Lithium Power International Ltd.: Activity Report for the Quarter ended March 2022

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SYDNEY, May 03, 2022 - Lithium Power International Ltd. (LPI:AX) ("LPI" or "the Company") is pleased to provide shareholders with an overview of quarterly activities for the period ending 31 March 2022 ("Quarter", "Reporting Period"), including subsequent events that might have a significant impact between 31 March 2022 and the date of issuance of this Report.

HIGHLIGHTS

- Positive results delivered in the updated Definitive Feasibility Study for the Stage One Maricunga Lithium Brine project:
    - Maricunga Stage One DFS delivers US$1.4B NPV (after tax) at an 8% discount rate, providing an IRR of 39.6% and a two-year payback. Average annual EBITDA of US$324M
    - 15,200 tonnes per annum production of lithium carbonate (LCE) for 20 years with an exceptional ESG profile
    - Operating cost (OPEX) of US$3,718 per tonne of LCE produced, placing the Stage One project in the lower quartile of LCE producers
    - Project direct development cost estimated at US$419M, indirect costs at US$145M and contingency costs at US$62M to provide a total project CAPEX of US$626M
- Revised DFS completed by Tier-1 engineering consultancy Worley to international standards, with inputs from EPC contractors to provide greater certainty on cost estimates.
- Preliminary indications of interest received from international and Chilean financial institutions and private funds for debt financing and future equity financing of the project. LPI's financial advisers, Canaccord and Treadstone, are assisting with this process.
- Updating of the EPC proposals has commenced by two selected international engineering firms, Worley and Bechtel, with a final Investment Decision expected in Q4 2022. Construction is likely to start immediately after.
- LPI to spin-out its Western Australian Greenbushes and Pilgangoora lithium assets during the next six months. These interests are held by a wholly owned subsidiary of LPI, DemergeCo, which will seek to list on the ASX as Western Lithium Limited subject to ASX, ATO and shareholder approval.
- LPI shareholders to receive DemergeCo shares on a pro rata basis via a capital reduction and in-specie distribution, subject to shareholder and regulatory approvals.
- At the Blackwood Prospect at Greenbushes, an initial Ground Penetrating Radar survey and further soil sampling has been completed.
- An updated Conservation Management Plan for additional sampling was approved at Blackwood by DBCA. Phase 1 and 2 of the detailed baseline flora and fauna assessments have been completed.

To read the company's full ASX release with the results of its Activity Report for the Quarter ended March 2022, please click here.

For further information, please contact:

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