Chile Explore Congress 2016
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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 43-101 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 - 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 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.

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

Mr Murray Brooker
Group Technical & Exploration Adviser
Geologist specialising in lithium, with 20yrs experience in lithium prospecting and exploration. Most recently, he was the JORC Competent Person to Orocobre on their lithium brine project in Argentina.

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.

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.

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.
Lithium Market & Outlook
Lithium is charging the future...

- 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...”
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.

The key growth for lithium is car batteries, particularly in China.
Lithium prices continue to rally, driven by strong demand

- 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…

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

- Maricunga has a measured resource of more than 574,000 tonnes of lithium carbonate, at a very high grade of 1250mg/l (NI 43-101 basis). It also contains 1,500,000 tonnes of potash. Together, this would support a 20yr+ expected mine life (at 15ktpa).*

- 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.

* NI 43-101 amended report dated 23rd May 2012
Maricunga – One of the highest quality lithium salars in South America

- Known resource containing lithium carbonate (574kt) and potash (1.5mt), based on previous exploration*.
- An additional 1125 Ha of new tenements now under exploration.
- Second highest lithium grade (1250mg/l) of the major producing salars in South America*.
- Magnesium grade below the Atacama deposit, with a similar Mg/Li ratio.*

<table>
<thead>
<tr>
<th>Salar de Maricunga¹</th>
<th>Salar de Atacama²</th>
<th>Salar de Centenario³</th>
<th>Salar Del Hombre Muerto²</th>
<th>Salar de Olaroz²</th>
<th>Salar de Cauchari⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
<td>Chile</td>
<td>Argentina</td>
<td>Argentina</td>
<td>Argentina</td>
<td>Argentina</td>
</tr>
<tr>
<td><strong>Owner</strong></td>
<td>LPI/MSB</td>
<td>SQM/Albermarle</td>
<td>LPI/Eramet</td>
<td>FMC/Lithium One</td>
<td>Orocobre/Toyota</td>
</tr>
<tr>
<td><strong>Lithium (g/l)</strong></td>
<td>1.25</td>
<td>1.84</td>
<td>0.56</td>
<td>0.74</td>
<td>0.69</td>
</tr>
<tr>
<td><strong>Potassium (g/l)</strong></td>
<td>8.97</td>
<td>22.63</td>
<td>5.11</td>
<td>7.40</td>
<td>5.73</td>
</tr>
<tr>
<td><strong>Magnesium (g/l)</strong></td>
<td>8.28</td>
<td>11.74</td>
<td>3.26</td>
<td>1.02</td>
<td>1.66</td>
</tr>
<tr>
<td><strong>Mg/Li</strong></td>
<td>6.63</td>
<td>6.40</td>
<td>5.87</td>
<td>1.40</td>
<td>2.40</td>
</tr>
<tr>
<td><strong>K/Li</strong></td>
<td>7.18</td>
<td>12.33</td>
<td>9.20</td>
<td>9.95</td>
<td>8.30</td>
</tr>
<tr>
<td><strong>K/Mg</strong></td>
<td>1.08</td>
<td>1.93</td>
<td>1.57</td>
<td>7.26</td>
<td>3.46</td>
</tr>
</tbody>
</table>


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- 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).
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:

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Code</th>
<th>Size</th>
<th>Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Fransisco</td>
<td>1932</td>
<td>425 Ha</td>
<td>LPI</td>
</tr>
<tr>
<td>Salamina</td>
<td>1932</td>
<td>150 Ha</td>
<td>LPI</td>
</tr>
<tr>
<td>Despreciada</td>
<td>1932</td>
<td>100 Ha</td>
<td>LPI</td>
</tr>
<tr>
<td>Cocina 19–27</td>
<td>1932</td>
<td>450 Ha</td>
<td>MSB/Li3</td>
</tr>
<tr>
<td>Litio 1–6</td>
<td>1982</td>
<td>1438 Ha</td>
<td>MSB/Li3</td>
</tr>
<tr>
<td>Blanco</td>
<td>n/a</td>
<td>1800 Ha</td>
<td>MSB/Li3</td>
</tr>
<tr>
<td>Camp1</td>
<td>n/a</td>
<td>100 Ha</td>
<td>MSB/Li3</td>
</tr>
</tbody>
</table>

- 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 upgrade of the existing lithium resource, with a new JORC report anticipated in 1H 2017.
## Maricunga Lithium Brine JV – Development Timeline

<table>
<thead>
<tr>
<th>Phase</th>
<th>Schedule</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PHASE 1</strong></td>
<td>End July 2016</td>
<td>Due diligence</td>
</tr>
<tr>
<td></td>
<td>End August 2016</td>
<td>Finalise JV documents</td>
</tr>
<tr>
<td></td>
<td>End September 2016</td>
<td>Site preparation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Permitting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commence exploration drilling (16 wells)</td>
</tr>
<tr>
<td></td>
<td>End March 2017</td>
<td>Complete exploration drilling (16 wells)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Well testing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construction of evaporation ponds and camp</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pilot plant engineering report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion of NI 43-101 Technical Report</td>
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<tr>
<td><strong>PHASE 2</strong></td>
<td>End December 2017</td>
<td>Follow-up exploration drilling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Well production testing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pilot plant construction and testing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EIA report</td>
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<tr>
<td></td>
<td></td>
<td>Potassium recovery plant construction and testing</td>
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<tr>
<td></td>
<td></td>
<td>Engineering feasibility report</td>
</tr>
<tr>
<td><strong>PHASE 3</strong></td>
<td>End December 2018</td>
<td>DFS report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pre-construction and engineering</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Government approvals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial close</td>
</tr>
</tbody>
</table>

- **45 days**
- **30 days**
- **6 months**
- **9 months**
- **12 months**
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:

![Indicative lithium cost curve](chart.png)

Source: Company Reports, LPI Estimates
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)

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>ASX Code</td>
<td>LPI</td>
</tr>
<tr>
<td>Shares outstanding</td>
<td>111.7m*</td>
</tr>
<tr>
<td>Options</td>
<td>31.3m^</td>
</tr>
<tr>
<td>Share price</td>
<td>A$0.315</td>
</tr>
<tr>
<td>Market Capitalisation (undiluted)</td>
<td>A$35m</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>~A$7m</td>
</tr>
</tbody>
</table>

## Substantial Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOUNDERS &amp; DIRECTORS*</td>
<td>48.0%</td>
</tr>
<tr>
<td>JP MORGAN NOMINEES</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

* 51m shares (45% of total) are escrowed until 24 June 2018
^ 95% of options on issue are escrowed until 24 June 2018