

# 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



# 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. KCl 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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## 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.

<b>Lithium Power Intl.</b>	<b>ASX : LPI</b>
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Stage	Exploration
Metals	Lithium
Market cap	A\$181 m @ 52 c
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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 (DemergerCo), which will seek to list on the ASX
- LPI shareholders to receive DemergerCo 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***

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