



LITHIUMPOWER

INTERNATIONAL LTD

# LPI – A Diversified Lithium Company

NOVEMBER INVESTOR MEETINGS  
26-29 November 2019



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## Competent Person's Statement

The information contained in this presentation 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.

## Reference to Resource Estimate

The reader is referred to the announcement by LPI on the 21 January 2019, which provided details of the updated Maricunga reserve estimate and resource update in accordance with Appendix 5A (JORC Code). The reader is also referred to the Definitive Feasibility Study which was announcement by LPI on 22 January 2019.

## Cautionary note regarding reserves and resources

You should be aware that as an Australian company with securities listed on the ASX, the Company is required to report reserves and resources in Australia in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). You should note that while the Company's reserve and resource estimates may comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the U.S. Securities and Exchange Commission. The JORC Code differs in several significant respects from Industry Guide 7. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources in SEC filings. Information contained in this presentation describing the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of United States securities laws. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.



# LPI at a glance

## BRINE – South America



## HARD ROCK – Australia



  
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A Diversified  
Lithium Company

# Strong leadership and support



## Board of Directors

<b>Mr David R Hannon</b>	<i>Chairman</i>
<b>Mr Cristobal Garcia-Huidobro R</b>	<i>CEO and Managing Director</i>
<b>Mr Richard A Crookes</b>	<i>Executive Director (Corp Finance)</i>
<b>Mr Russell C Barwick</b>	<i>Non-Executive Director</i>
<b>Mr Ricky P Fertig</b>	<i>Non-Executive Director</i>
<b>Mr Martin Borda M</b>	<i>Non-Executive Director</i>
<b>Mr Andrew G Phillips</b>	<i>CFO and Company Secretary</i>

## Substantial Shareholders (November, 2019)

Founders & Directors	22.3%
HSBC Custody Nominees (Australia) Limited	13.2%
Citicorp Nominees Pty Ltd	7.5%
Brispot Nominees Pty Ltd	6.0%
CS Fourth Nominees Pty Ltd	4.4%
Yarandi Investments Pty Ltd	3.6%
CS Third Nominees Pty Ltd	3.5%
UBS Nominees Pty Ltd	2.7%
G Harvey Nominees Pty Ltd	2.5%

## Research Coverage

<b>Canaccord Genuity</b>	<i>Reg Spencer</i>
<b>RK Equity</b>	<i>Howard Klein &amp; Rodney Hooper</i>
<b>Pitt Street Research</b>	<i>Stuart Roberts</i>

## Capital Structure

ASX Code	LPI
Shares on Issue	262.5M
Cash at bank:	– LPI Circa AU\$12.3m – Chilean JV Circa US\$1.2m
Unlisted Options exercise price – 25 cps <sup>1</sup> (average)	46.3m (AU\$11.58m)

<sup>1</sup> Majority of Unlisted options expire June 23<sup>rd</sup>, 2021 (majority held by founders)





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# Maricunga Salar

A world-class asset



# Maricunga: a world class asset

- Minera Salar Blanco S.A. (**MSB**) is the joint venture that **owns the Maricunga** project. **Ownership is** 51% Lithium Power International (ASX:LPI), 31% Borda Group and 18% Bearing Lithium (TSXV: BRZ).
- Maricunga is **Chile's highest grade and most advanced lithium project** outside the Salar de Atacama.
- 2019 Definitive Feasibility Study (DFS) by WorleyParsons supports **20,000 tonnes per annum production of LCE over 20 years.**
- DFS shows **pre-tax NPV of US\$1.302 billion and IRR of 29.8% assuming a 50% debt/equity ratio (after-tax NPV of US\$940 million, IRR 26.7%).** On a 100% Equity Basis, NPV of US\$1.286 billion, IRR of 23.8%.
- **Forecast CAPEX of US\$563 million** includes direct development costs of US\$456 million, indirect costs of US\$45 million and contingencies of US\$63 million.





