has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101. Murray Brooker consents to the inclusion in this announcement of this information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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The reader is referred to the previous announcement by LPI on the 28 July 2016, which provided details of the Maricunga project resource and information regarding what is considered by ASX as a production target. With regards to the resource, LPI confirms that it is not in possession of any new information or data relating to the resource (which is considered by ASX to be a foreign estimate), that materially impacts on the reliability of the estimate or the mining entity's ability to verify the foreign estimate as mineral resources in accordance with Appendix 5A (JORC Code). LPI confirms that all the material assumptions underpinning the production target provided in that announcement continue to apply. LPI confirms that the supporting information provided in the announcement by LPI on the 28 July 2016 continues to apply and has not materially changed. LPI cautions the foreign estimate (NI43-101) was not reported in accordance with the JORC code. This work was completed three years before the JV was announced on 20/07/1. A competent person has not done sufficient work to classify the foreign estimate as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code. The resource refers to lithium carbonate equivalent (LCE), this is a conversion factor of 5.32x lithium metal. Future reporting will be under the JORC code.

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Lithium Power International – A Diversified Pure-Play Lithium Company

Key attributes for LPI

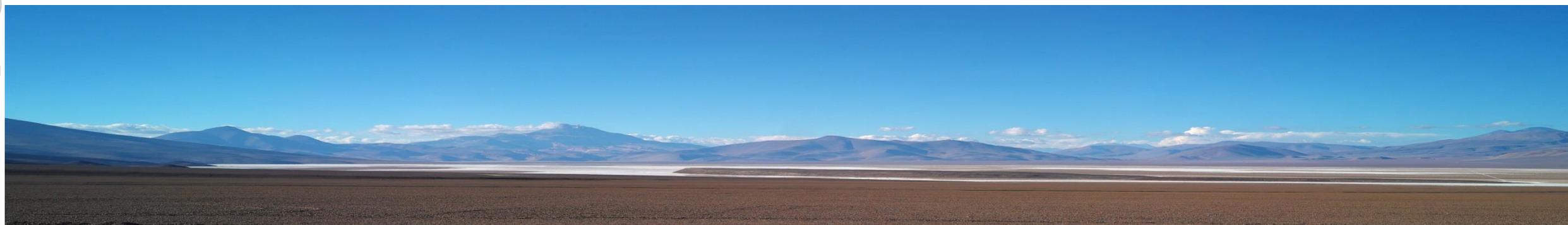
- Pure-play lithium explorer & developer, which is diversified by geography and deposit type (hard rock & brine).
- Exploration targets identified across our project regions in Western Australia and South America. All project areas are close to critical road, rail, and port infrastructure.
- An experienced Board with extensive mining and commercial experience, with highly-qualified technical experts in both Australian and South America.
- Strong lithium market fundamentals driven by worldwide battery demand.

Key points for Maricunga JV

- LPI has completed legal & technical due diligence on the formation of a JV to develop the world class Maricunga lithium brine project, together with the current owners Minera Salar Blanco (MSB) and Minera Li (51%-controlled by MSB, and 49% Li3 Energy).
- Maricunga is regarded as the highest grade pre-production lithium project in Chile – with characteristics comparable to the world-leading Atacama deposit. Exploration drilling will commence later this month, aimed at expanding the existing resource base.
- Maricunga is located within the “Lithium Triangle” in northern Chile, close to road & port infrastructure, and within a known pro-mining province of Copiapo.

LITHIUM POWER INTERNATIONAL (LPI) WAS ESTABLISHED TO ACQUIRE HIGH-QUALITY LITHIUM TENEMENTS IN AUSTRALIA AND SOUTH AMERICA

THE COMPANY COMPLETED A SUCCESSFUL IPO ON ASX IN JUNE 2016, FOLLOWING A HEAVILY OVERSUBSCRIBED OFFER PERIOD



Lithium Power - Board and Technical Team



Mr Ricky P Fertig

Chairman

Founding director and senior executive with 30yrs of international commercial experience across property, healthcare, and mining services sectors.



Mr Murray Brooker

Group Technical & Exploration Adviser

Geologist specialising in lithium brine over the last 6yrs, with 25yrs total experience in mining and exploration. Most recently, he was the JORC Competent Person to Orocobre on their lithium brine project in Argentina.



Mr Martin C Holland

Chief Executive Officer

Founder and CEO with 11yrs management experience focused on the mining exploration sector. Previously CEO of gold explorer Stratum Metals from 2010 to 2014, which listed on ASX in 2011.



Mr Stuart Peterson

Exploration Manager – Hard Rock

Hard rock pegmatite geologist with spodumene lithium experience. Most recently, the Senior Geologist with Mineral Resources on their Mt Marion lithium project in Western Australia.



Dr Luis Ignacio Silva P

Director and Regional Manager Latin America

Mining geologist with 40yr experience in Sth America, including the last 10yrs as a lithium specialist. He has worked with Talison, Freeport, Amax, Barrick, Homestake, Rio Tinto, Shell-Billiton, Pegasus, CNC, and SERNAGEOMIM.



Mr Todd Axford

Independent Expert – Hard Rock

Completed the IER in regards to all the Australian hard rock tenements and applications. Senior geologist with 21yrs experience. Previously held exploration positions at: Stratum Metals, Australasian Resources, Mt Gibson Iron, and Cliffs Natural Resources.



Mr Andrew G Phillips

CFO and Company Secretary

Over 25yrs of commercial experience. Company Secretary (and previous CFO) for Sequoia Financial, and Independent Director of Longreach Oil and Southern Cross Exploration. Held previous senior management roles with Aristocrat, Allianz, and Hoya Lens.



Dr Mark King

Independent Expert - Brine

Completed the IER for LPI's brine tenements in Chile and Argentina. Expert in hydrogeology with technical advice provided on over 100 projects across the Americas.

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Lithium Market & Outlook



Lithium is charging the future...

