

ASX RELEASE

30 April 2021

Activity Report for the Quarter ended March 2021

Lithium Power International Limited (ASX: LPI) (LPI or the Company) is pleased to submit its quarterly Activity Report for the period ended 31 March 2021.

HIGHLIGHTS

- Maricunga exploration drilling program ahead of schedule with three out of five core holes (S-25, S-26 and S27) completed to the target depth of 400m. and core hole #4 now passing 300m. Completion of final hole #5 is now expected by mid-May.
- A total of 31 undisturbed core samples collected from core holes S-25 and S-26 have been sent to GeoSystems Analysis laboratory in the US for drainable porosity and other hydraulic parameters.
- 56 brine samples collected and sent to Andes Analytical Assay Labs for chemical analysis. Positive preliminary sample analyses indicate expected average lithium concentrations are above 1,000 ppm mg/l and positive relationships of lithium to calcium and magnesium.
- Correlation between drill holes for resource expansion confirms the existing geological model below 200m, as well as the existing hydrogeological model characteristics of the area, confirming favourable specific yield and permeability characteristics between 200m and 400m.
- Activities for the DFS update with engineering consultants Worley commenced during the first week of April. Several opportunities for improvement have been detected.
- Optimisation of the production process continues with GEA Messo in Germany. Final tests for the solvent extraction (SX) removal plant and the Ion Exchange plant now finalised (Outotec and Eurodia respectively). Basic engineering has already commenced by GEA for the re-sizing of the plant.
- LPI recommenced exploration in Greenbushes, Western Australia at the beginning of 2021, completing initial laterite and soil sampling.

MARICUNGA PROJECT – CHILE

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

STRATEGY UPDATE

In line with the announcement made by LPI on 9 December 2020, the Company is to advance the Maricunga project in several stages and by fast-tracking a “Stage One” development based on the tenements known as “Old Code” concessions. The company’s proposed Maricunga Stage One has a nameplate capacity of 15,000 tonnes per annum of lithium carbonate production, with significant future expansion potential from subsequent stages.

As announced on 27 January 2021, the Company commenced additional Stage One exploration at the Maricunga Project with the aim of expanding the current resource, which is presently from near surface to 200m depth. The expanded resource will extend from the brine level near surface to 400m depth with the addition of the interval between 200m and 400m.

DRILLING PROGRAM PROGRESS

LPI has now completed three out of five diamond core holes (S-25, S-26 and S-27) to the target depth of 400m. The fourth core hole is now being drilled, with completion of the fifth exploration hole is expected for mid-May.

The Company has also undertaken correlation between the new drill holes. Comparison between the holes has confirmed the expected geological profile between 200m and 400m depth, with the sequence of coarse grained NW alluvial sediments, underlain by the Upper Volcaniclastics, the Lower Sands and the Lower Volcaniclastics. Intersection of these units confirms the existing hydrogeological model of the area, and the favourable specific yield and permeability characteristics.