# Maricunga: a world class asset

- To rank as **one of the lowest-cost lithium carbonate producers** globally. **Operating costs estimated at US\$3,772 per tonne** of LCE.
- **Maiden ore reserve estimate of 742,000 tonnes** LCE exceeds 20-year mine life production needs, and meets JORC and NI 43-101 standards.
- **Potential to expand resources and reserves** below the existing resource – currently defined to 200m. Exploration target between 200m – 400m confirmed by deep borehole results, can add between 1Mt – 2.5Mt of new resources.
- **First battery grade  $\text{Li}_2\text{CO}_3$  samples**, meeting commercial high quality battery grade specifications were produced during 2018 using Maricunga's brine from test evaporation ponds (99.4% purity  $\text{Li}_2\text{CO}_3$  reached).
- Maricunga EIA is being assessed by the Chilean Government and is **expected to be concluded in Q1 2020. Approval received** for the use of electricity infrastructure. Water supply secured.
- **Financing discussions underway. Approaches received from international companies** for off-take deals.
- **EPC bidding process expected to be finalised in Q1 2020.**

# Outstanding economics

## Production<sup>1</sup>

**20,000 t/a LCE**  
over 20 years

## Development Cost

**US\$ 563M**

Direct development costs of US\$456M, indirect costs of US\$45M and contingency costs of US\$63M.

## IRR (50% leverage)

**29.8%<sup>2</sup>**

## Operating Cost

**US\$ 3,772/t**

## NPV

100% equity

50/50 debt/equity

**Pre-tax**

**US\$1.286B**

**US\$1.302B**

**After-tax**

**US\$908M**

**US\$940M**

## Payback

**3.5 years**

based on **2-year** ramp-up

<sup>1</sup> The battery grade lithium carbonate price expected to range from US\$13,263/tonne in 2023 to US\$17,616/tonne in 2032 in inflation adjusted terms.

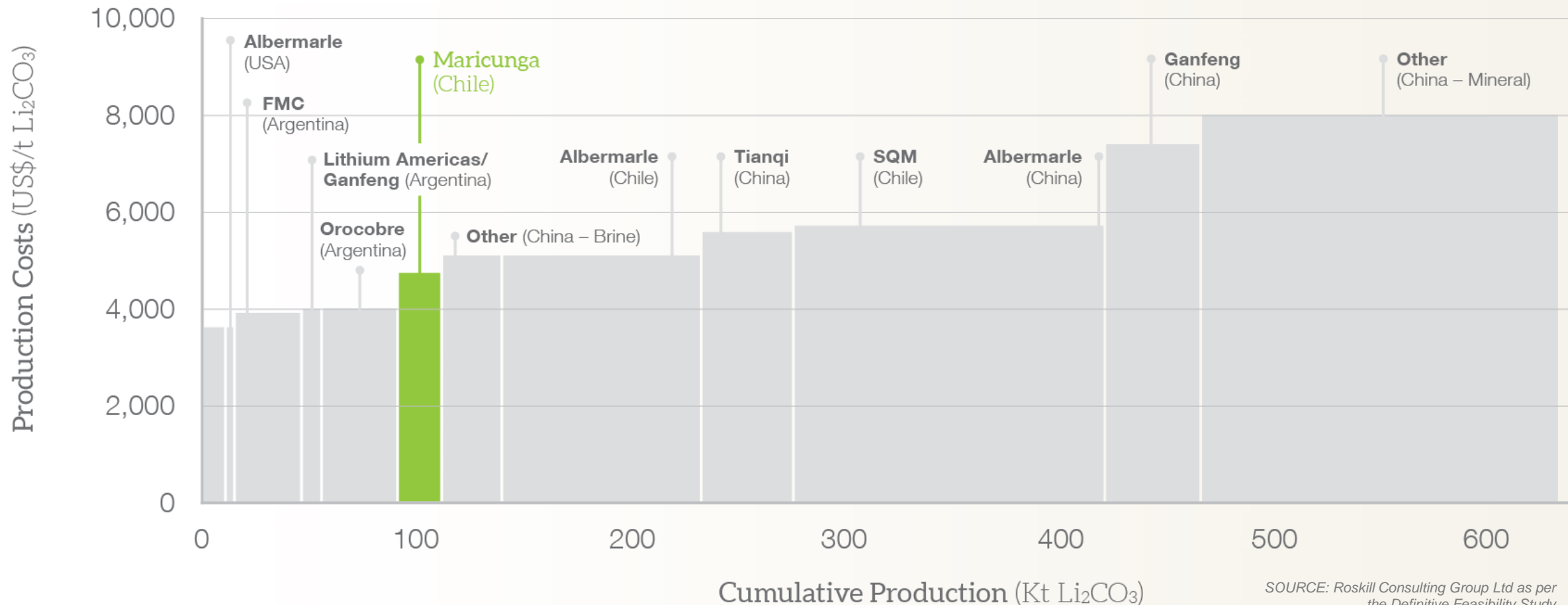
<sup>2</sup> After-tax IRR 26.7% assuming a 50% leverage. On a 100% Equity Basis, the pre-tax IRR of 23.8%, after-tax IRR of 21%.