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- Lithium-ion batteries are the preferred choice for portable energy storage given the combination of:
 - ✓ light weight
 - ✓ high energy density
 - ✓ slow self-discharge
 - ✓ low maintenance
 - ✓ low environmental risk

“Lithium is the new gasoline”



“Lithium is now considered a key, strategic energy metal...”



“...within 30 years, a majority of new cars made in the United States will be electric”



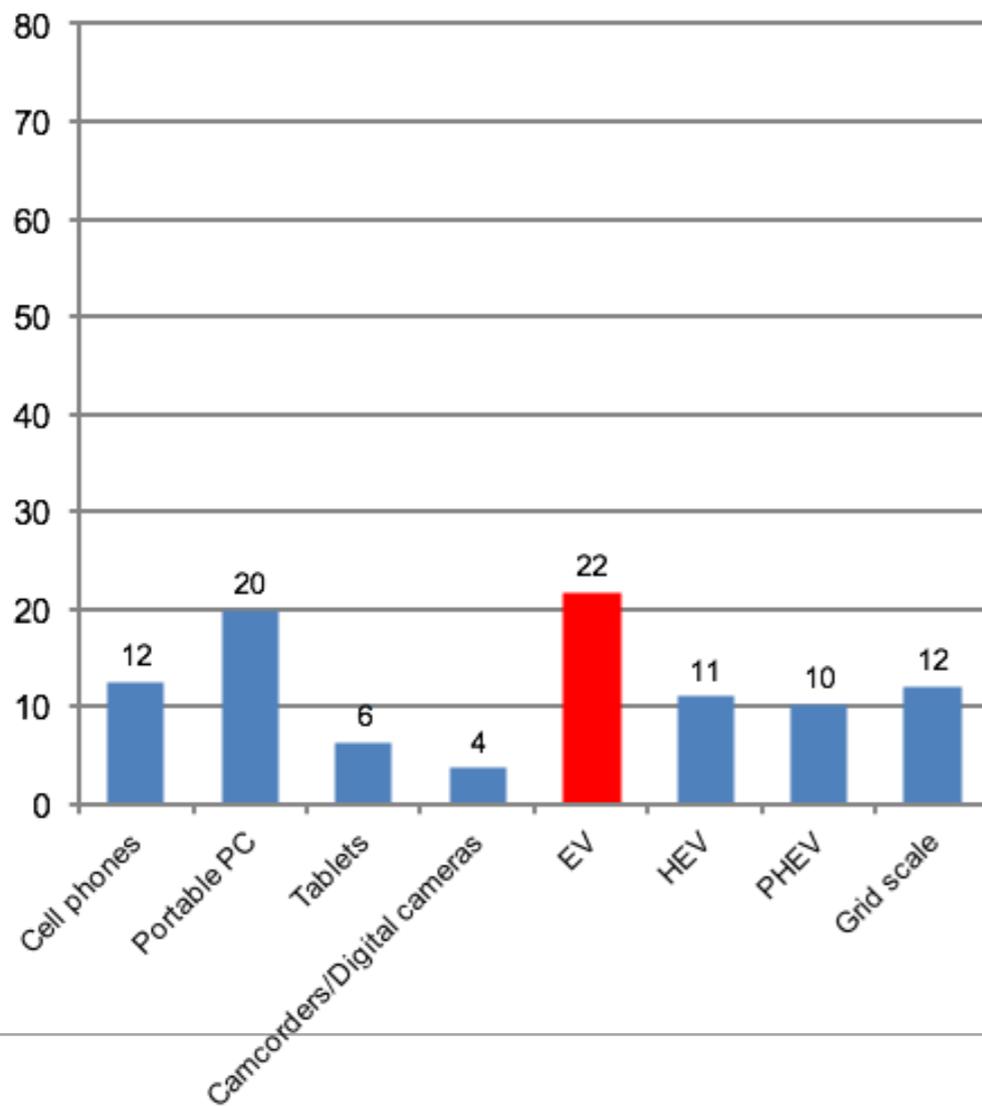
“Given the continued growth in Electric Vehicles, lithium carbonate prices are expected to increase over the forecast period...”



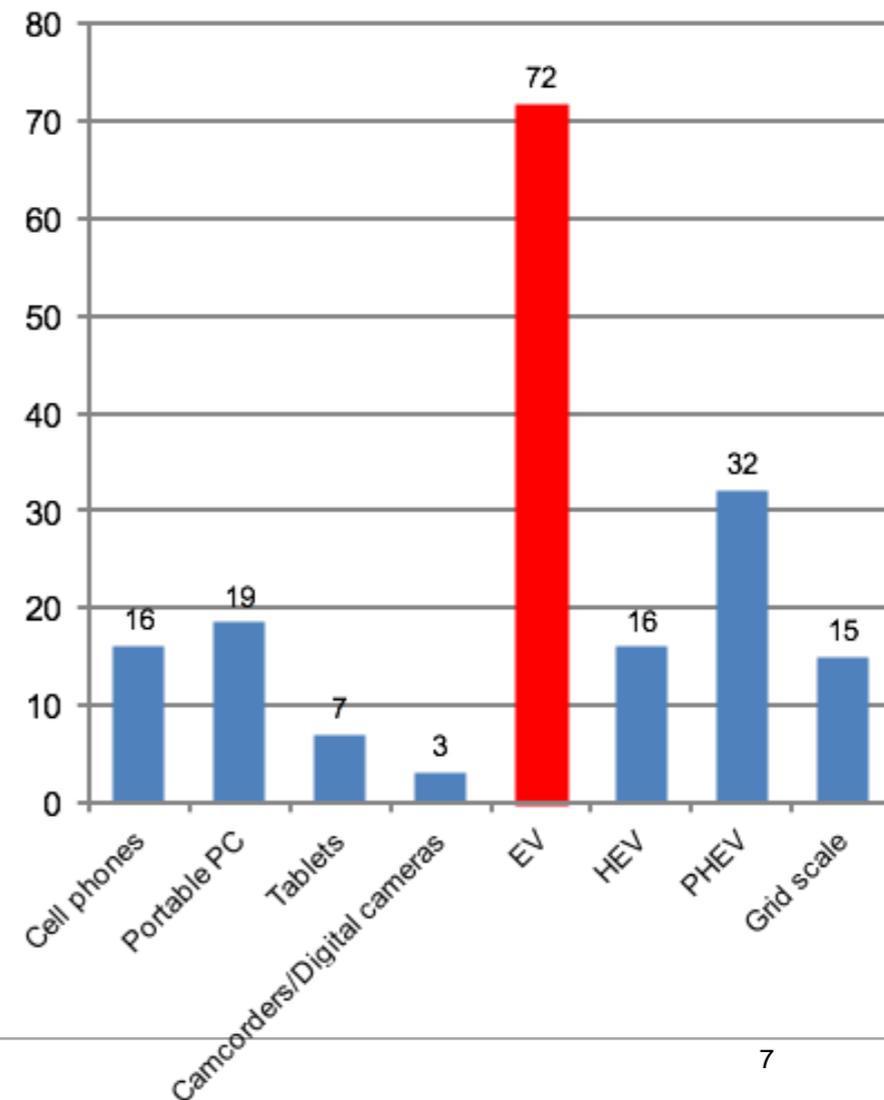
The key growth for lithium is car batteries, particularly in China

