

ASX RELEASE

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MARICUNGA LITHIUM PROJECT
CLARIFICATION OF DECREE NO. 64

Lithium Power International Limited (LPI or the Company) refers to its announcement dated 8 March 2018 in which it provided clarification on a Chilean media release in connection with the publication of Decree No. 64. Decree No. 64 approved a future lithium special operation agreement (CEOL) between the Ministry of Mining in Chile and a subsidiary of the Chilean state-owned copper company Codelco.

The CEOL contemplated by Decree No. 64 (Codelco CEOL) has been executed. The Codelco CEOL does not affect, in any manner whatsoever, any lithium concessions granted to the Maricunga JV company, Minera Salar Blanco (MSB), prior to 1979 under the "Old Code" mining regulations. A significant proportion of MSB's properties, namely: Cocina, Salamina, Despreciada and San Francisco are "Old Code" tenements, with only the Litio tenement classified as post 1979 "New Code".

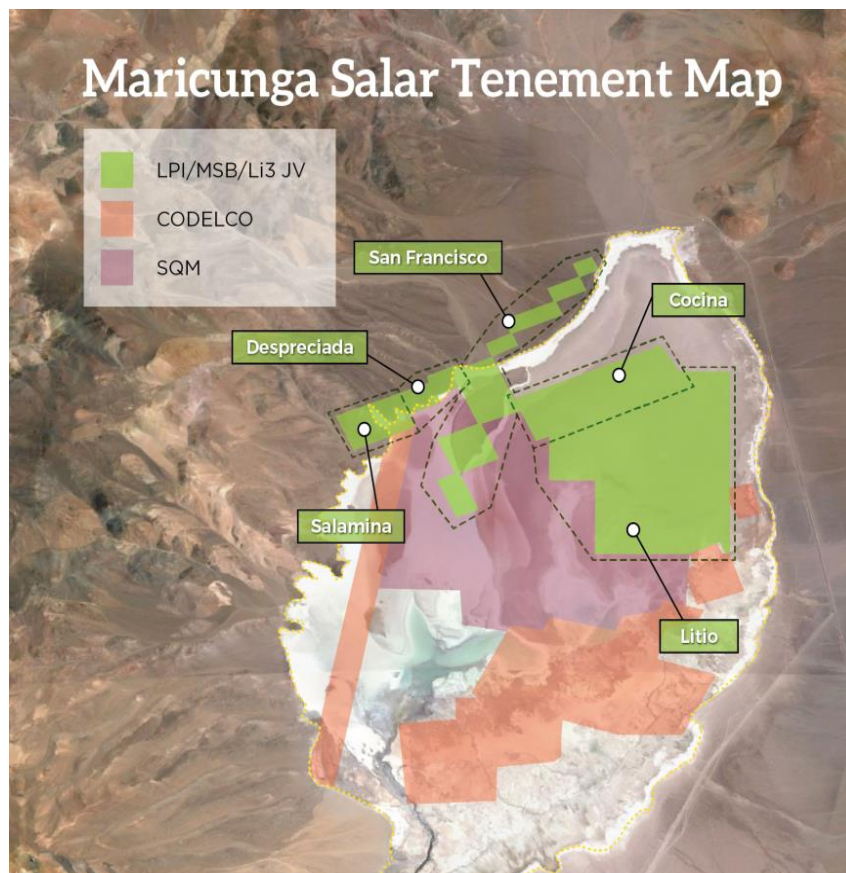
The Codelco CEOL purports to give Codelco the right to exploit lithium only (and not other minerals) at the new coded tenements like MSB's Litio concessions. MSB is currently preparing its own CEOL to be submitted within the next days to the authorities, with respect to the Litio tenement (MSB CEOL) which would give MSB the right to exploit such tenement to the exclusion of Codelco and any other company. To avoid any potential risk over its assets (Litio tenement), is also considering all its legal options for challenging the Codelco CEOL (either under Chilean or international law).

Whilst the Litio tenement contains approximately 50% of MSB's JORC and NI 43-101 compliant Resource Estimate, it was always the intention of MSB to exploit the "Old Code" tenements in the first phase of the mine plan as set out in the Preliminary Economic Assessment released on December last year. MSB is confident that it will be able to work with the new Chilean administration to either put in place the MSB CEOL or another solution that allows MSB to continue to enjoy its full legal rights in respect of the Litio tenement.

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Maricunga JV Background

The Maricunga JV is 50%-owned by Lithium Power International Limited. The project is regarded as one of the highest quality pre-production lithium brine project globally, with very high grades and exceptional porosity essential for high flow rates. The company released a Preliminary Economic Assessment for the project on 4 January 2018, which confirmed strong economic returns for production of 20,000t/a of lithium carbonate with production of 74,000t/a of potassium chloride from year 3 of the project.



For further information, please contact:

Martin C Holland – CEO

Lithium Power International

E: info@lithiumpowerinternational.com

Ph: +612 9276 1245

www.lithiumpowerinternational.com

@LithiumPowerLPI

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