# Maricunga: outstanding economics

**Roskill**

Lithium carbonate cash cost curve, including royalties, 2027 (US\$/t)



SOURCE: Roskill Consulting Group Ltd as per the Definitive Feasibility Study

# Maricunga: mineral resource estimate

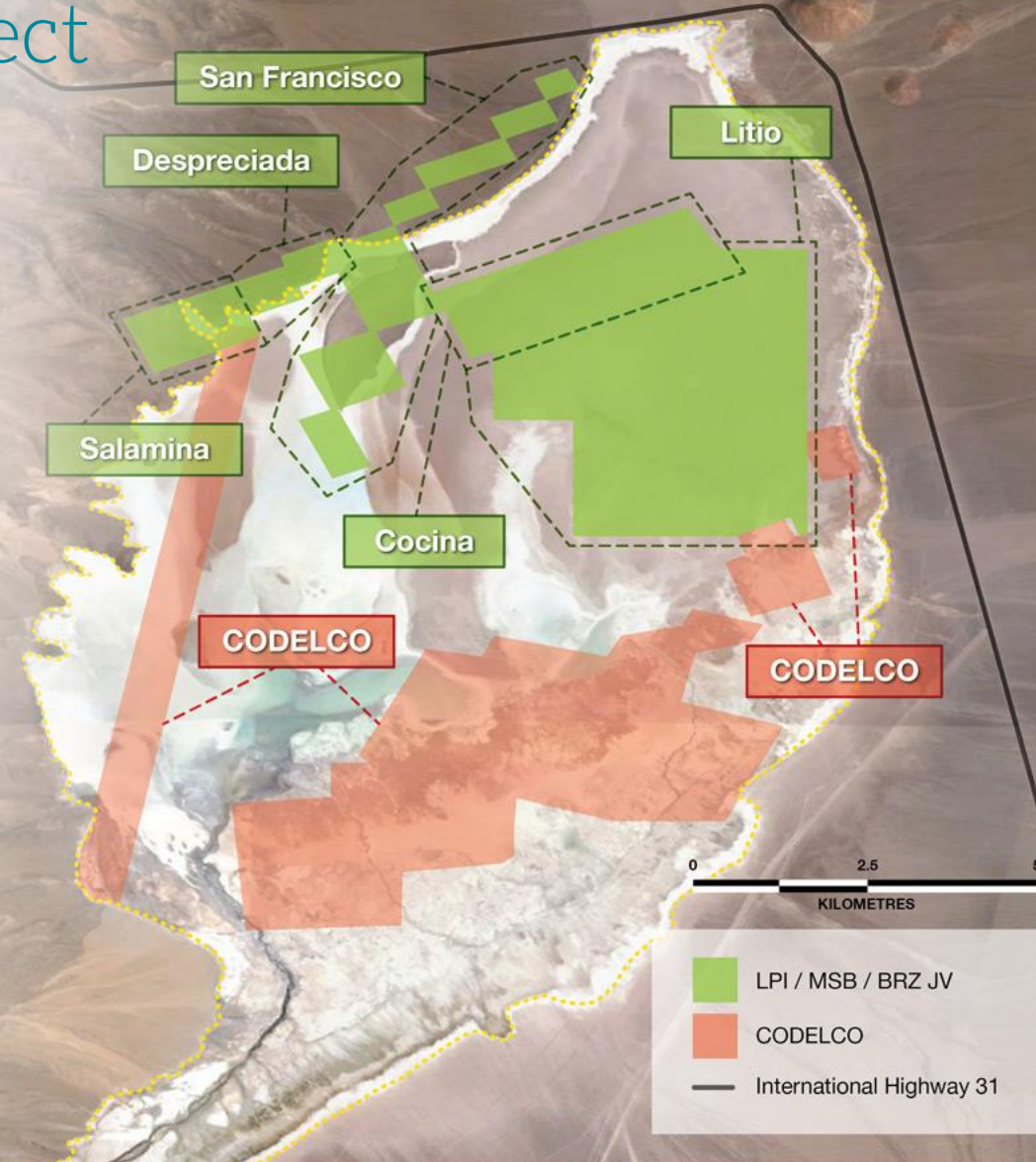
	Measured		Indicated		M&I	
	Li	K	Li	K	Li	K
Area (km <sup>2</sup> )	18.88		6.43		25.31	
Aquifer volume (km <sup>3</sup> )	3.05		1.94		5	
Mean specific yield (Sy)	0.04		0.11		0.07	
Brine volume (km <sup>3</sup> )	0.13		0.21		0.35	
Mean grade (g/m <sup>3</sup> )	48	349	128	923	79	572
Mean concentration (mg/l)	1,175	8,624	1,153	8,306	1,167	8,500
Resource (tonnes)	776,700	1,065,000	1,293,300	1,754,000	2,070,000	2,818,000

