

**ASX RELEASE**

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**UPDATE ON THE “CEOL” MATTER BEFORE THE CHILEAN COURTS**

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Further to its previous announcements, on 8 March 2018 and 3 April 2018, Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) provides this response to media reports on the licensing matter currently before the Chilean courts.

The case relates to the awarding of a CEOL (Lithium Special Operation Contract) to exploit lithium to the state-owned copper company, Codelco, immediately prior to the change of Chile’s government on 11 March 2018. The CEOL covers the entire Maricunga Salar, including properties owned by LPI’s joint venture entity Minera Salar Blanco SA (“MSB”).

CEOL’s, however, only apply to concessions licensed under the “new” mining code and therefore only cover MSB’s Lito concessions. All of MSB’s other concessions were issued under the “old pre-1979” mining code and are not affected.

Within the legal process before the Chilean Appeals Court (*Amparo Económico*), MSB requested the Chilean Constitutional Court (*Tribunal Constitucional de Chile*) to rule on the constitutional legality of an article being used by Codelco in their defense at the Appeals Court.

The Constitutional Court advised on 23 May 2018 that the issue was not a constitutional matter and they could not make a ruling. The matter was referred to the Appeals Court.

The legal process will continue in the Appeals Court as originally lodged.

It is important to note that the Chilean Nuclear Commission (CCHEN), designated by Chilean law to preside over lithium production, in March 2018, awarded MSB a permit without any further requirements to produce and commercialise lithium products from its old mining code concessions on Maricunga Salar for 30 years.

The legal action has had no effect on the Maricunga project’s development schedule. MSB continues to finalise the Definitive Feasibility Study before year’s end 2018 and also the submission of the Environmental Impact Assessment (EIA).

**For further information, please contact:****David R Hannon – Chairman** or **Andrew Phillips – Company Secretary**

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