- According to CRU, total global lithium demand across all applications is forecast to grow at +8% pa (CAGR) over the next 5 years to 2020.
- Last year, 44% of global lithium consumption was for lithium-ion rechargeable batteries, with demand expected to grow at +13% pa in this segment over the next 5 years.
- Within battery demand, growth in electric & hybrid vehicle batteries is expected to grow at +23% pa over the next 5 years.
- The main driver of this EV/HEV/PHEV growth is China, which represents >50% of global battery production capacity.

Batteries 2015 (kt LCE)
Total demand =97kt LCE



Batteries 2020 (kt LCE)
Total demand =180kt LCE

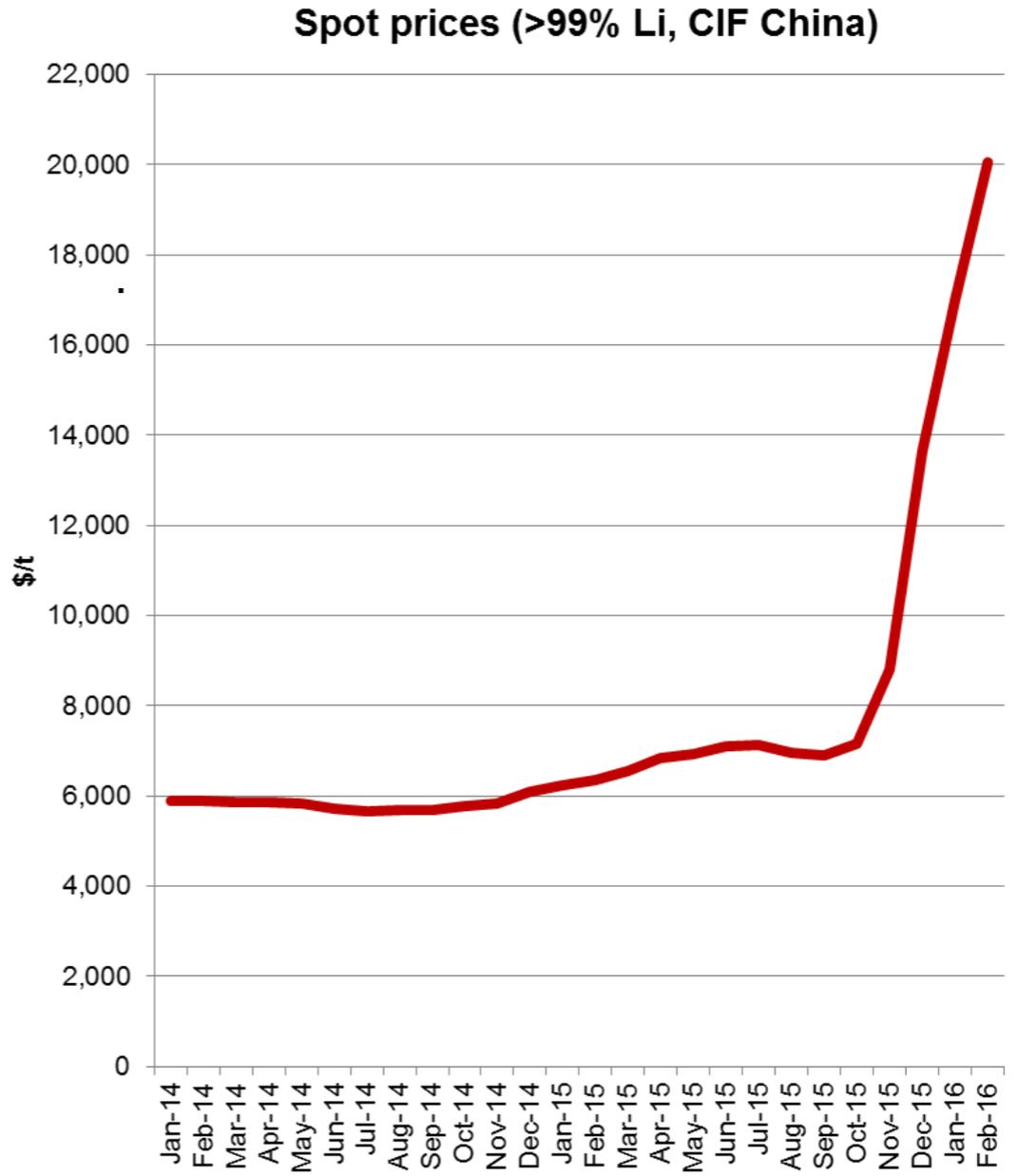
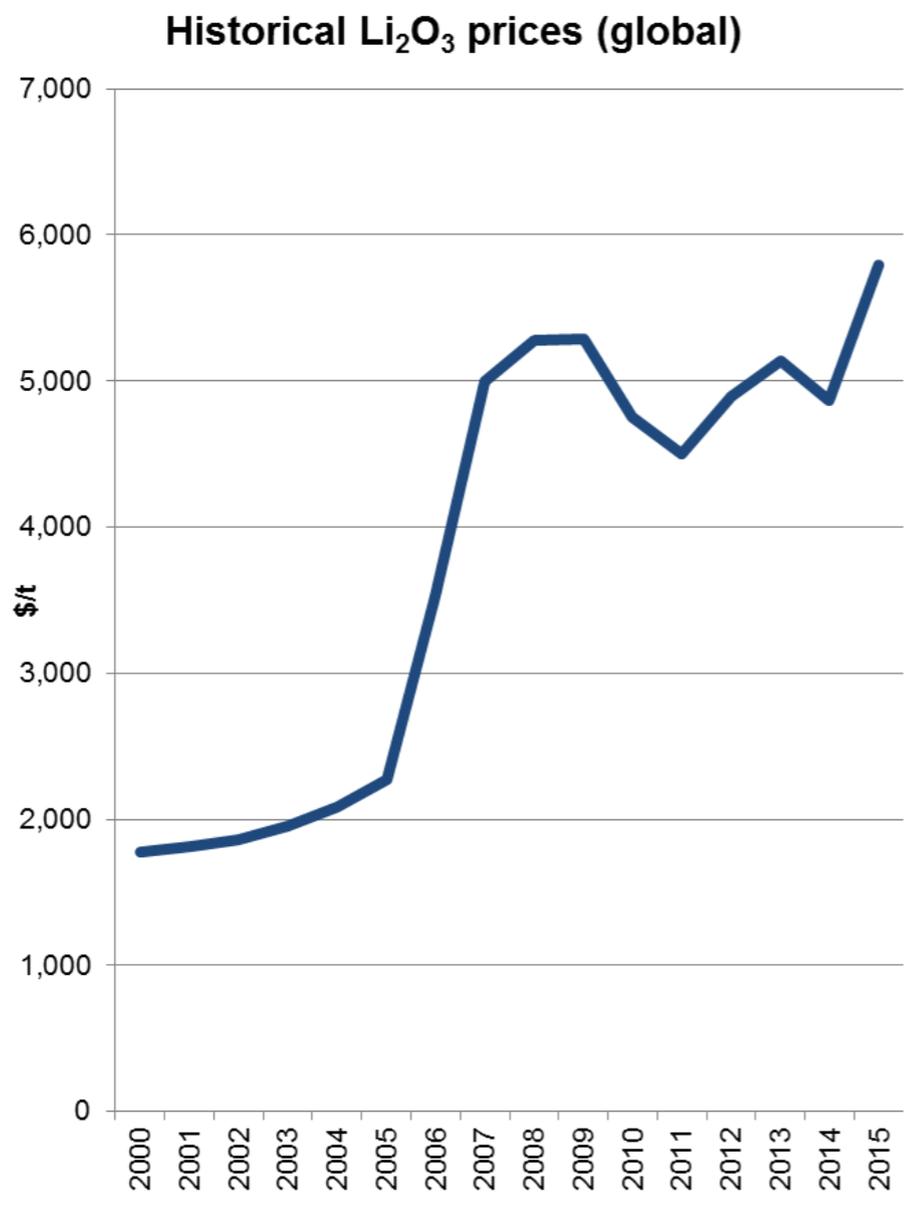