Exploration target between 200m – 400m with a potential between 1Mt – 2.5Mt of new resources



# MOU with Codelco to study the joint development of the Maricunga project

- **Chilean state-owned enterprise CODELCO and Minera Salar Blanco S.A. (MSB)** have signed a non-binding Memorandum of Understanding (MOU) to study and jointly develop the Maricunga Salar Lithium Project.
- In case of reaching a definitive agreement, the Joint Venture will allow the future consolidation of **all the mining concessions and existing permits** of both companies, including CODELCO's key CEOL contract and the Nuclear Energy Commission's (CCHEN) permit, giving coverage of the entire Maricunga Salar.
- Approval of **MSB's EIA** is expected before the end of the first quarter in 2020, completing all permitting for the LPI component of the joint project.
- The consolidation of the mining concessions will result in the option of **increasing production capacity and/or the life of the mine** beyond its expected 20-year life span, therefore creating added value for all shareholders.



# Potential MSB-Codelco JV de-risks the Maricunga Project and unlocks additional value

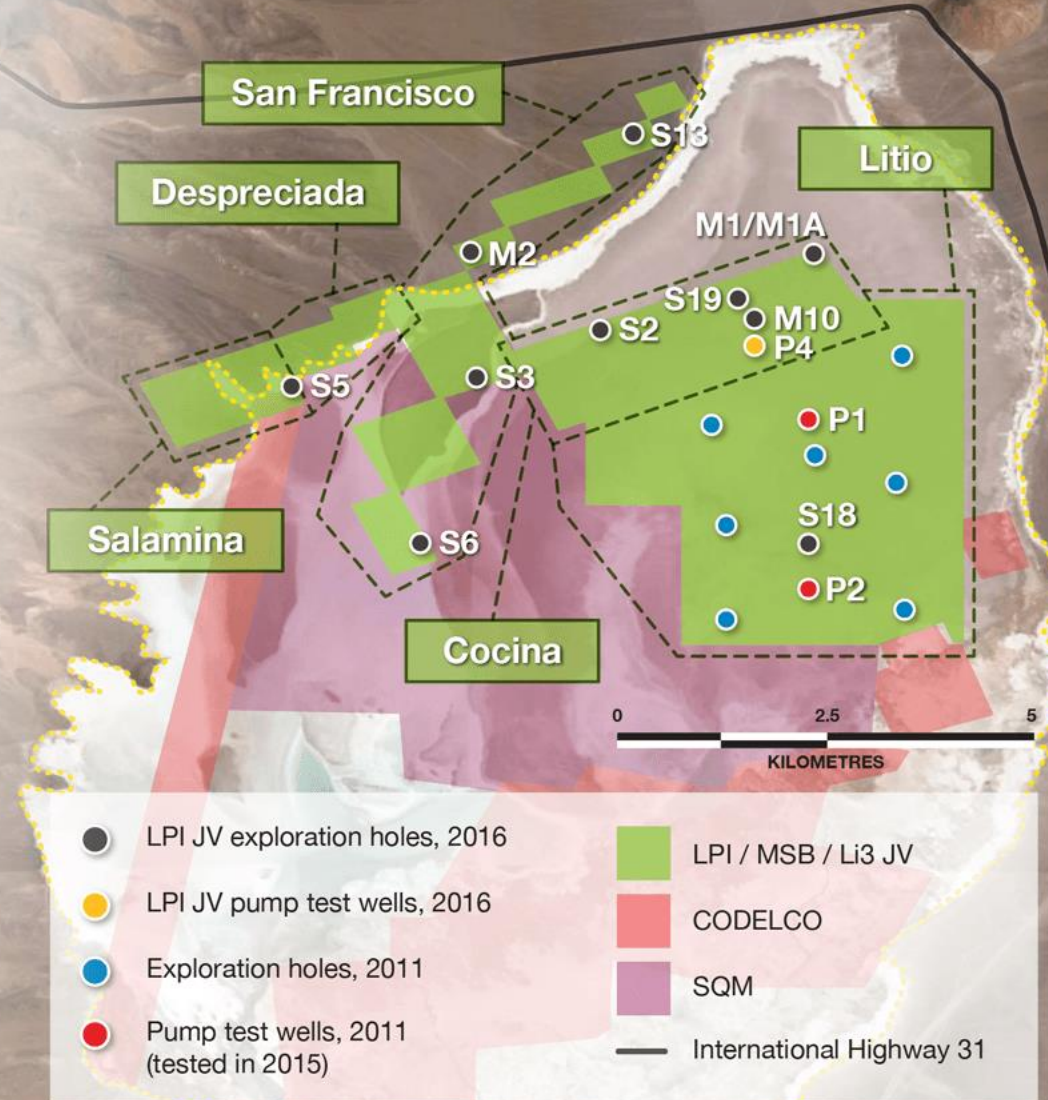
- **Would improve permitting certainty** with the EIA approval, CEOL contract and CCHEN permit over the entire Salar.
- **Adds to Lithium resources inventory**, enabling longer-life of the project and/or output scalability as market demand increases.
- **Would enhance project financing certainty.**
- Potentially **cheaper debt funding** available.
- Exposes and unlocks new potential **strategic partnerships and offtake channels.**
- **Increases project NPV** and lowers discount rate with lower risk.





# Maricunga: resources (drilling results)

- **Extensive Sonic and RC drilling** totalling more than 4,700m and over 1,000 brine samples taken, including more than 300 core samples analysed for drainable porosity.
- Results from the drilling program averaged **1,167 mg/l Li and 8,500 mg/l K.**
- **360m Deeper drilling** a game changer for expanding the resource if needed in the future.
- Deep hole S19 encountered a continuation of the lower brine aquifer with lithium concentrations above **900mg/l Li.**
- An exploration target is therefore defined below the base of the current resources to a depth up to **400m.**
- The exploration target provides **significant potential for resource expansion.**