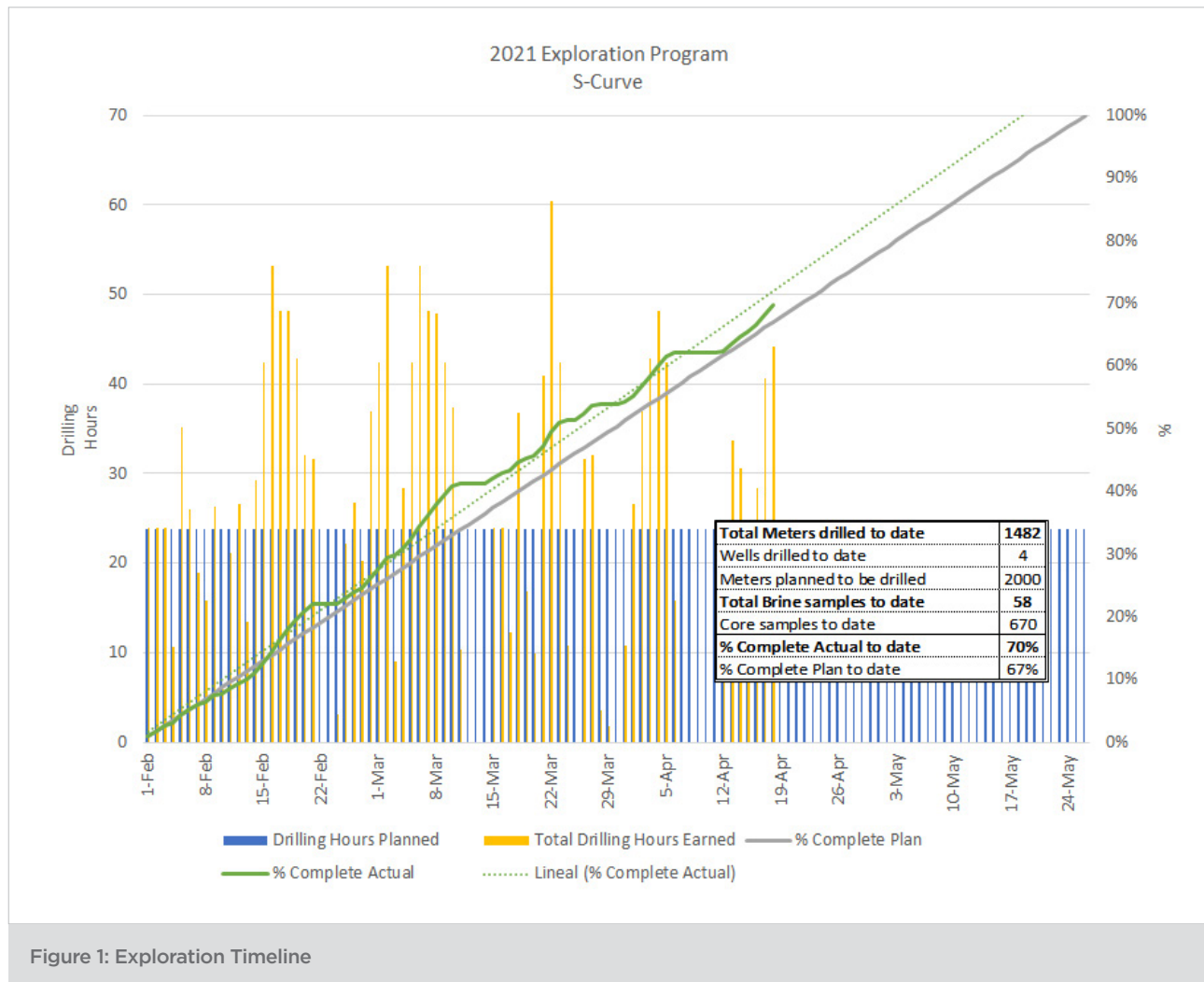
The first set of 31 undisturbed core samples collected from holes S-25 and S-26 have been sent to GeoSystems Analysis laboratories in Tucson, Arizona and the results of drainable porosity and other hydraulic parameters are expected by the middle of May.

Of a total of 56 brine samples collected at 12m depth intervals during the drilling of the first 2 exploration holes, 20 samples have been analysed by Andes Analytical Assay and shows an average lithium concentration of 1,000 mg/l and positive relationships of lithium to calcium and magnesium.

ADDITIONAL WATER DRILLING PROGRAM

A water well was also drilled to a 200m depth by contractor Andinor in early April for freshwater supply to the project. Preliminary testing suggests that this well will be able to meet the project's water supply requirements. Drilling of a new 400m brine production well (P-5) to 400m depth for long-term pump testing is ongoing and has reached a 35% stage of completion.

Exploration activities are on schedule as shown on the Exploration Program below (Figure 1).



PRODUCTION PROCESS

Optimisation of the production process continues with GEA Messo in Germany, with basic engineering already commenced for the re-sizing of the plant to 15,000 t/a LCE production. Final tests for the Solvent Extraction (SX) Removal plant and for the Ion Exchange plant were finalised with Outotec (Finland) and Eurodia (France) respectively.

The detailed scope of work for Worley is already defined. Activities are expected to commence during April.

