

ASX RELEASE

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**SALE OF ARGENTINIAN LITHIUM PROJECT
- TERM SHEET AGREED**

Highlights

- Lithium Power International Limited has entered a conditional Term Sheet for the divestment of 100% of the Company's Centenario lithium project
 - The Company's strategy is to focus resources on fast tracking the development of its large, high grade Maricunga lithium project in Chile
 - The transaction has a total value of A\$3.75m plus a 1.5% gross royalty and a backdated success fee
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Lithium Power International Limited (ASX: LPI) ("LPI" or "the Company") is pleased to provide an update on the planned sale of its Argentine lithium project situated in the Centenario salar.

The Company has entered into a Term Sheet with Albertson Resources Pty Ltd ("Albertson") to dispose of 100% of the shares in Lithium Power International Holdings (Argentina) Pty Ltd, LPI's wholly-owned Australian subsidiary that holds LPI's interest in Centenario.

About the Centenario Properties

The Centenario project comprises of six tenements situated in the pro-mining province of Salta, Argentina. The Centenario project has a total land holding of 61.5km² and was included in the Company Prospectus for LPI's listing on the Australia Security Exchange ("IPO") in June 2016.

Details of the Term Sheet

The Term Sheet grants Albertson exclusive due diligence rights for an agreed period of 45 days, in consideration of a non-refundable fee of \$150,000, which was received by Company on 6 September 2017.

This binding Term Sheet is conditional on execution of a long-form sale agreement and satisfactory completion of due diligence by Albertson.

Upon the parties entering into long form agreements, the purchase price payable by Albertson will be:

- \$850,000 cash payment on entry into the long form agreement;
- \$2,750,000 on completion of the long form agreement, which is payable in cash or a minimum mix of 50% cash and shares;
- an additional success fee payable on finalisation of a maiden JORC resource; and
- a royalty of 1.5% on gross revenue from Centenario for a period of 20 years from completion of a definitive feasibility study.

Albertson will be responsible for costs associated with maintaining the Centenario project tenements in good standing from the date of entry into the long form agreement.

This divestment of the Centenario project will allow the Company to focus its resources on its world class Maricunga lithium project in Chile to accelerate the feasibility study underway and to fast-track the development timeline.

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

"The Company has executed on its strategy to divest the Centenario project. This will allow the Company to place all our attention on fast tracking the Maricunga lithium project. We are pleased to have entered into a term sheet with Albertson Resources, and look forward to working together to complete the sale within the agreed timeline."

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