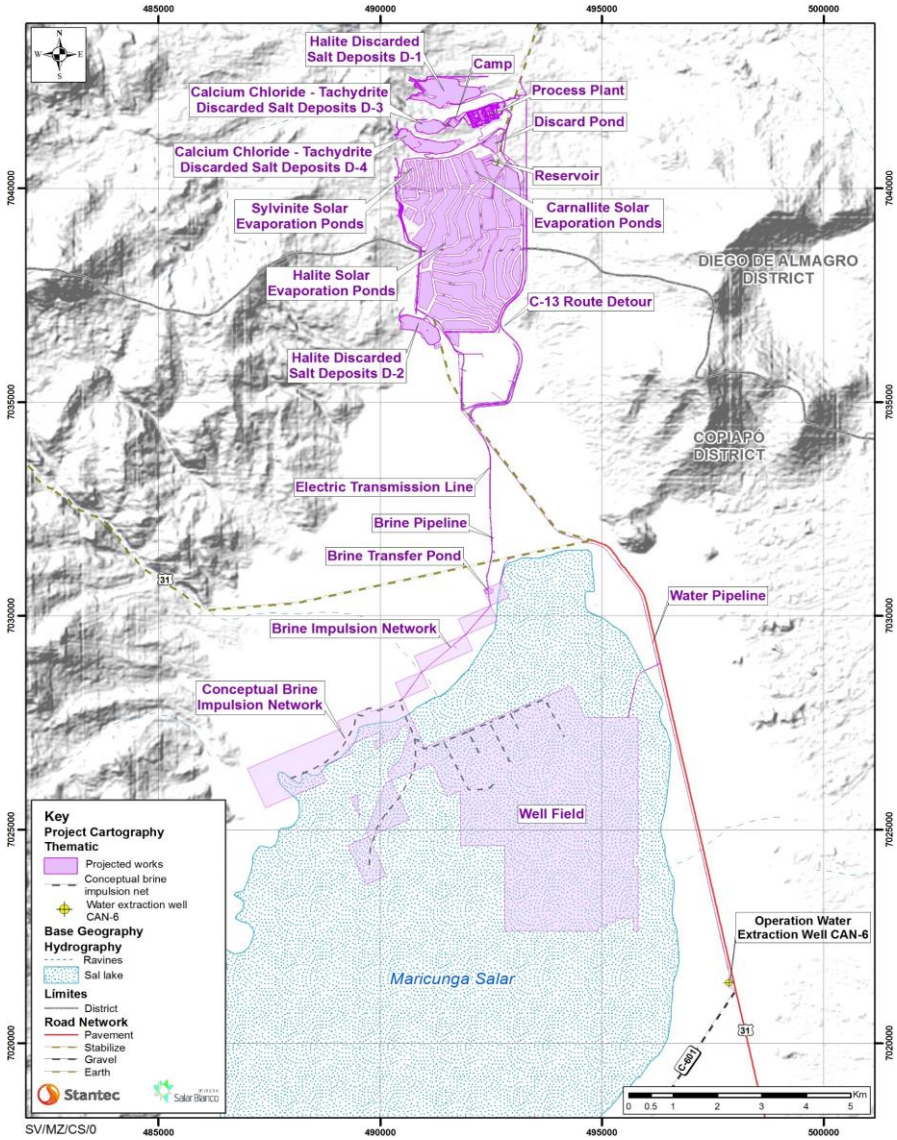
# Maricunga: porosity and permeability

- Halite, gravel, sand and volcanoclastic sediments have **excellent drainable porosity and permeability characteristics.**
- **More than 60 days of pumping tests at different depths were done** during the development process.
- **Pumping confirms the high flow rate** characteristics of the sediments, which have a high permeability and allows pumping at a high flow rate: very positive for long term brine extraction from the salar.
- **Flow rates are comparable** to those of major lithium brine producers.





# Maricunga: layout



- **Brine will be pumped 5km to evaporation ponds, and to the lithium carbonate plant for production.**
- **Water rights have been secured** throughout the mine life.
- **Government approval given** for the use of electricity infrastructure. Energy to be supplied through existing nearby transmission line.
- **Port and logistics assessment** fully completed.