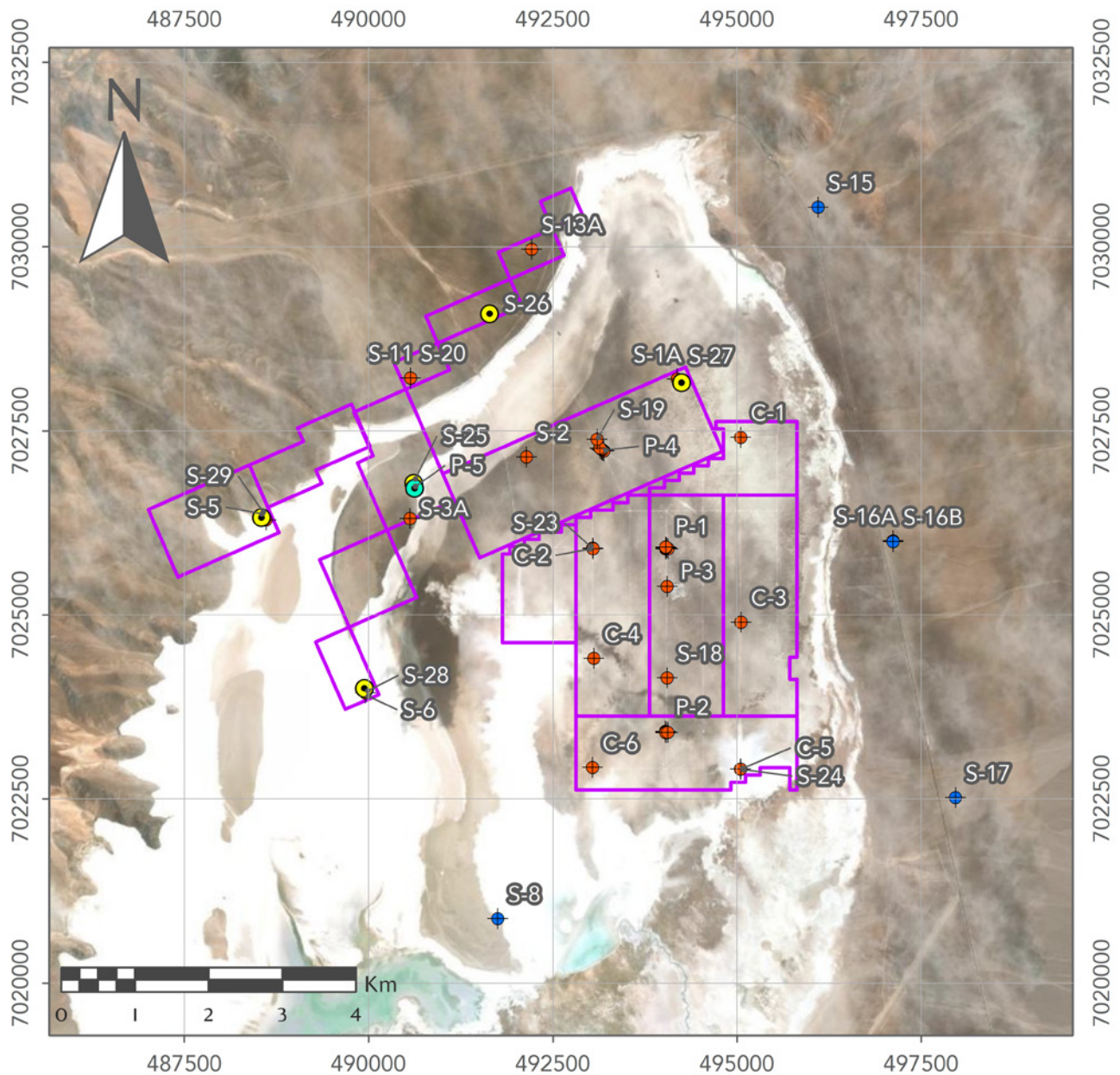
UPDATED DEFINITIVE FEASIBILITY STUDY (“DFS”)

The initial kick-off meeting for the DFS update of Stage One was held with Worley in the first week of April. In this meeting several possible areas of improvement have been identified and will be further analysed in coming weeks. The engineering work will focus initially on the re-sizing of the evaporation ponds to take into account the re-sizing of the project under Stage One.

Opportunities to reduce the capital expenditure related to this item have already been detected, with the expectation for more saving to be identified throughout the DFS review process.



