

MEDIA RELEASE

LPI.ASX

16 December 2020

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COMPLETION OF A\$8.0 MILLION PLACEMENT

- **LPI receives firm commitments for placement of A\$8.0 million from sophisticated and institutional investors**
- **Directors to participate for A\$0.3 million in second tranche of placement subject to shareholder approval**
- **Funds raised to be applied to development of the Maricunga Lithium Brine Project and exploration at the Greenbushes Projects in Western Australia**

Lithium Power International Limited (ASX:LPI) (“**LPI**” or the “**Company**”) is pleased to announce the completion of a placement of new fully paid ordinary shares to existing and new sophisticated and institutional investors (“**Placement**”). Funds raised from the Placement will be used for ongoing development of the Maricunga Lithium Brine Project and ongoing exploration at the Greenbushes Projects in Western Australia.

The Placement was undertaken at an issue price of A\$0.22 per share, representing:

- a 13.7% discount to the last closing share price of LPI shares on Monday, 14 December 2020, of A\$0.255; and
- a 20.3% discount to the 10-day volume weighted average price of LPI shares trading on ASX up to and including Monday, 14 December 2020.

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement and Everblu Capital Pty Ltd acted as Co-Manager.

Lithium Power International Ltd

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ACN 607 260 328

ASX CODE: LPI

CHARGING THE FUTURE

The Placement will result in the issue of approximately 36.4 million new shares and is being conducted using the Company's available capacity under ASX Listing Rule 7.1. The Placement is intended to close in two tranches, comprising of:

- Tranche 1 to raise A\$7.7 million via the issue of 35.0 million new shares; and
- Tranche 2 to raise A\$0.3 million via the issue of approximately 1.4 million new shares to management and directors of the Company, subject to shareholder approval.

Settlement of tranche 1 will occur on Monday, 21 December 2020 with the new shares issued on Tuesday, 22 December 2020. Tranche 2 shares are expected to settle following shareholder approval at an EGM anticipated to be held in February 2021.

LPI Fully Funded for 2021 and beyond

The Company will now be funded to take the Maricunga project to the next stages of the development process, along with an initial exploration drilling program in the Greenbushes tenements in Western Australia.

Specifically, funds raised through the Placement will be applied to:

- Resource / Reserve expansion, by conducting a deep drilling program of circa 2,400m on the Maricunga "old Code" tenements, including:
 - 5 exploration wells;
 - 1 brine production well, including pump testing; and
 - 1 fresh water well, including pump testing.
- Engineering activities and completion of a JORC and NI43-101 update within the Maricunga Joint Venture;
- Production process activities and camp operations within the Maricunga Joint Venture;
- Exploration activities at LPI's Western Australia Greenbushes tenements; and
- General working capital.

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LPI's Chief Executive Officer, Cristóbal Garcia-Huidobro, commented:

"We are pleased to announce the successful completion of the A\$8.0 million placement to sophisticated and institutional shareholders. The calibre of new investors along with the support of existing shareholders provides the Company with a strong base of support ahead of the Maricunga project development decision.

Despite a difficult 2020, we remain focused on developing the Maricunga Joint Venture project, and are pleased with the support of shareholders, following the recently announced refinement of the development strategy.

The Board of LPI wishes to thank existing shareholders for their support and welcome all new shareholders to the Company, as we take the next exciting steps in the development of LPI's flagship Maricunga project in Chile and further explore the exciting opportunity at Greenbushes in WA."

For further information, please contact:

Cristóbal Garcia-Huidobro – CEO or Andrew Phillips - CFO

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