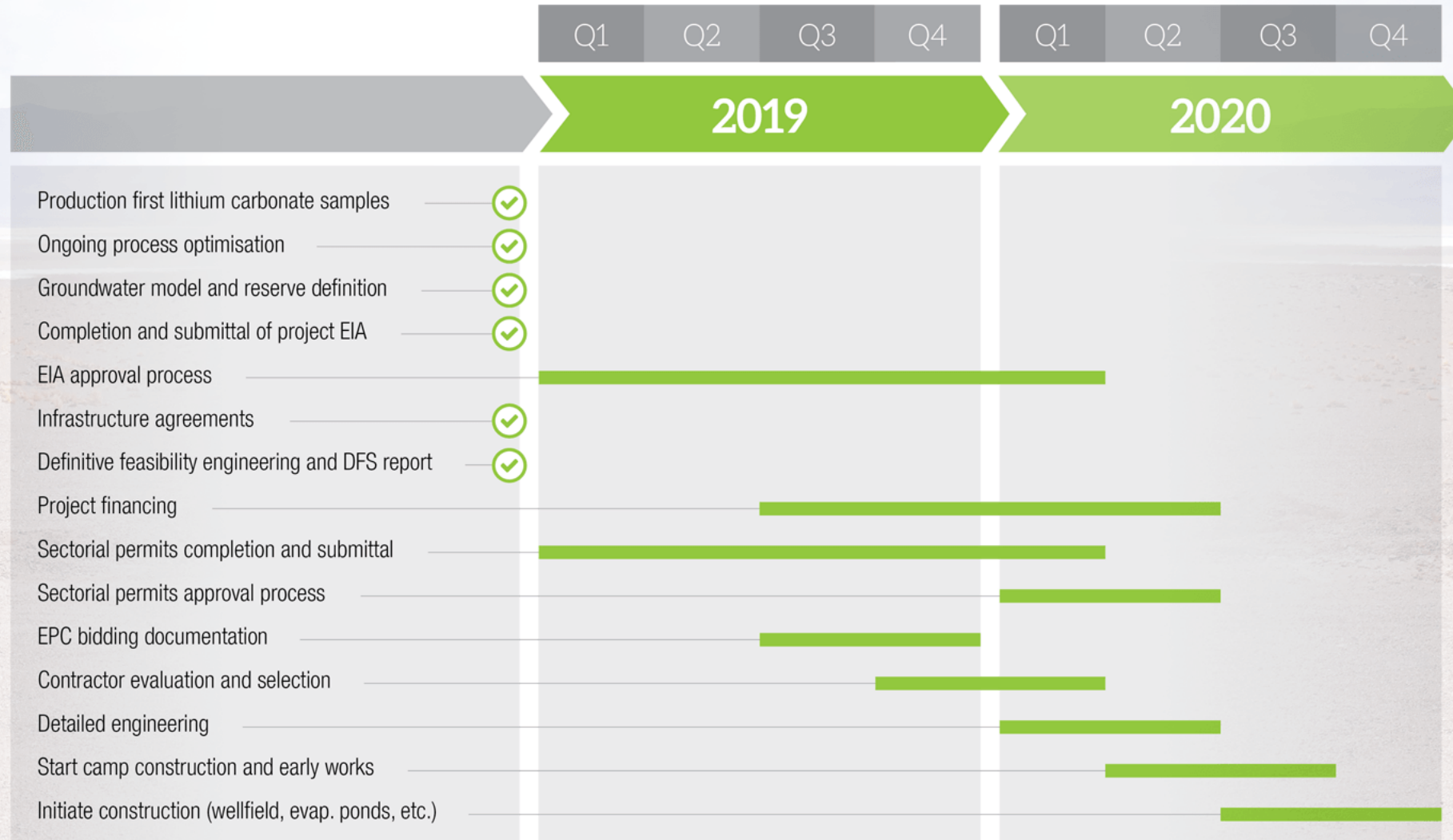
# Maricunga: environmental and community

- **The EIA was submitted** to the Chilean Government authorities in September 2018.
- **The EIA approval is expected** from government departments in Q1 2020.
- The EIA **includes the construction and operation** of a potassium chloride (KCl) plant, which will be considered once sufficient potassium salts have accumulated after the operation of the lithium carbonate plant has started.
- The Company has **strong relationships** with indigenous and local communities within the project area. MSB has established a mechanism for these communities to **benefit from the revenues derived** during the operating phase due to the increased vehicular activity.





