

**MEDIA RELEASE**

LPI.ASX

11 November 2019

**ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING**

Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) advises that enclosed is an addendum (**Addendum**) to the Notice of Annual General Meeting dated 22 October 2019 (**Notice**) to add to the Explanatory Statement in relation to Resolutions 8, 9 and 10 in relation to the issue of Share Appreciation Rights to Directors and to be considered at the Annual General Meeting to be held on Wednesday 27 November 2019 at 3.00pm (Sydney time) at the offices of Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000.

**Proxy form**

There have been no changes to the proxy form despatched to Shareholders with the Notice on 22 October 2019. A proxy form is provided with this Addendum should any Shareholders wish to change their vote or submit a new proxy form.

Proxy forms must be returned to the Company not later than 3.00pm (Sydney time) on Monday, 25 November 2019.

**For further information, please contact:****Andrew G Phillips – Company Secretary**

Lithium Power International

E: [info@lithiumpowerinternational.com](mailto:info@lithiumpowerinternational.com)[www.lithiumpowerinternational.com](http://www.lithiumpowerinternational.com)

@LithiumPowerLPI

## Lithium Power International Limited ACN 607 260 328

### Addendum to the Notice of Annual General Meeting

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Lithium Power International Limited ACN 607 260 328 (**LPI** or the **Company**) hereby gives notice to Shareholders of the Company that, in relation to the Notice of Annual General Meeting dated 22 October 2019 (**Notice**) in respect of an Annual General Meeting of Shareholders to be held on Wednesday 27 November 2019 at 3.00pm (Sydney time) at the offices of Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000, the Directors have determined to issue this addendum to the Notice inclusive of the enclosed Supplementary Explanatory Statement (together the **Addendum**) in order to amend and supplement the information contained in the Explanatory Statement provided to Shareholders in relation to the Notice for the reasons set out below.

Terms in this Addendum have the same meaning as in the Notice.

This Addendum is supplemental to the original Notice and should be read in conjunction with the original Notice. Save for the amendments to the Explanatory Statement set out below, all resolutions and the Explanatory Statement in the original Notice remain unchanged. To the extent of any inconsistency, this Addendum will prevail over the original Notice and Explanatory Statement.

By this Addendum, the original Notice and the Explanatory Statement are amended and supplemented by the information set out in this Addendum.

#### Background

Resolutions 8, 9 and 10 seek Shareholder approval (under ASX Listing Rule 10.14) for the issue of Share Appreciation Rights (**SARs**) to Mr Cristóbal Garcia-Huidobro, Mr Richard Crookes and Mr Andrew Phillips on the terms and conditions summarised in the Explanatory Statement.

As set out in the Explanatory Statement, SARs are indeterminate Rights and are an entitlement to the value of a Share less the Exercise Price which may be satisfied either in cash and/or in Shares (at the Board's discretion).

SARs do not require the Participant to pay the Exercise Price; instead the Exercise Price is deducted from the Share Price at the time of exercise to determine the net value of the Right, which may then be settled in Shares or in some cases cash. This approach is preferred since it confers all the advantages of Options, but with a lesser dilution impact for other Shareholders.

As an example, if the Exercise Price was \$0.40 and the Share price at the time of exercise of the SAR was \$0.80, then only **1 Share** would be issued for each **2 SARs** exercised (assuming that the SARs were settled in Shares rather than in cash).

However, if Options were issued instead of SARs, the exercise of these Options would result in 2 Shares being issued in respect of 2 Options exercised (i.e. Options would be 100% more dilutive in this example).

Sections 9 to 11 of the Explanatory Statement provide that the Exercise Price in respect of the SARs proposed to be issued to Mr Garcia-Huidobro, Mr Crookes and Mr Phillips in accordance with Resolutions 8 to 10 *"will be set as at 120% of the volume weighted average price (VWAP) of LPI Shares over the 30 days (or the trading days therein) from and including the date of release of annual results for FY19 which occurred on 26 September 2019"*.

