Lithium Power International Maricunga DFS positive

Lithium Power International (ASX: LPI)

Provided details of the updated Definitive Feasibility Study (DFS) for its Maricunga Stage One lithium brine project in northern Chile.

The study confirms that Maricunga Stage One ***could be one of the world's lowest-cost producers of lithium carbonate***, with a solid ESG strategy to support a sustainable future.

Lithium Power Intl.	**ASX : LPI**
Stage	**Exploration**
Metals	**Lithium**
Market cap	**A$181 m @ 52 c**
Location	**Maricunga, Chile and Western Australia**


THE LITHIUM TRIANGLE
BOLIVIA
TARAPACA
CHILE
Atacama
SQM, Albemarle
ANTOFAGASTA
Olaroz
Orocobre, Toyota
Cauchari
Orocobre, SQM, Lithium Americas
JUJUY
Salinas Grandes
Lithium LSC
SALTA
Hombre Muerto
FMC, Galaxy
MARICUNGA
Lithium Power, MSB
ARGENTINA
TUCUMÁN
3 Quebradas
Neolithium
COPIAPÓ
CATAMARCA

Lithium Power deliver outstanding results from its Maricunga Lithium brine project in its updated DFS

Lithium Power International Limited (ASX: LPI) (“LPI” or the “Company”) through its Joint Venture (“JV”) Company, Minera Salar Blanco S.A. (“MSB”), is pleased to provide details of the updated Definitive Feasibility Study (DFS) for its Maricunga Stage One lithium brine project in northern Chile.

The study confirms that Maricunga Stage One could be one of the world’s lowest-cost producers of lithium carbonate, with a solid ESG strategy to support a sustainable future.

Lithium Power International Limited is pleased to release the results of its 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
- An IRR of 39.6% and a 2-year payback period
- OPEX of US$3,718 per tonne of LCE produced
- Annual EBITDA of US$324M

• Direct development cost US$419M, Indirect cost US$145M and Contingency US$62M for a total project CAPEX of US$626M
• 15,200 tonnes of LCE per annum over 20 years

Highlights

• The updated Maricunga Stage One Lithium Brine project's Definitive Feasibility Study (DFS) supports 15,200 tonnes per annum production of lithium carbonate (LCE) for 20 years.
• Project NPV1
(leveraged basis) of US$1.425B (after tax) at 8% discount rate, providing an IRR
of 39.6% and a 2-year payback. Estimated steady-state annual EBITDA of US$324M.
• Project operating cost places Maricunga among the most efficient producers with an OPEX of US$3,718 per tonne not including credit from potassium chloride (KCl) by-product. KCI production was not considered in the DFS.
• 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. Assumes a 50% leverage. On a "100% Equity Basis", the NPV (after tax) is US$1.412B, providing an IRR of 29.3 % and a 2 years and 8 months Payback.
• Exceptional ESG profile aims to achieve carbon neutrality once operation beds down, setting new standards for social relationships. Certification process led by Deloitte will continue during upcoming years as the project advances.
• Project infrastructure including water rights have been secured by long term contracts
during project construction and operation. Access to the National Power Grid has been
granted, ensuring future power supply including an important component of renewable
energy.

• Revised DFS completed by Tier-1 engineering consultancy Worley to international
standards, with cost inputs from EPC contractors to provide greater certainty on cost
estimates. The Resource and Reserve estimates were prepared by Atacama Water.
• Preliminary indications of interest received from international and Chilean financial
institutions and private funds for debt financing and future equity financing of the project.

Finance process will continue in coming months.

• Updating of the EPC proposals will commence during Q1.

Final Investment Decision expected for 2022, with construction to start immediately after.

For brevity, this summary has been redacted, to read the full news release, please click HERE

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