HIGHLIGHTS

- Activities at Maricunga continue under the Memorandum of Understanding (MOU) between the Chilean State-owned mining company, CODELCO, and the project’s joint venture company, Minera Salar Blanco S.A. (MSB). They are expected to be finalised in coming months.

- The Engineering, Procurement and Construction (EPC) bidding process for the Maricunga development has advanced. Two major global engineering groups, Worley Parsons and Bechtel, have each submitted comprehensive proposals and both are being evaluated by MSB, taking the COVID-19 situation into account.

- Financial structuring for the Maricunga project continues, with Treadstone Resource Partners being appointed as LPI’s and MSB’s advisor. Discussions continue with parties on project funding – equity and debt – and also on off-take agreements. COVID-19, however, has presented challenges for the initial time schedule.

- Reviews and cost reductions have been undertaken in all operations in light of COVID-19. The Company remains focused on minimising costs and preserving cash reserves during this challenging period.

- In July 2020, the Company executed a Tenement Acquisition Agreement with ASX-listed company Carnaby Resources Limited (ASX:CNB) to sell the Strelley Exploration Licence for 1,250,000 fully paid ordinary Carnaby shares. LPI will receive a 1% Net Smelter Return royalty for all gold produced from the tenement and retain all mineral rights for lithium, caesium, tantalum and tin contained within the tenement.

- Results of a drilling program and the additional mapping, sampling and re-analysis of data undertaken at the Pilgangoora tenement placed no exploitable value on this tenement. The company is now in the process of finalising the tenement’s sale.
COVID-19 IMPACT ON OPERATIONS

LPI has been affected by COVID-19, especially in its activities in Chile. However, it remains in a strong position to further advance its projects in South America and Western Australia. The Company remains in a holding position as it works through external factors impacting this work.

The Chilean Government maintained a staged re-opening of its economy during the quarter. All personnel at MSB continued to work remotely on the project’s development, with no field work being conducted.

In Australia, LPI has worked within NSW and Western Australia COVID guidelines. A rationalisation of operating costs in Western Australia has enabled work to continue without the need of going into the field. Corporate costs have been rationalised to preserve cash.

CHILE’S REFERENDUM ON NEW CONSTITUTION

Chile voted on October 25 to change the country’s 40-year-old constitution in a national referendum, which sets in motion a two-year process to draft a new charter for the country. More than 78 per cent of Chileans voted to approve the drafting of a new constitution. Voters are expected to elect in April 2021 a 155-member assembly to draft the new charter, which will need to be approved in a plebiscite in 2022.

The new constitution will replace the one drafted in 1980 under the military government of Mr Augusto Pinochet. It is expected to address long-discussed issues that have generated recent social unrest.

MSB expects that the new constitution will provide an enhanced framework for social unity and stability, which would generate renewed international investment interest and assist in promoting the development of the Maricunga project.

MARICUNGA PROJECT – CHILE

CHILE JOINT VENTURE COMPANY – MINERA SALAR BLANCO S.A.

The Maricunga Project is operated under the Joint Venture Company, MSB. LPI owns 51% of MSB.

The Project is Chile’s highest grade and most advanced lithium project outside the Salar de Atacama, and is one of the most advanced and robust projects in South America.

CODELCO DUE DILIGENCE PROGRESS

Activities involving the Maricunga project continue under the Memorandum of Understanding (MOU) between the Chilean State-owned mining company, CODELCO, and MSB. This process is expected to be finalised in coming months.

EIA APPROVAL

MSB received its environmental approval (RCA) for the Maricunga Project on 4 February, 2020. The Environmental Impact Assessment (EIA) was submitted to the Chilean Authority, Servicio de Evaluación Ambiental (SEA), in September 2018. It included a comprehensive, 11,400-page document, the culmination of more than two years of field and desk work.

Under Chilean regulations, any public claims on the conditions or nature of the approved EIA were to be received by mid-May 2020. They then require responses from SEA and/or MSB. During this public review process, MSB received eight claims on the conditions of the EIA. MSB and SEA are jointly responding about these claims to the Committee of Ministers. This group is working though the resolutions that have been submitted by MSB and SEA, and will consider their response. This process has no impact on the RCA approval received in February.

The EIA approval represents the final major regulatory milestone in advancing the Project, which is now ready to move towards construction.
ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) BIDDING PROCESS

The EPC bidding process project continues, with two major global engineering groups chosen to provide a comprehensive construction proposal.