While the above is correct, the Explanatory Statement inadvertently omitted that the SARs proposed to be issued to Mr Garcia-Huidobro, Mr Crookes and Mr Phillips would be subject to a minimum Exercise Price of \$0.40 (i.e. in the event that 120% of the VWAP for the relevant period was less than \$0.40, the Exercise Price will be \$0.40). At the time of drafting the Explanatory Statement, 120% of the VWAP was approximately \$0.40 which was the proposed minimum Exercise Price.

As 120% of the VWAP for the relevant period was less than \$0.40, the Exercise Price of the SARs proposed to be issued in accordance with Resolutions 8 to 10 will be \$0.40. The purpose of the below Supplementary Explanatory Statement is to amend the parts of the original Explanatory Statement which discuss the setting of the Exercise Price of the SARs and the consequent valuation of the SARs based on the now ascertained Exercise Price.

The effect of the above is that the SARs will have a higher Exercise Price than indicated by the original Notice and Explanatory Statement such that the price of Shares will need to reach a higher level before the relevant Participants benefit from the exercise of the SARs.

As outlined in the Explanatory Statement it is also proposed that the Joint Venture Company, Minera Salar Blanco SA (**MSB**), will contribute to the cost of the exercise of the SARs, as there will likely be operating cash flow generated by MSB by the time the SARs are exercised.

### **Voting in person, by proxy and online**

To vote in person, please attend the Meeting at the time, date and place set out above.

As advised in the Notice, Shareholders can appoint a proxy and may give their proxy directions regarding how to vote on the Resolutions. The Company confirms that there have been no changes to the proxy form previously despatched to Shareholders and a copy of this proxy form is enclosed. Shareholders are advised that:

- (a) If you have already completed and returned the proxy form which was annexed to the original Notice and you wish to change your vote, you must complete and return the proxy form annexed to this Addendum to the Notice of Meeting.
- (b) If you have already completed and returned the proxy form which was annexed to the original Notice and you do not wish to change your vote, you do not need to take any action as the earlier submitted proxy form will be accepted by the Company unless you submit a new proxy form.
- (c) If you have not yet completed and returned a proxy form and you wish to vote on the Resolutions in the Notice, please complete and return the proxy form annexed to this Addendum to the Notice.

Proxy forms must be returned to the Company not later than 3.00pm (Sydney time) on Monday, 25 November 2019.

As advised in the Notice, Shareholders may vote online by visiting <https://www.votingonline.com.au/lithiumagm2019> and entering your Postcode or Country of Residence (if outside of Australia) and your Voting Access Code (VAC), which are provided on your proxy form. Shareholders are advised that:

- (a) If you have already voted online and you wish to change your vote, you must visit <https://www.votingonline.com.au/lithiumagm2019> in advance of the Meeting in order to change your vote.
  - (b) If you have already voted online and you do not wish to change your vote, you do not need to take any action as the earlier online vote will be accepted by the Company unless you change your vote.
  - (c) If you have not yet voted online and you wish to vote on the Resolutions in the Notice, please visit <https://www.votingonline.com.au/lithiumagm2019> and vote.
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## **Supplementary Explanatory Statement**

**In the table in Section 9.1 of the Explanatory Statement, the rows entitled “Number of SARs” and “Cost of SARS and Exercise Price” are deleted and replaced with the following:**

<b>Aspect</b>	<b>Details</b>
<b>Number of SARs</b>	<p>It is proposed that Cristóbal Garcia-Huidobro will be invited to apply for a total of 6,000,000 SARs. The number of SARs to be granted was based on a valuation under a Black-Scholes model, which produced a SAR value of \$0.1328 per SAR, using the following assumptions:</p> <ul style="list-style-type: none"> <li>• Risk Free Rate of 1.75%;</li> <li>• Volatility of 80%;</li> <li>• Time until exercise of 3.62 years, reflecting the period from the expected date of grant, to the elapsing of the Term;</li> <li>• A Share Price of \$0.275 which was the closing price as at 30 October 2019;</li> <li>• An Exercise Price of \$0.40; and</li> <li>• Nil dividends.</li> </ul> <p>The grant is intended to form the equity component of remuneration of the annual Total Remuneration Package for 3 financial years including FY20, and it is not intended that any further grants would be made during this period. Therefore, one third of the grant is attributable to each of the 3 years from FY20 to FY22. When added to the other remuneration elements the FY20 grant of SARs will produce a total remuneration package that is market competitive and reasonable given the Company’s circumstances for FY20.</p>
<b>Cost of SARs and Exercise Price</b>	<p>No amount is payable by Participants to receive SARs since the value of the SARs forms part of the remuneration of the Participants.</p> <p>The Exercise Price will be \$0.40.</p>

