Lithium Power International Ltd: Activity Report for the Quarter Ended March 2019

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Sydney, Australia - Lithium Power International Ltd. (ASX:LPI) (OTCMKTS:LTHHF) (LPI or the Company) is pleased to submit its quarterly Activity Report for the period ended 31 March 2019.

HIGHLIGHTS

- LPI released its Definitive Feasibility Study (DFS) for the Maricunga Lithium Brine Project on 22 January 2019.

- The DFS shows a pre-tax NPV of US$1.302b and an IRR of 29.8%, assuming a 50% debt/equity ratio (after-tax NPV of US$940m, IRR 26.7%). On a 100% equity basis, NPV is US$1.286b with an IRR of 23.8%.

- Forecast CAPEX of US$563m is inclusive of 19% VAT, recoverable once in production, and includes direct development costs of US$456m, indirect costs of US$45m and contingencies of US$63m.

- Project operating costs are estimated at US$3,772 per tonne (/t) of Lithium Carbonate Equivalent (LCE), excluding offsets from potassium chloride (KCl) sales and any royalties.

- Production of 20,000 tonnes per annum (t/a) LCE would yield a high-value battery-grade lithium carbonate, unlike many lithium hard rock projects under development.

- A maiden Ore Reserve estimate, prepared in accordance with JORC and NI 43-101 international standards, was released on 21 January 2019. It includes a total of 742,000 tonnes (t) of LCE,(see Note below) which exceeds the 20-year project mine life production needs.

- There is potential to expand resources and reserves beneath the existing resource, which is currently defined to a depth of 200 m. An exploration target between 200 m - 400 m, confirmed by deep borehole results, could add between 1 Mt - 2.5 Mt of new resources.

- The Maricunga project's Environmental Impact Assessment (EIA) has passed the initial 45-day assessment period and completed Stage One of the review process on 26 March, with the submittal of the answers to the first consolidated set of queries and/or observations sent by the Environmental Assessment Authorities. The Company is now waiting for the second set of questions which should be received by the second week of May. Notwithstanding the uncertainties related to this process, approval is still forecast for 4Q19.

- Government approval was given for the use of electricity infrastructure. Energy to be supplied through existing, nearby transmission lines.

- Water rights have been secured throughout the mine life.

- The Company is in discussions for off-take agreements and project finance with international institutions.

- In Western Australia (WA), an extensive soil sampling program covering the Tabba Tabba property identified a 4.3km-long area of elevated lithium and tantalum, with Li_2O values up to 689 ppm.

- Tabba Tabba drilling activities will commence in 2Q19, representing the first stage of the WA development program.

- The WA program advances the Company's strategy of being a diversified international lithium project developer, both in terms of geography and lithium source by having both hard rock and brine projects.

Note: After 58% lithium process recovery efficiency, the total recovered Reserve is 430,000 tonnes LCE (118,000 tonnes Proved - 313,000 Probable).

To view the full report, please visit:
http://abnnewswire.net/lnk/M3F61P30

About Lithium Power International Ltd:

Lithium Power International Ltd. (ASX:LPI) (FRA:24L) is a pure-play lithium explorer and developer, focusing on developing and fast-tracking to production the high-grade Maricunga lithium brine project in Chile.

LPI has a well known performing technical team with the experience to take the Maricunga project all the way through the development stages to production.

The regions that LPI is currently focussed on are:

1. Maricunga JV (Chile) – On 13th September 2016, Lithium Power announced the creation of a new JV to develop the world-class Maricunga lithium brine deposit in northern Chile.

2. Pilbara (Western Australia) – LPI has one granted exploration tenement and two pending exploration applications covering 203km2 in the Pilbara region of northern Western Australia. The largest granted exploration tenement is at Pilgangoora-Houston Creek is 2-3km west of the Pilbara Minerals (PLS.ASX) and Altura Mining (AJM.ASX) lithium deposits.

3. Greenbushes (Western Australia) – LPI has two granted exploration tenements covering 400km2 in the Greenbushes area of southern Western Australia. The tenements are adjacent to the world’s largest hard rock lithium mine owned & operated by Tianqi/Talison.

4. Centenario (Argentina) –Through its Argentinian subsidiary, Lithium Power holds a total of 6 granted tenements in the Centenario lithium brine salar within the Salta province of the Puna Plateau. In total, the 6 granted tenements cover an area of 61.52km2. In addition, there is 1 further tenement in the grant review stage.

With the exception of the Maricunga JV, all tenements are 100% owned by LPI or LPSA (including rights to the Centenario tenement which is the subject of review by the Argentinian mining authorities).

Source:

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