Figure 2.1, 2.2 & 2.3: Contractor Andinor’s construction of the 400m production well.



| | | | | |
|--------|--|--|-----------------------------|------------------------|
| LEGEND | <ul style="list-style-type: none"> ● 2021 Exploration borehole ● 400 meter pumping well ● Existing exploration boreholes ● Existing monitoring wells — MSB Concessions | | Borehole location map | |
| | Projection UTM; Datum WGS-84 Zone 19S | | Project: Blanco Project | |
| | April 2021 | | Client: Minera Salar Blanco | Reviewer: Frits Reidel |
| | | | | |

Figure 3: Shows the location of the five exploration drill holes and the 400m pump test well.

ARGENTINA

CENTENARIO PROJECT – SALTA PROVINCE, ARGENTINA

The Centenario project is a 70:30 Joint Venture between LPI and Marquee Resources Ltd and is located in the Centenario salar in Salta Province, Argentina, one of the Argentine provinces most in favour of mining development.

Terms have been agreed for the sale of this project, for a combination of cash and shares, to a foreign listed entity.

LPI is in the final stages of documentation for this transaction, with completion likely to occur by 30 June 2021.

An announcement providing the details of the transaction will be provided following the closing of this transaction.

WESTERN AUSTRALIA

With a more positive outlook for lithium prices, LPI recommenced exploration in Western Australia at the beginning of 2021. The primary focus is the 100% owned Greenbushes project in the State's south-west.

PILBARA PROJECTS – NORTH-WEST WA

A Programme of Work (PoW) for drilling in the southern area of Tabba Tabba was approved during the period. The area contains numerous outcrops of pegmatite intrusives and the heritage clearance has been completed. This area was previously excluded from drilling due to the presence of a road reserve. This area contains some of the highest lithium rockchip (495 ppm Li_2O) and soil sampling values (515 ppm Li_2O) within the tenement. There is known spodumene mineralisation with lithium oxide concentrations of up to 1.2% within greenstone belts in which pegmatites have intruded along the Tabba Tabba shear zone outside the LPI tenements.

GREENBUSHES PROJECT – SOUTH-WEST WA

The northern Greenbushes tenement, Balingup, covers 315km² directly adjacent to the Greenbushes mine block owned by Talison (Albemarle and Tianqi). The tenement has an approved programme of works (2020) and environmental management plan for those activities in State Forest areas.

The Greenbushes mine is the centre of a 20km by 12km zone of elevated laterite geochemistry around pegmatites in the mine trend and identified in published studies.

Elements with elevated values in laterite around the Greenbushes mine include arsenic, tin, tantalum, antimony, lithium, boron and beryllium. Studies of the distribution of arsenic in laterite suggest this is a particularly significant indicator element.

LATERITE SAMPLING

Previous laterite sampling (Figure 4) by LPI identified zones with significantly elevated geochemistry. These zones include the Balingup East target, with strongly elevated arsenic in laterite (to >500 ppm) and elevated Sn, Cs, Bi, Nb, Rb and Sb along the Donnybrook-Bridgetown (DB) Shear Zone. This strong arsenic geochemistry identified by LPI defines a northern extension of the strong arsenic geochemistry identified by historical laterite geochemistry on the Greenbushes mine site (Smith, et al. 1987, Journal of Geochemical Exploration, 29, p251–265). LPI has also mapped pegmatites outcropping in this area.

Infill Sampling

Infill laterite sampling at the Balingup Tenement, E70/4763, was completed during the reporting period. This detailed laterite sampling and additional mapping was completed at the East Kirup Prospect and Thomas A Prospect in addition to the East Balingup Zone (Figure 5). This work confirmed the existing anomalies.

The sampling at the East Balingup Zone also confirmed the existence of numerous outcropping pegmatites. These pegmatites are subparallel to the regional fabric associated with the Donnybrook Shear Zone (DB), which is the key structure for the emplacement of the Greenbushes lithium-bearing pegmatite.

Regional Sampling

A broad regional program of laterite sampling was also completed. This program evaluated parts of the northern tenement where no previous work had been completed by LPI.

Lithium and other elements analysed in these 70 samples are in lower concentrations than previously encountered. However, the laterite stratigraphy is complex here and it is considered likely that a lower level of the laterite profile was collected in this sampling.

DRILLING

The laterite sampling has confirmed elevated chemistry at the East Kirup Prospect, so planning has commenced for the conducting of RC drilling across the zone.

