

9 June 2020

Dear Shareholder,

We started 2020 with the exciting news that our Maricunga Lithium Brine Project had received its final major governmental approval, its Environmental Impact Assessment (EIA). This milestone has now launched the project into its development stage. It caps off a very busy 2019, when we released our Definitive Feasibility Report (DFS), signed a Memorandum of Understanding (MOU) with Chilean state-owned mining company Codelco and started the financial structuring process ahead of construction getting underway. Only a few projects have ever achieved these milestones in recent years.

This work has taken time, but we are now at the front of the queue to start a major new lithium mine in one of the world's premier locations – Chile's Lithium Triangle. This is a tribute to the economics of the project, our people and the Chilean Government's strong support.

Unfortunately, the coronavirus has overtaken our lives and presented an unprecedented medical, economic and human challenge. The virus has taken a severe toll on our people. Our governments have had to fight the pandemic by implementing strict quarantines on a global scale, while responding to the economic and financial fallout. As we cautiously exit this crisis, the world will be changed. We will all be more deeply reliant on our families, and each other, to stay safe.

However, I do believe that the global economy will recover steadily and faster than initially expected. Governments are using aggressive fiscal stimulus, putting investment and industrial activity on a strong footing to recover to the levels prior to the pandemic.

I always believe in taking a long-term view. That has never been more critical than it is today. Companies and investors, with a strong sense of purpose and a long-term approach, will be better able to navigate this crisis and its aftermath.

In achieving this, it is important not only to recognise the challenges that lie ahead of a company, but also the quality of its assets. These include, of course, their teams of people. They constitute the basis for the success of any company.

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At LPI, a rare combination of elements has been harnessed to make up the value of our Maricunga project. Those elements are:

- Strategic value from property's location on the Maricunga Salar, and the important role in the future consolidation of the Salar.
- Operational value brought about by our excellent location for plant, equipment, and evaporation ponds, and the access to extensive infrastructure including water, power and established roads.
- Economic value that reflects the resources and reserves at the Maricunga tenements, prepared under both NI43-101 and JORC standards.
- Exploration value in the potential for future expansion because the resource is open beyond the 200m depth limit of the DFS resource-reserve assessment.
- Value from the advanced level and technical quality of the work that has been undertaken. Maricunga is one of the few projects that has submitted a Definitive Feasibility Study (DFS) - prepared by tier-1 engineering company, Worley Parsons, after more than four years of extensive field work. More than 6,000m of exploration has been undertaken at the Salar, with more than 60 days of pump tests and more than 18 months operation of pilot pond evaporation tests. The production process has been developed and proven with GEA Messo of Germany, a lithium industry leader, which produced our first sample of battery grade lithium carbonate at the end of 2018.
- The value from permitting certainty, because Maricunga is one of the few global projects with full environmental permits that is ready to start its construction process.
- The valuable agreement with State-owned company Codelco for the joint development of the Maricunga Salar.

We are working hard to realise the value inherent in each of these elements in a way that deploys our funds judiciously and to maximum effect.

I understand concerns that the progress with Codelco has created among some of our shareholders. Let me tell you that progress is continuing. The terms of this agreement are still confidential as due diligence has not finalised. But I can assure you, that I am confident of a fair and beneficial outcome with Codelco.

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The LPI and MSB teams are working closely with Codelco's advisors and technical team in order to finalise the terms of a definitive agreement that maximises value for our shareholders. We will keep you all updated.

Make no mistake, Maricunga today is one of the most advanced lithium projects in the world and as such, its objectives and next steps are far beyond the simple news coming from exploration companies or less developed projects. Economic value is achieved by realising our goals, and Maricunga is way ahead in that regard.

During my 20 years of developing projects in Chile, I have never witnessed such strong commitment and support from any Government like we have seen for Maricunga. We will capitalise on that.

I also want to inform you that we are passing a proposal to lift the trading blackout to allow Directors to buy LPI shares. We are required under ASX listing rules to "cleanse" the market of all matters, and this update provides that. We expect to execute this very soon. It should be noted that some of LPI's major shareholders are also members of the board.

Let me reaffirm. The Company and its Board remain fully committed to generating value for all shareholders, and we will continue delivering just as we have been doing since the beginning of this exciting project.

Your sincerely,



Cristobal Garcia-Huidobro

Managing Director /CEO

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