

LPI.ASX

10 May 2023

## CHILE TAKES FURTHER STEPS TOWARDS CONSTITUTIONAL REFORM

- **Conservative Parties will hold a Majority**
- **Previous Veto held by Left Wing Parties Removed**

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Dear Stakeholder

Lithium Power International Limited (**ASX: LPI**) (“**LPI**” or the “**Company**”) is pleased to provide an update on the recent vote in Chile over the weekend on the Chilean Constitution reform.

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Following Chile’s national plebiscite on 4 September 2022, when a proposed constitution drafted by the Constitutional Convention was rejected by a 62-38 margin, lawmakers announced a new agreement in December 2022. The first draft was considered too radical and too long by a large majority of the Chilean people, and now a second attempt is being made to draft a new constitution with different rules.

The new draft agreement states that a group of 50 directly elected constitutional advisors will draft changes to the constitution, based on a preliminary draft prepared by a commission of 24 experts appointed by Congress. Additionally, a 14-member body appointed by Congress will ensure that the proposed text aligns with the 12 institutional and fundamental principles outlined in the agreement.

Under the new agreement, Council members will be directly elected. There will be equal representation of men and women, and there will be participation from indigenous peoples. A three-fifths majority vote in the Council will be required to approve the new articles. This is lower than the two-thirds majority required in the previous convention. Unlike the previous convention, the number of seats reserved for indigenous representatives will not be fixed. That will depend on the number of votes that each one receives. The commission of experts will work on a first draft between 6 March to 6 June, and the Constitutional Council will commence its work 30 days after its election on 6 June 2023.

The Council must deliver the draft constitution by 6 November. A mandatory referendum will be held on 17 December 2023 to either approve or reject the new text for the constitution.

The Chilean right-wing parties last Sunday won more than a 60 per cent majority of constitutional council members - 34 votes to 51 - to freely draft a new constitution and remove the veto option for the left wing camp. Only one indigenous member was elected. This is a sharp shift from the left-wing majority elected in the first stage of the process in 2021, and who drafted the rejected text.

The Republican Party, which is mostly comprised of conservative, right-wing members, has now become the leading political force in Chile. It holds 34 per cent of the vote with its 23 members, giving them a veto on amendments. President Boric's left-wing coalition garnered about 30 per cent and 16 seats, which included the indigenous members. A separate coalition of traditional, right-wing parties gained more than 20 per cent of the vote with 11 seats. Centrist parties took the remainder of the vote but failed to gain any seats.

The result is expected to have a positive impact on the recovery of economic activity and foreign investment in the country. It will eliminate uncertainties created by the previous constitutional process and provide confidence in the long term on Chile's political stability and quality of its institutions.

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***The Company's CEO, Cristobal Garcia-Huidobro commented***

*"LPI expects this outcome will provide further clarity and confidence in Chile as an investment destination for any potential funders and/or interested parties in the Maricunga Stage One lithium brine project."*

*Authorised for release by the Board of Directors of Lithium Power International Limited.*

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