The East Kirup Prospect is associated with a north north-west trending arsenic anomaly within laterite and soil. The prospect was originally defined by close spaced MMI sampling (50m apart on 100m lines) over the DB Shear Zone. Mapping has shown that rocks similar to those that host the main Greenbushes Mine Pegmatite outcrop within the East Kirup Prospect. Limited historical drilling by Red River Resources on this tenement also defined the presence of these host rocks in the zone of lithium enrichment.

Programme of Works (PoWs)

POWs have been submitted for drilling at Greenbushes. Approval has already been granted for on-track drilling, where no clearing is required. As there are existing forestry tracks cutting across the main target, drilling on tracks will provide a first pass look at the mineralization. It is expected this work will be completed in Q3 of 2021.



Figure 4: Laterite sampling underway on LPI's Greenbushes tenement

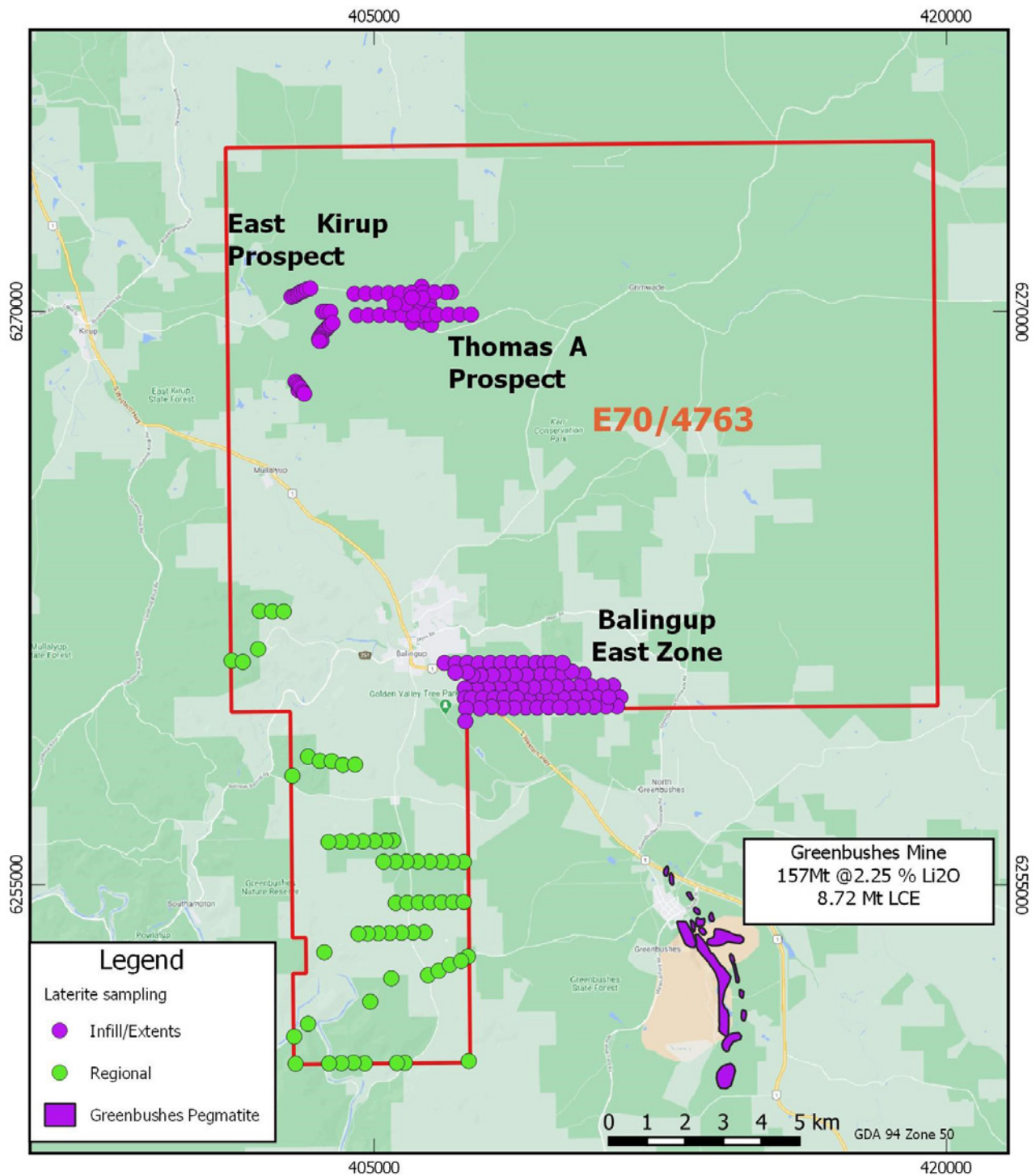


Figure 5: Greenbushes project Balingup tenement, regional laterite sampling; infilling the previously defined zones and assessing new areas to the west.