Source: CRU

Lithium prices continue to rally, driven by strong demand

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A combination of strong demand and supply interruptions has resulted in the Chinese lithium price rallying from ~US\$5,000/t in mid 2015 (contract) to >US\$20,000/t currently (spot).

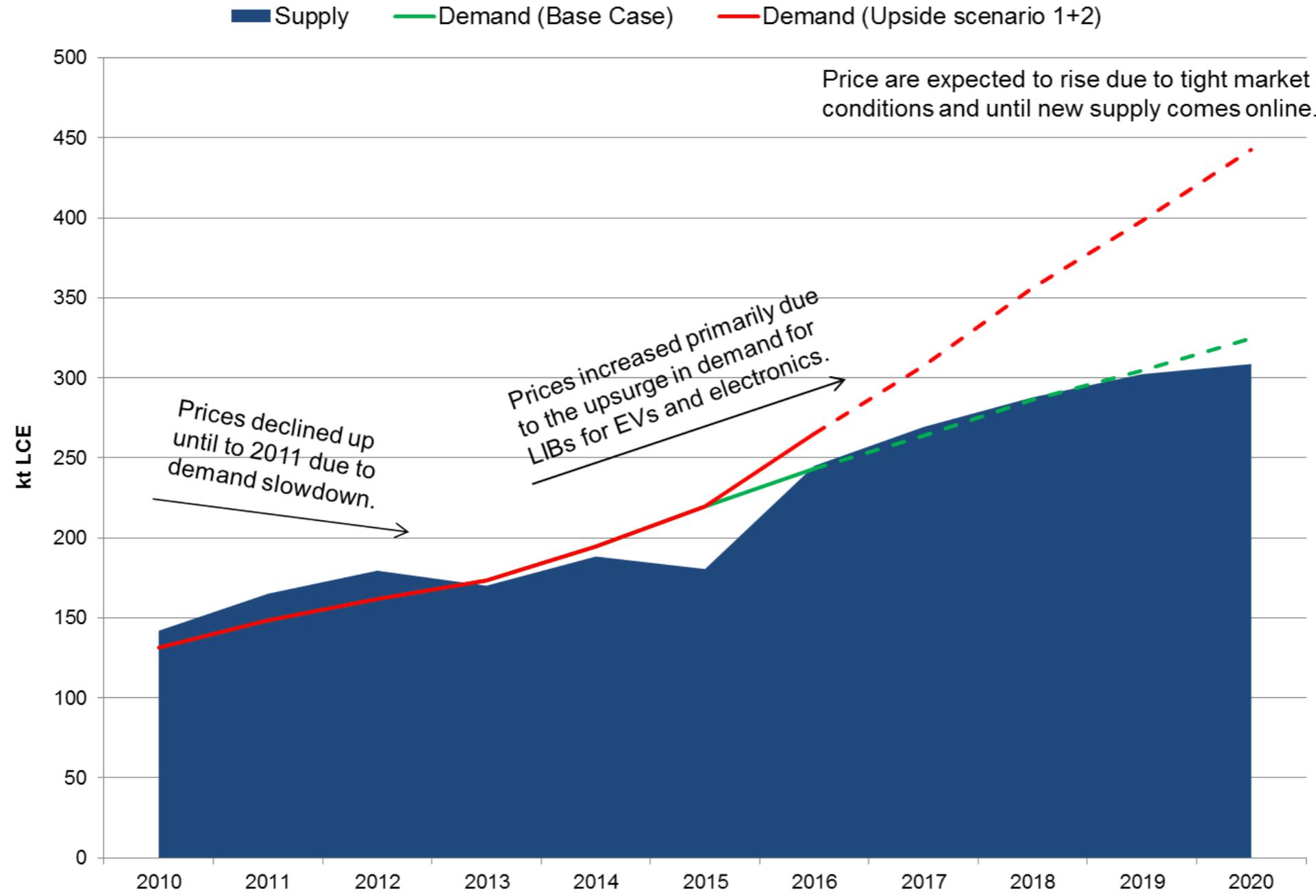


Source: CRU, GTIS, Asian Metal

The fundamentals for lithium are strong in the medium term...

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- Based on CRU's forecasts, the supply/demand balance for lithium will continue to remain tight over the next 5 years.



Source: CRU

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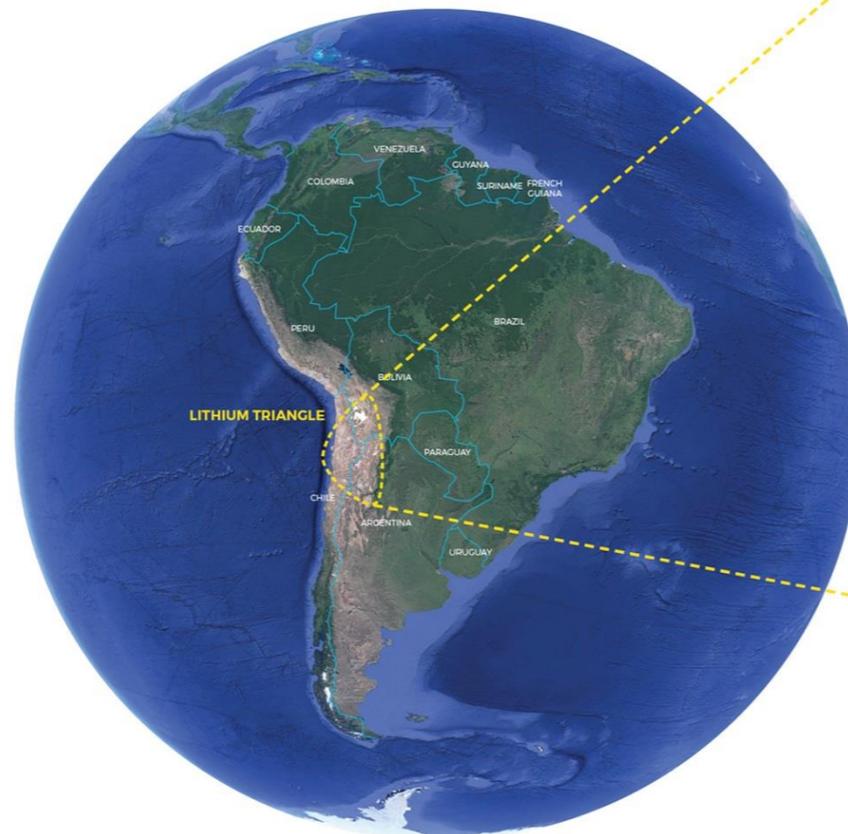


Maricunga Lithium Project

Maricunga Lithium Brine JV – Project Overview

- The Maricunga Salar is located in northern Chile and sits within the “Lithium Triangle”, which contains the largest and highest quality lithium brine deposits in South America.
- Maricunga is regarded as the highest quality pre-production lithium brine project in Chile, with characteristics comparable to the world-leading Atacama lithium brine deposit (which sits at the bottom of the global lithium cost curve).
- The Maricunga project has a foreign resource estimate* (from 2012) of 574,000 tonnes of lithium carbonate equivalent, with a very high average grade* - lithium (1250mg/l) and potassium (8970mg/l).
- Maricunga is located in Region III of Atacama in northern Chile. It is approx 170km NE of the mining town of Copiapo. In terms of infrastructure access, Maricunga is directly adjacent to International Highway 31, which connects northern Chile and Argentina, and 250km from the Chilean coast.

Note: LPI cautions the foreign estimate (NI43-101) was not reported in accordance with the JORC code. This work was completed three years before the JV was announced on 20/07/16. A competent person has not done sufficient work to classify the foreign estimate as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.



* refer to LPI announcement on the 28 July 2016 and page 2 disclaimers

Maricunga – One of the highest quality lithium salars in South America

- Known foreign resource estimate* of 574,000 tonnes of lithium carbonate equivalent, based on previous exploration.
- An additional 1125 Ha of new tenements now under exploration.
- Second highest lithium grade* (1250mg/l) of the major salars in South America.
- Magnesium grade* below the Atacama deposit, with a similar Mg/Li ratio.
- High potash byproduct resulting in improved project economics.
- Close to critical road & port infrastructure.
- Recent study of 37 salars ranked Maricunga as #7 salar worldwide^.
- Chilean Geological Survey has classified Maricunga as a Category 1 deposit (one of only four in Chile).

