

ASX RELEASE

LPI:ASX – 9 July 2018

**SETTLEMENT OF LEGAL PROCEEDINGS OVER THE MARICUNGA LITHIUM
MINING CONCESSIONS
APPLICATION FOR CEOL TO BE SUBMITTED IN THIRD QUARTER**

Highlights

- ✓ After very constructive discussions with the Ministry of Mines of Chile during the last 3 months, the Maricunga joint venture company, Minera Salar Blanco S.A. (“MSB”), has agreed to end its legal proceedings against the Chilean Government.
 - ✓ Application for a Special Lithium Operation Contract (“CEOL”) over MSB’s new code mining concessions will now be submitted in early August. This permit once approved and subject to the EIA approval, will be the final approval required to produce lithium under the present Chilean legislation.
 - ✓ MSB expresses its full confidence and agreement with the new government’s vision for the future of the Maricunga salar and confirms its intention to work closely with Chilean government, on the development of the Maricunga salar in the Atacama Region of Chile.
-

Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) is pleased to advise that MSB, operator for the world-class Maricunga lithium project in Chile, agreed last week to cease legal proceedings, started early in 2018. These proceedings against the Chilean Government related to the issuing of a Special Lithium Operation Contract (“CEOL”) covering its new mining coded concessions to an unrelated third-party.

The decision to cease proceedings was taken after a positive response received through an official letter (the “Letter”) from the Ministry of Mines of Chile (the “Ministry”) on 28 June 2018. The Letter was received after meetings between MSB's management and the Ministry, that enabled MSB to allay its concerns over the CEOL licensing process, which was the original motivation in commencing legal action.

The Letter confirmed MSB’s ability to now formally request a CEOL be granted over its new code mining concessions on the Maricunga salar for future exploitation. MSB intends to formally submit its CEOL application to the authorities in August.

This process is in addition to the Chilean Nuclear Commission (CCHEN) permit granted in the beginning of March this year for a period of 30 years over the company's old coded mining concessions. A CEOL is not required for the exploitation of these concessions.

Minera Salar Blanco's Chief Executive Officer, Cristobal García-Huidobro, said:

Minera Salar Blanco has full confidence in and is in agreement with the new government's vision for the future of the Maricunga salar. MSB confirms its intention to closely collaborate on the development of its Maricunga lithium project in the Atacama Region in Chile. This represents the initial step towards the future consolidation of the Maricunga salar, with MSB and LPI, as majority shareholder of MSB, taking the lead.

The project is entering its final stage of the pre-development process with its Environmental Impact Assessment is likely to be submitted to the evaluation authorities in the third quarter, after more than two years of preparation, and the Definitive Feasibility Report on the project to be finalised and scheduled for release by the end of December this year. In addition, MSB and its major shareholder, LPI, have had initial discussions with major Chilean and international institutions with the objective of finalising a letter of intent during the first half of 2019 for financing the project.

LPI's Chairman, David Hannon, said:

This is a very positive development for MSB, since the next submission of the CEOL application over our new code mining concessions, coupled with the permits in place on our old code mining concessions, pave the way to the development of the Maricunga project. We look forward to advancing the overall Maricunga project development as we also finalise other operational and strategic initiatives for LPI.

For further information, please contact:

David R Hannon – Chairman or Andrew Phillips – Company Secretary

Lithium Power International

E: info@lithiumpowerinternational.com

P: +612 9276 1245

www.lithiumpowerinternational.com