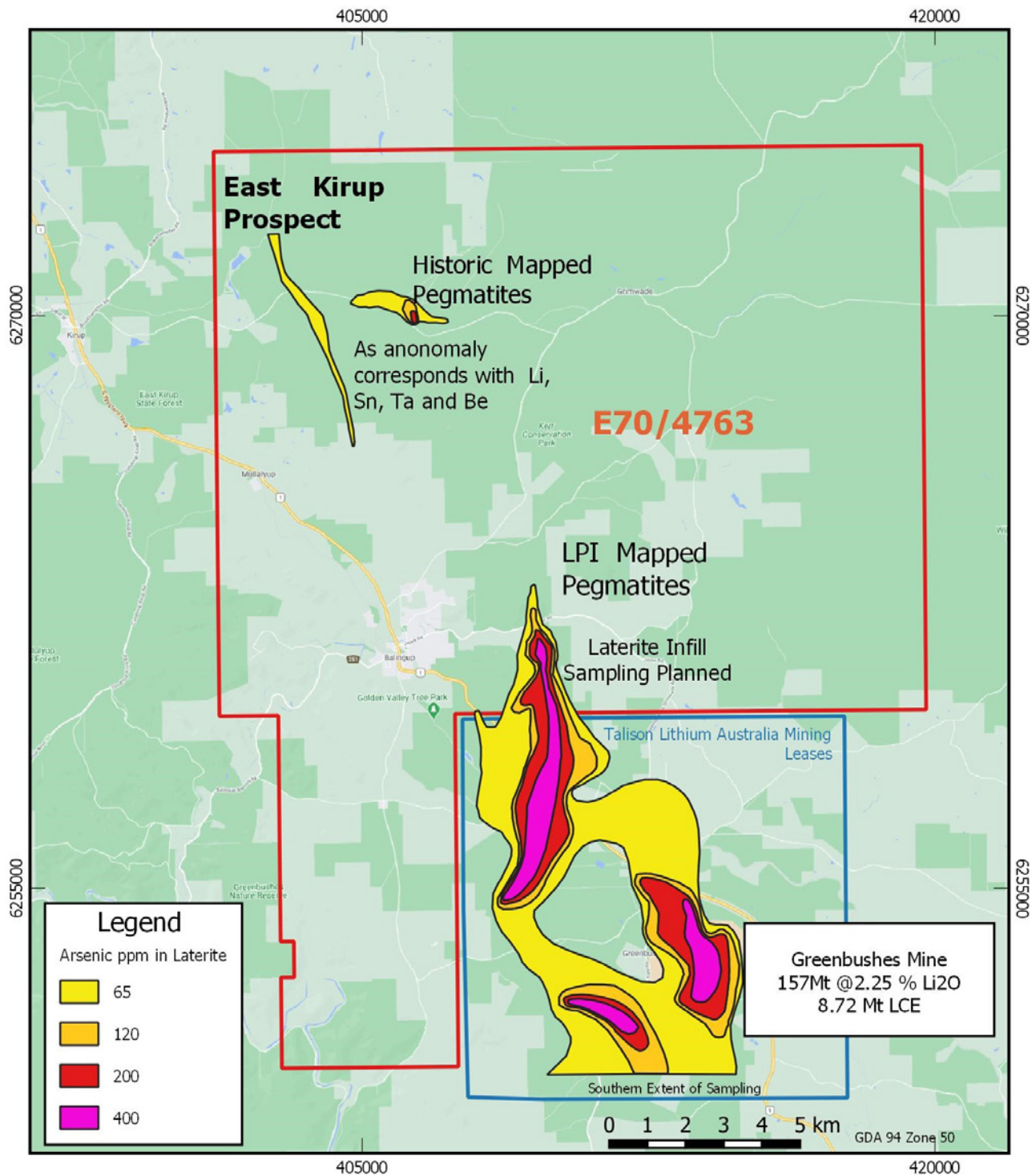


Figure 6: Greenbushes project Balingup tenement, showing elevated arsenic detected from LPI sampling combined with public information from the Greenbushes mine tenement – values > the coloured threshold numbers (Smith et al, 1987)