	Salar de Maricunga¹	Salar de Atacama²	Salar de Centenario⁴	Salar Del Hombre Muerto²	Salar de Olaroz²	Salar de Cauchari³
Country	Chile	Chile	Argentina	Argentina	Argentina	Argentina
Owner	LPI/MSB/Li3	SQM/Albemarle	LPI/Eramet	FMC/Lithium One	Orocobre/Toyota	Orocobre/SQM/Lithium Americas
Lithium (g/l)	1.25	1.84	0.56	0.74	0.69	0.59
Potassium (g/l)	8.97	22.63	5.11	7.40	5.73	4.85
Magnesium (g/l)	8.28	11.74	3.26	1.02	1.66	1.42
Mg/Li	6.63	6.40	5.87	1.40	2.40	2.43
K/Li	7.18	12.33	9.20	9.95	8.30	8.30
K/Mg	1.08	1.93	1.57	7.26	3.46	3.58

Note: LPI cautions the foreign estimate (NI43-101) was not reported in accordance with the JORC code. This work was completed three years before the JV was announced on 20/07/16. A competent person has not done sufficient work to classify the foreign estimate as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

(1) NI 43-101 amended report prepared for Li3 Energy Inc. dated 23 May, 2012

(2) NI 43-101 report prepared for Orocobre Ltd. dated 13 May, 2011

(3) NI 43-101 report prepared for Lithium Americas Corp. dated 11 July, 2012

(4) S area – from Lacus preliminary resource estimate (which is outside of LPI tenements) dated Jan/Feb 2012

* refer to LPI announcement on the 28 July 2016 and page 2 disclaimers

^ signumBOX Aug 2016

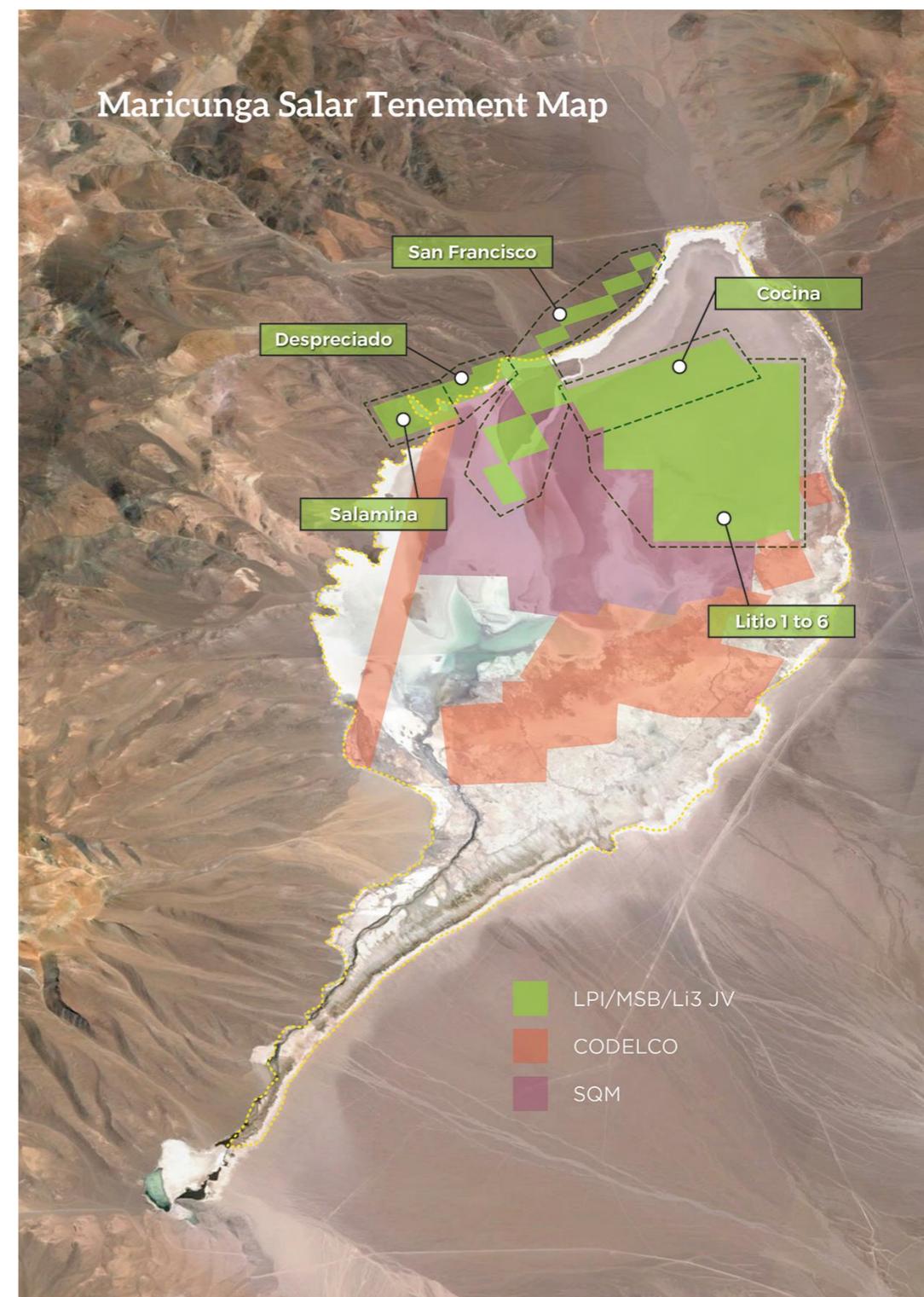
Maricunga Lithium Brine JV - Tenement Map

The JV tenements consist of a collection of holdings in the northern (lithium-rich) section of the Maricunga salar:

Tenement	Code	Size	Vendor
San Fransisco	1932	425 Ha	LPI
Salamina	1932	150 Ha	LPI
Despreciada	1932	100 Ha	LPI
Cocina 19-27	1932	450 Ha	MSB/Li3
Litio 1-6	1982	1438 Ha	MSB/Li3
Blanco	n/a	1800 Ha	MSB/Li3
Camp1	n/a	100 Ha	MSB/Li3