A local, specialised engineering company, Cruz y Davila, was engaged to represent MSB as its Owner Engineering Company. It is preparing an in-depth report analysing the proposals received.

PROJECT FUNDING

Discussions and communication with a number of well-established companies regarding product off-take agreements and project finance continue despite the emergence of COVID-19. These discussions are at an early stage and at a high level. Treadstone Resource Partners have been appointed as LPI’s and MSB’s advisor to further these discussions. The company remains confident that the process will have a positive conclusion within coming months.
ARGENTINA
CENTENARIO – SALTA PROVINCE, ARGENTINA

The Centenario Project is a 70:30 joint venture between LPI and Marquee Resources Ltd (ASX: MQR). It is located in the Centenario salar in Salta Province, Argentina, one of the Argentine provinces most in favour of mining development. Due to Covid-19, no significant field activities occurred during the quarter. The Company is finalising a strategic relationship with the expectation of having this completed by year end.

WESTERN AUSTRALIA

The Company’s Western Australian (WA) properties (Figure 2) are fully owned by LPI and are located a short distance from the established ports of Port Hedland or Bunbury.

A review of the tenements confirms that both the Greenbushes and Tabba Tabba tenements demonstrate exploration potential for lithium, and future exploration in WA will be focused on these properties.

GREENBUSHES – SOUTH-WEST WA

No field work was carried out on the Greenbushes project during the quarter. Desktop analysis and mapping has continued on the samples and field work conducted earlier in the 2020. Field activities will recommence once there is a resolution to the COVID-19 situation, the seasonal ability to be on-site, during summer months, and an improvement in general lithium market conditions.

Figure 2: Location of LPI’s properties in the Pilbara and South-West region of Western Australia
PILBARA PROJECTS, NORTH-WEST WA

No field work was carried out during this quarter on the Tabba Tabba and the Pilgangoora projects.

The company is currently in the process of divesting its Pilgangoora project, as it did with its Strelley project in July 2020.

The Company continues its analysis and desktop modelling of the Tabba Tabba project, with field activities to recommence once there is a resolution to the COVID-19 situation, the ability to access the site during the winter months and an improvement in general lithium market conditions.

CORPORATE UPDATE
APPENDIX 5B

The Appendix 5B quarterly cashflow report for the quarter ended 30 September 2020, is to be submitted separately.

The Company had a cash balance of AUD$6.67 million as at 30 September 2020.

This amount is currently held in the Company’s bank accounts in Australia, Chile and Argentina in Australian dollars, US dollars and a small amount of Chilean or Argentinian Peso’s. The Australian dollar equivalents were converted at the closing foreign exchange spot rate.

Total funds within the Maricunga Joint Venture at the end of the quarter totaled US$402,000.

PAYMENTS TO RELATED PARTIES OF THE COMPANY AND THEIR ASSOCIATES

Section 6.1 Appendix 5B description of payments to related parties of the Company.

<table>
<thead>
<tr>
<th>Directors Fees</th>
<th>$141k</th>
<th>Fees/salaries paid for the quarter via the company's payroll system or via invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHJPM Pty Ltd – Rental for the Company's Sydney Office</td>
<td>$30k</td>
<td>Dr Hannon is a Director and Shareholder of DHJPM Ltd</td>
</tr>
</tbody>
</table>

Total $171k

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

The audited annual report for the year ended 30 June 2020 was released ASX on 29 September 2020.

The Company auditors, Ernst Young, provided a clean audit of the financial statements for the group without any qualification.
ANNUAL GENERAL MEETING (AGM)

The Company’s AGM is scheduled for 10am - 25 November 2020, with the Notice of Meeting sent to shareholders on the 23 October 2020.

The AGM has four resolutions for Shareholders to consider at the meeting:
- Resolution 1 – Approval of the Remuneration Report for 30 June 2020
- Resolution 2 – Approval of 10% Placement Facility
- Resolution 3 – Re-election of Richard Crookes as Director
- Resolution 4 – Re-election of Martin Borda as Director

Even though the Company intends to have a physical AGM, due to COVID-19 shareholders are encouraged to send in their proxy voting forms within the prescribed deadline. Shareholders will have the opportunity to dial in to the AGM.

CAPITAL STRUCTURE

The Capital Structure at the end of the Quarter is as follows:
- 263 million Ordinary Shares on issue; and
- 37.5 million Unlisted Options on issue.