Lithium Power to Demerge Its Australian Assets

Lithium Power International (ASX: LPI)

Announced its intention to demerge its Western Australian hard rock lithium assets.

The Demerger will create a dedicated, WA-focused lithium exploration company with the management team and resources to realise the value of the WA assets, and allow LPI to focus on their Maricunga asset in Chile.

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

Lithium Power International project area

lithium Power International to demerge its Western Australia Hard Rock Assets

Lithium Power International Limited (ASX: LPI) ("LPI" or the "Company") today announced its intention to demerge its Western Australian hard rock lithium assets(the "Demerger").

The Demerger will create a dedicated, WA-focused lithium exploration company with the management team and resources to realise the value of the WA assets.

The Demerger will enable LPI to focus its resources on developing its Maricunga Lithium Brine Project in Chile.

HIGHLIGHTS

- LPI is to spin-out its Western Australian Greenbushes and Pilgangoora lithium assets in the next six months
- Greenbushes tenements are immediately along strike from the Talison mine, the world's largest lithium producer, while Pilgangoora is adjacent to assets owned by Pilbara Minerals
- LPI's WA interests are held by a wholly-owned subsidiary of LPI (DemergeCo), which will seek to list on the ASX
- 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
- LPI's Board believes the Demerger process will unlock the

strategic value of the WA assets for the benefit of all shareholders and allow LPI to focus on developing its flagship Maricunga Lithium Brine Project in Chile.

Lithium Power management comments

“LPI believes that there is a compelling strategic rationale for the demerger of LPI’s WA hard rock lithium exploration assets. The Demerger will offer existing LPI shareholders the opportunity to create long term value via a new, ASX-listed company.

“LPI has a number of highly prospective assets located in WA that are at an exciting stage of exploration. They comprise three tenements in the Greenbushes region, immediately along-strike from the Talison mine, and three tenements in the Pilbara region (one of which is adjacent to tenements held by Pilbara Minerals).

“These assets deserve their own time, attention and resources, and LPI’s Board believes that it is the best outcome for LPI shareholders to create a dedicated, WA-focused company that has the technical, human and financial resources to advance these exciting assets.

“A capital reduction and in-specie distribution to LPI shareholders will provide a direct level of participation in the WA assets. It will also allow LPI to focus solely on the development of its flagship Maricunga Lithium Brine Project

in Chile, which is at a much more advanced stage of development.

"We are excited by what Demerge Co can achieve and look forward to providing further details on the Demerger in the coming weeks and months."

Lithium Power CEO, Cristobal Garcia-Huidobro

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

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