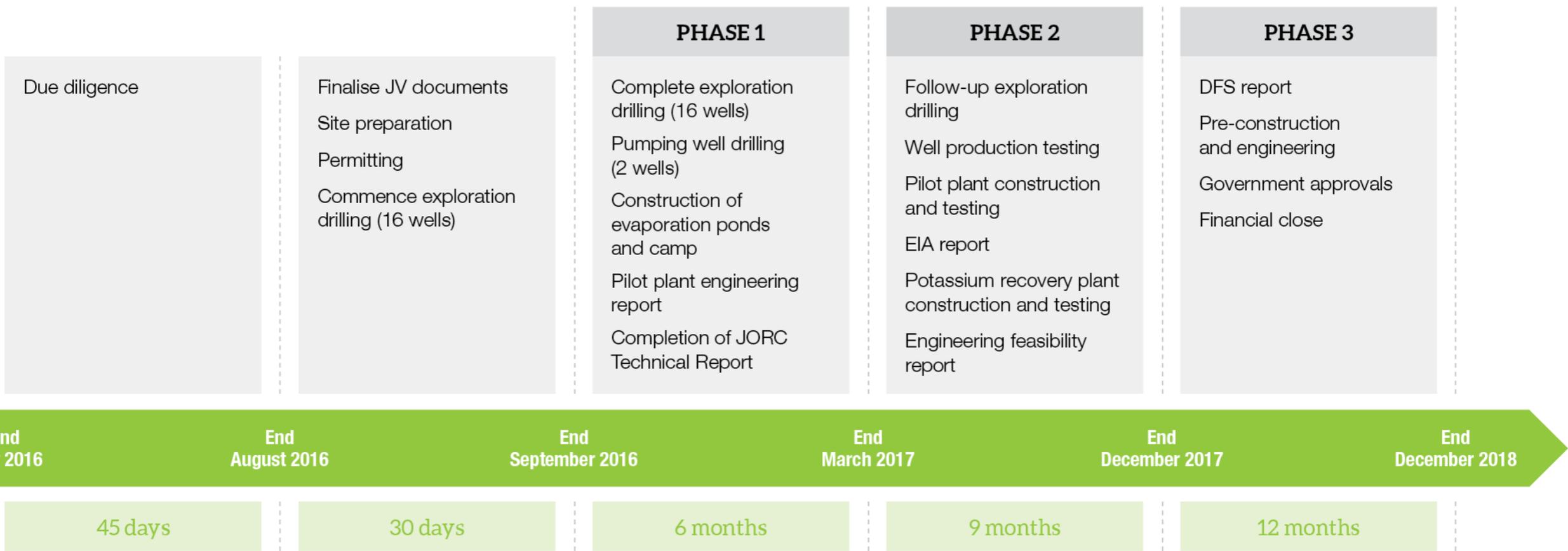
The Maricunga Salar has been subject to significant past exploration under the previous partners, MSB and Li3. More than US\$30m has been invested in these tenements over the past 4yrs, in order to generate the existing lithium resource.

Under the new JV, the next phase of exploration will include the drilling of 16 diamond drill holes and 2 pumping wells across the salar, starting later this month. This drilling program is targeting an update of the existing lithium resource, with a new JORC report anticipated in 1H 2017.



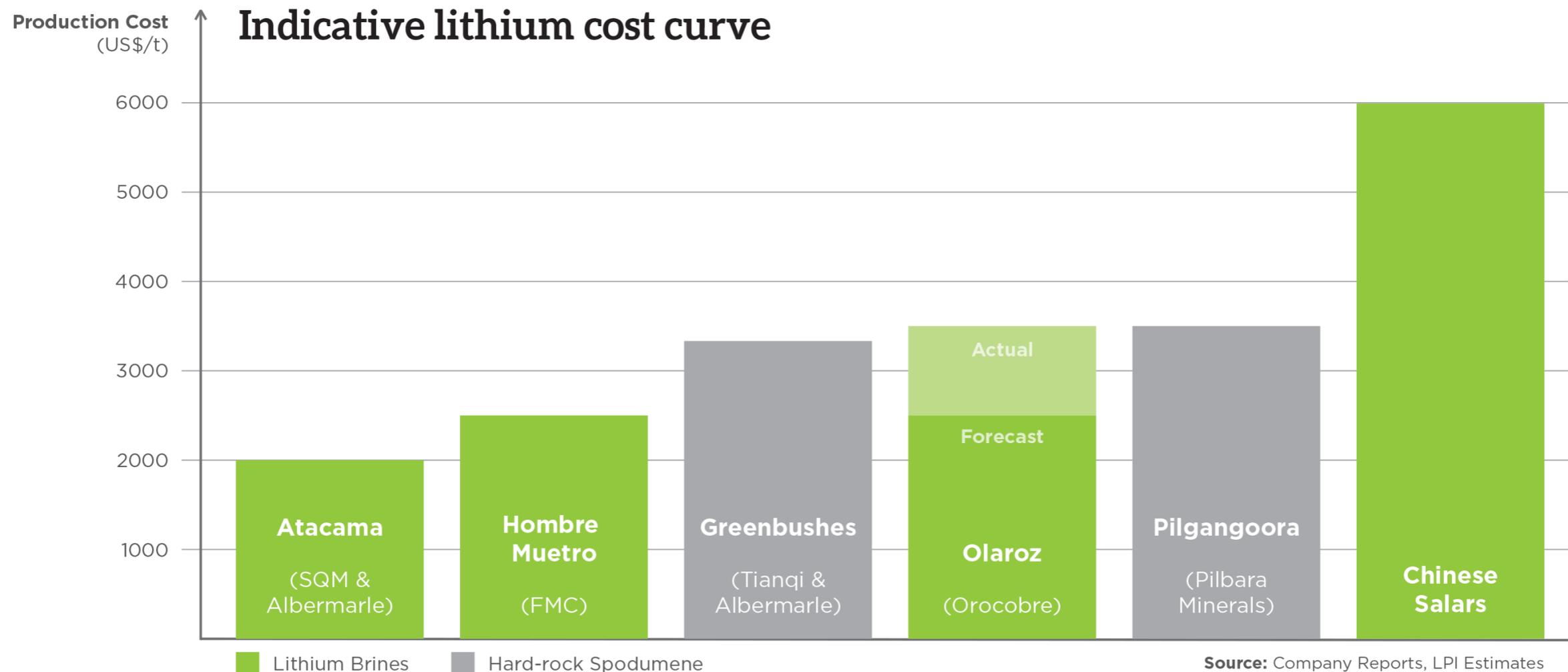
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Maricunga Lithium Brine JV – Development Timeline



