Lithium Power International: Deep Drilling Confirms New High Grade Lithium Brine Discovery to 354m

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Sydney - Lithium Power International (ASX:LPI) are pleased to announce latest deep drilling confirms new high grade lithium brine discovery to 354m at the Maricunga Lithium Brine Project.

- Deep drilling Intersection confirms significant high grade lithium over a 336m interval and remains open at depth in high grade lithium bearing sands.

- Peak lithium grade over 1,600 mg/l and 10,600 mg/l potassium.

- Deep drill hole S19, in the centre of the Cocina tenement, recorded 975 mg/l lithium grade (average) and 7,273 mg/l potassium (average) over a 336m interval from 18m to 354m, with a peak assay of 1,614 mg/l lithium and 10,610 mg/l potassium.

- Drill hole S18, in the centre of the Litio tenements, recorded 1,382 mg/l lithium grade (average) and 11,041 mg/l potassium (average) over the 168m test interval, with a peak assay of 1,740 mg/l lithium and 13,260 mg/l potassium.

- Drill hole S2, in the northwest of the Cocina tenement, recorded 954 mg/l lithium grade (average) and 6,580 mg/l potassium (average) over the 192m test interval, with a peak assay of 1,940 mg/l lithium and 13,210 mg/l potassium.

- Lithium grades at Maricunga are significantly higher than any other brine project in South America except for that of the producing Atacama, Chile lithium brine project operated by SQM and Albemarle.

- Final assays from the Maricunga drilling program confirm high grade lithium brine is present throughout the Maricunga properties, with hole S19 suggesting the brine body is extensive and continues significantly deeper below the 200m resource drilling.

Lithium Power International's Chief Executive Officer, Martin Holland, commented:

"The deep drill hole S19 is a very significant result for the company, demonstrating porous sediments exist below the 200m depth of the resource drilling. This result points to the potential for a long-term mine life at the Maricunga project. The project is a major high grade lithium brine body open at depth and now that the drilling program is complete, the company is working on the resource estimate, in parallel with the environmental impact assessment and process and engineering studies for the project. We look forward to providing updates on these activities as we advance. Furthermore, the company has an extensive international investor roadshow planned from the 27th of February to the 16th of March across Chile, Toronto (PDAC) and USA."

Deep Drill Hole S19

Hole S19 was drilled to a depth of 360m in the Cocina property, to the north of the existing resource in the Litio properties (Figure 1, see link below). The objective of this rotary drill hole was to provide information on the sediment type and lithium brine concentrations below the depth of the new resource drilling. This hole is significant, as it shows the thick sand and gravel sequence in the upper 200m of the joint venture properties continues at depth beneath the area of the upcoming resource estimate.

A depth of 400m was the target for this drill hole, however the extensive sandy material encountered in the hole resulted in the hole ending at 360m with the brine body open at depth and high grade lithium bearing sands at the end of the hole. The thick sequence of sand and gravel encountered in this hole has similar characteristics to the overlying sediments, from which core samples taken in other holes have been submitted for porosity and permeability testing. Visual observations of the S19 sediment samples suggest positive implications for extractable brine porosity.

Drill hole S19, recorded 975 mg/l lithium grade (average) and 7,273 mg/l potassium (average) over the 336m

interval from 18m to 354m, with a peak assay of 1,614 mg/l lithium and 10,610 mg/l potassium.

Drill cuttings were collected every two metres, while the brine samples were collected on 6m intervals from 18m to 204m. Due to the sandy material the brine sample spacing was increased from 6m to 12m between 204m and 354m, the last sample in the hole. The results presented in Tables 1 and 2 are a weighted average based on the relative lengths of sampling at 6m and 12m.

Drill Hole S18

Drill hole S18 was drilled in the southern central area of the Litio tenements, to provide information to supplement the original Litio drilling and to extend the planned resource estimate below the existing resource depth of 150m. The hole was completed to 173m by sonic drilling, (Figure 2, see link below) and sampled every 6m, over a 168m test interval (from 5m to 173m). S18 is located approximately 3km south southeast from pump test hole P4 (and hole M10), and 4.2km east from hole S6 (see Figure 1). S18 is located between sonic holes C3 and C4 and hole P2 which form part of the existing resource estimate.

Drill hole S18 recorded 1,382 mg/l lithium grade (average) and 11,041 mg/l potassium (average) over the 168m test interval, with a peak assay of 1,740 mg/l lithium and 13,260 mg/l potassium. As with previous drill holes, S18 finished in high-grade lithium brine at the end of the hole.

Drill Hole S2

Drill hole S2 was drilled in the northwest of the "old code" Cocina tenement. The hole was completed to 200m by sonic drilling, and sampled every 6m, over a 192m test interval (from 5m to 197m). S2 is located approximately 1.3 km west of pump well P4 (and hole M10) and approximately 2.4km southwest from holes M1/M1A (see Figure 1 in link below).

Drill hole S2, recorded 954 mg/l lithium grade (average) and 6,580 mg/l potassium (average) over the 192m test interval, with a peak assay of 1,940 mg/l lithium and 13,210 mg/l potassium. The hole consists of predominantly sandy and gravelly material below a layer of salt (halite) and clay. The highest assay of lithium and potassium in this hole is in the first sample, confirming observations from other holes of especially high grade brine in the upper halite layer.

Salar Porosity

A very important observation from the completed drilling program is that the Maricunga Salar contains extensive sandy to gravelly material in the joint venture properties. This is very significant as it suggests a relatively high drainable porosity and a relatively high proportion of the brine contained in the sediments could be extracted. Pump testing confirms these sediments allow high volume brine extraction (see Figure 3 (in link below) for a generalized comparison of possible flow rates from different sediment types).

Porosity is a related characteristic to permeability, and refers to the percentage of pore spaces between grains of sediment that can host lithium brine. There are several different measures of porosity, but the most important metric for brine deposits is the "drainable porosity" (see Figure 4 in link below). This represents brine that can be extracted from an aquifer during pumping and used for lithium production. The drainable porosity value is lower for fine grained sediments (clays and silts) and higher for coarser sediments (salt, sands and gravels).

Exploration Update

Resource Drilling has now been completed at the Maricunga project with results being collated for the upcoming resource estimate. The pump test at P4 has also now been completed, and results from this will be reported shortly.

Maricunga JV Background

The Maricunga JV is 50%-owned by LPI. The project is regarded by LPI management as one of the highest quality undeveloped pre-production lithium project globally, with a very high grade of both lithium and potassium. The Litio properties in the salar has been subject to significant past exploration by our JV partners, Minera Salar Blanco and Li3 Energy, in order to generate the existing lithium and potassium resource. The current drilling program and pump test are targeting an expansion of that resource on both the existing properties and additional properties (which have been acquired since), with a new JORC compliant resource estimate anticipated during 1H17.

To view tables and figures, please visit:
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About Lithium Power International Ltd:

Lithium Power International Ltd. (ASX:LPI) (FRA:24L) is an ASX listed diversified pure-play lithium explorer and developer with its head office in Sydney, Australia and satellite offices in Santiago, Chile and Buenos Aries, Argentina. The Company is focused on development of the world-class, high-grade, pre-production Maricunga Lithium Brine Project in Chile.

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