

## ASX RELEASE

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# DIAMOND DRILLING COMMENCES AT MARICUNGA LITHIUM BRINE PROJECT, CHILE

- Diamond drilling program comprising 18 holes for 2,290m commences today at Maricunga lithium brine project following arrival of drill rig on site
- Drilling will target expansion of the existing lithium resource\* within properties acquired since that estimate, with initial assays to be received in October
- Two additional pumping wells to be drilled, to further test flow rates within the Maricunga Salar following positive results from the initial pump wells last year
- Maricunga project is located within the 'lithium triangle' and considered the highest quality pre-production lithium asset in Chile



Figure 1: Drill Rigs on-site – Maricunga 28 September 2016

Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) is pleased to advise that drilling at the Maricunga lithium brine project will commence today, following the arrival of the drill rig and finalisation of all preparatory site works.

The drilling program will comprise of 18 diamond holes, with 11 holes to be drilled to 150m depth and 6 shallow holes averaging circa 40m depth in the newly acquired tenements outside the existing resource area. In addition, a single deep hole to 400m will be drilled close to the existing lithium resource\* area to test lithium concentrations at depth. Each drill hole is expected to take approximately one week to complete, with first assays anticipated to be received in October.

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The drilling program is aimed at expanding the existing lithium resource\*, and to provide additional information to support the planned feasibility study and ongoing project development. This includes the installation of monitoring wells to support environmental permitting for the project. A Quality Assurance/Quality Control program has been developed, with the preparation of certified laboratory standards by an independent laboratory.

The Company will also complete two additional pumping test wells at the Maricunga project, in order to further evaluate the flow rates within the salar. Two test wells were previously completed by the Company's joint venture partners in 2015, and demonstrated a strong brine flow rate and high lithium grades (see ASX release dated 13 September 2016).

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

"This is a very exciting time for the Maricunga Lithium Project, wholly owned by LPI and its partners MSB and Li3 Energy. After a number of years of little work being completed on the property since the last resource statement, we have now embarked on an aggressive schedule to advance one of the best lithium brine projects in the world.

Activities have moved very quickly since our announcement in July, and we are now commencing our drilling campaign with initial results due in October. This next phase of drilling will not only confirm the quality of the resource previously reported, but also include new resources on some key properties not included in the last resource statement, as well as provide further information to be used in the future phases of development on the project as we work to Feasibility stage. With lithium grades that in most cases double those of advanced or producing projects in Argentina and significantly higher than projects in the United States, Maricunga project will stand out as a world class project in its own right."

**Maricunga Lithium Project Overview:**

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 deposit (which sits at the bottom of the global lithium cost curve).

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.

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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 that the foreign estimate was not reported in accordance with the JORC code. This work was completed prior to three years before the joint venture on the project was announced by LPI 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. As the Maricunga resource estimate was not undertaken under the JORC code LPI intends to verify this foreign estimate as part of the 4Q16 drilling and assaying program on the Maricunga project. Work will consist of drilling diamond and detailed sampling and analysis with an accompanying QA/QC program. Future reporting will be under the JORC code.

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