# Timeline







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# Argentina Brine Project





# Centenario: a renewed focus

## Centenario

70% Ownership

- **70:30 Joint Venture** between LPI and Marquee Resources Limited.
- **Located in the centre of 'The Lithium Triangle'** in the mining friendly Salta province.
- The Project is immediately **north of the 24,000 t/a lithium carbonate plant being developed** by the French company **Eramet** and is in the vicinity of both the Millennial Lithium and Pluspetrol Pastos Grandes projects presently under assessment.
- **Covers an area of 68km<sup>2</sup>** in the Centenario lithium brine salar across six adjoining properties.



# Centenario: work programme

- **Geophysical surveys have recently been completed** and indicate an extensive brine body throughout the tenements.
- **Drilling permits have been received** from government agencies.
- LPI is in the **process of defining a work program** for the project to be agreed by the joint venture partner.
- **Drilling program to target large conductive zone** identified in the TEM electrical geophysical survey.
- Geophysical target is believed to **represent a significant body of brine**, covering an area of approximately **48km<sup>2</sup>**.







# Western Australia Hard Rock Projects





# Hard rock lithium development

## Tabba Tabba and Strelley, Pilbara

Western Australia - 100% Ownership

- **20km strike of highly prospective greenstone** units north-west of FMG's drilling at Tabba Tabba.
- Positive results on the extensive soil survey over the greenstone belts within the properties, **demonstrated elevated concentrations of lithium (up to 689 ppm) in addition to caesium, tantalum, tin and beryllium** - all indicators for productive LCT lithium pegmatites.
- **Development program completed in Q4 2019** and consisted of 31 holes for 3081m. Drilling returned maximum values of 0.47%  $\text{Li}_2\text{O}$ , with several areas within the project not drill tested.
- **All tracks and pads** constructed for this drilling program **have been rehabilitated** with drilling suspended due to the heightened summer temperatures.





# Hard rock lithium exploration

## Pilgangoora, Pilbara

Western Australia - 100% Ownership

- **Adjacent to Pilbara Minerals' and Altura Mining's lithium pegmatite deposits**, both being developed as hard-rock mines.
- **Lithium pegmatites being targeted in the same rock sequence** immediately west of tenements held by these companies.
- **Initial drilling program** undertaken in 2018.
- **Second exploration program** will consist of 1000m of targeted drilling.



# Hard rock lithium exploration

## Greenbushes

Western Australia - 100% Ownership

- **Tenements extend over 400km<sup>2</sup>** and contain large strike lengths of the same rock that hosts adjacent Greenbushes lithium mine, the world's largest lithium producer.
- Tenements include the **Balingup project** and the **Brockman Highway project**.
- **An Environmental Management Plan for Exploration and Prospecting** for the State Forests in the tenement area **was submitted in 2Q 2019** and has been **approved**.
- **Agreement has been reached** with two separate native title holders that cover the area.
- Expectation of **full approval to** allow the initial surface sampling is expected in **Q4 2019**.





# LPI: a compelling investment opportunity

- **Diversified lithium Company:** Brine and Hard Rock assets.
- **Solid Team and Tier-1 Engineering companies** undertaking project development for low risk development.
- **Definitive Feasibility Study (DFS)** released. Maricunga is the most advanced project in South America.
- **Financing structuring and off-take discussions** underway.
- **High quality brine** resource in a stable mining jurisdiction.
- Use of **traditional and well proven** production processes.
- Working with worldwide leading engineering companies and equipment suppliers:
  - **Engineering:** WorleyParsons, MWH (Stantec)
  - **Production:** GEA, Veolia, Andritz, FLSmidth, and SGS





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