Lithium Brines in South America – Lowest On The Cost Curve

- While difficult to directly compare lithium brine vs hard-rock, we can make the following broad observations:
 - ✓ Brines are typically easier & cheaper to explore.
 - ✓ Brines are typically cheaper & quicker to develop to production (depending on permits).
 - ✓ Brines require less opex once in production, and see less cost volatility.
 - ✓ Brines can be purified onsite to >99% lithium, while hard-rock production is sold as beneficiated ore.
 - ✓ Brines have historically been preferred by battery manufacturers.
 - ✓ Brine operations are generally regarded as having less environmental impact over time.
- For the reasons above, South American lithium brines inhabit the bottom of the cost curve, as can be seen below:



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Maricunga Lithium Brine JV – Structure

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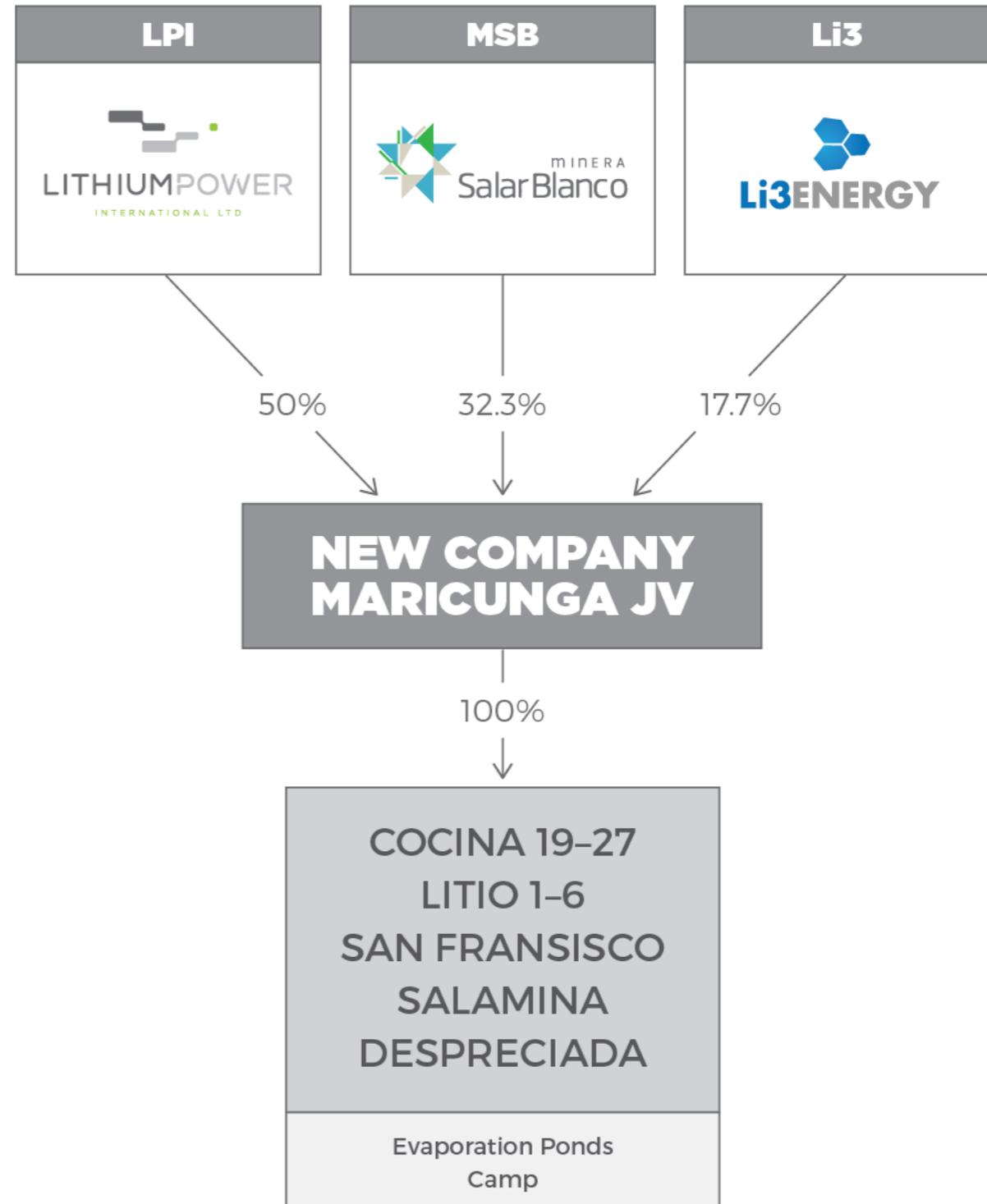
- LPI, MSB and Li3 have agreed the following ownership structure for the new JV entity in Chile (“NewCo”):

Lithium Power - 50.0%

Minera Salar Blanco - 32.3%

Li3 Energy - 17.7%

- NewCo will contain all Maricunga tenements and assets held by the three parties. Final JV contracts will be completed and signed shortly.
- LPI to fund exploration and development costs over the next 2.5yrs to earn its 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.
- The Board and Technical Committee for NewCo will be split between LPI, MSB and Li3 from the outset, based on each company’s respective shareholding in the Maricunga JV.



Lithium Power - Capital Structure

Capital Structure (as at 6th September 2016)

ASX Code	LPI
Shares outstanding	111.7m*
Options	31.3m^
Share price	A\$0.315
Market Capitalisation (undiluted)	A\$35m
Cash on Hand	~A\$7m

Substantial Shareholders

FOUNDERS & DIRECTORS*	48.0%
JP MORGAN NOMINEES	5.6%

* 51m shares (45% of total) are escrowed until 24 June 2018

^ 95% of options on issue are escrowed until 24 June 2018

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