COMPETENT PERSON'S STATEMENT – GREENBUSHES PROJECT

The information contained in this quarterly report relating to Exploration Targets, Exploration Results and 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 (AIG) and the International Association of Hydrogeologists (IAH). Mr Brooker has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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.

Mr Brooker is an employee of Hydrominex Geoscience Pty Ltd and an independent consultant to Lithium Power International. Mr Brooker consents to the inclusion in this report of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from the Greenbushes project.

CORPORATE UPDATE

Appendix 5B

The Appendix 5B quarterly cashflow report for the quarter ended 31 March 2021, is submitted separately.

The Company had a cash balance of A\$9.02m as at 31 March 2021.

This amount is currently held in the Company's bank accounts in Australia and Chile in Australian dollars or US dollars. The Australian dollar equivalents were calculated using the closing foreign exchange spot rate on 31 March 2021.

Major movements in cash for the period included:

- a capital contribution to MSB of A\$1.38m;
- the payment of the annual insurances of A\$300k, and
- exploration expenditure of A\$220k in relation to the field works conducted in Western Australia and local direct cost attributed to MSB.

This expenditure was offset by proceeds of A\$290k from the conversion of Options.

Total funds within the Maricunga Joint Venture at the end of the quarter totalled US\$1.73m.

Payments to related parties of the Company and their associates

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

| | | |
|--|---------------|---|
| Directors Fees | \$331k | Three months' salary and superannuation paid to the Australian based Directors via the company payroll system and six months' salary paid via invoice to the Chile based Directors. |
| DHJPLM Pty Ltd Rental for Sydney Office | \$40k | Mr Hannon is a Director and shareholder of DHJPM Pty Ltd |
| Total | \$371k | |

Extraordinary General Meeting (EGM)

The Company held an EGM at 10am, 14 April 2021 in relation to the December 2020 capital raise.

The Notice of Meeting had eight resolutions for the shareholders consideration being:

Resolution 1: The ratification of 35,000,000 shares issued under ASX Listing Rule 7.1 in relation to Tranche 1 of the capital raise December 2020: and

Resolutions 2 to 8: Seven separate resolutions seeking approval of a total of 1,363,636 shares, to be issued to directors under Tranche 2 of the capital raise December 2020, subject to shareholders approval.

All Resolutions, having received significant shareholder support by received proxies, were passed by way of a Poll.

Audited Interim Report

The audited interim report for the period ended 31 December 2020 was finalised and released to the market, via the ASX online portal, on 12 March 2021.

Investor Relations (IR)

Further to the advancement of the activities in Chile and Australia, the Company has engaged a Sydney based Investor Relations company, Jane Morgan Management Pty Ltd, to manage investor relations and shareholder promotions in the Australian and Asian markets. A schedule of marketing roadshows and formalized video presentations is currently being developed to launch in mid-May to capture the likely news flow from Chile and locally.

In addition, the company has engaged Arrowhead Business and Investment Decisions Inc., based out of New York, to manage the North American capital markets and the news flow agencies.

The company is currently updating its email contact list. Any shareholder or interested party wishing to receive company announcements and project updates, please send an email to info@lithiumpowerinternational.com outlining the appropriate email address(es).

Capital Structure

The Capital Structure at the end of the Quarter is as follows:

- 298.26 million Ordinary Shares on issue;
- 37.25 million Unlisted Options on issue; and
- 12.5 million Share Appreciation Rights on Issue

There were no changes from the previous quarter capital structure.

The issue of 1,363,636 shares under Tranche 2 of the capital raise December 2020 to Directors, as approved at the EGM on 14 April 2021, were issued on 29 April 2021.

For further information, please contact:

Cristobal Garcia-Huidobro, CEO or **Andrew Phillip, CFO**

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