In table in Section 10.1 of the Explanatory Statement, the rows entitled “Number of SARs” and “Cost of SARS and Exercise Price” are deleted and replaced with the following:

Aspect	Details
<b>Number of SARs</b>	<p>It is proposed that Richard Crookes will be invited to apply for a total of 4,000,000 SARs. The number of SARs to be granted was based on a valuation under a Black-Scholes model, which produced a SAR value of \$0.1328 per SAR, using the following assumptions:</p> <ul style="list-style-type: none"> <li>• Risk Free Rate of 1.75%;</li> <li>• Volatility of 80%;</li> <li>• Time until exercise of 3.62 years, reflecting the period from the expected date of grant, to the elapsing of the Term;</li> <li>• A Share Price of \$0.275 which was the closing price as at 30 October 2019;</li> <li>• An Exercise Price of \$0.40; and</li> <li>• Nil dividends.</li> </ul> <p>The grant is intended to form the equity component of remuneration of the annual Total Remuneration Package for 3 financial years including FY20, and it is not intended that any further grants would be made during this period. Therefore, one third of the grant is attributable to each of the 3 years from FY20 to FY22. When added to the other remuneration elements the FY20 grant of SARs will produce a total remuneration package that is market competitive and reasonable given the Company’s circumstances for FY20.</p>
<b>Cost of SARs and Exercise Price</b>	<p>No amount is payable by Participants to receive SARs since the value of the SARs forms part of the remuneration of the Participants.</p> <p>The Exercise Price will be \$0.40.</p>

In the table in Section 11.1 of the Explanatory Statement, the rows entitled “Number of SARs” and “Cost of SARS and Exercise Price” are deleted and replaced with the following:

Aspect	Details
<b>Number of SARs</b>	<p>It is proposed that Andrew Phillips will be invited to apply for a total of 2,500,000 SARs. The number of SARs to be granted was based on a valuation under a Black-Scholes model, which produced a SAR value of \$0.1328 per SAR, using the following assumptions:</p> <ul style="list-style-type: none"> <li>• Risk Free Rate of 1.75%;</li> <li>• Volatility of 80%;</li> <li>• Time until exercise of 3.62 years, reflecting the period from the expected date of grant, to the elapsing of the Term;</li> <li>• A Share Price of \$0.275 which was the closing price as at 30 October 2019;</li> <li>• An Exercise Price of \$0.40; and</li> <li>• Nil dividends.</li> </ul> <p>The grant is intended to form the equity component of remuneration of the annual Total Remuneration Package for 3 financial years including FY20, and it is not intended that any further grants would be made during this period. Therefore, one third of the grant is attributable to each of the 3 years from FY20 to FY22. When added to the other remuneration elements the FY20 grant of SARs will produce a total remuneration package that is market competitive and reasonable given the Company’s circumstances for FY20.</p>
<b>Cost of SARs and Exercise Price</b>	<p>No amount is payable by Participants to receive SARs since the value of the SARs forms part of the remuneration of the Participants.</p> <p>The Exercise Price will be \$0.40.</p>

## All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00pm (Sydney Time) on Monday, 25 November 2019.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/lithiumagm2019>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3:00pm (Sydney Time) on Monday, 25 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/lithiumagm2019>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM****STEP 1 APPOINT A PROXY**

I/We being a member/s of **Lithium Power International Limited** (Company) and entitled to attend and vote hereby appoint:



the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 on Wednesday, 27 November 2019 at 3:00pm (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 7, 8, 9 or 10, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 7, 8, 9 and 10 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 7, 8, 9 and 10). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of issue of 750,000 Options to RK Equity – Listing Rule 7.1 capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Reccared (Ricky) Fertig as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Russell Barwick as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Increase cap on Non-Executive Directors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of long term variable remuneration plan for Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Cristóbal Garcia-Huidobro, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Richard Crookes, Executive Director – Corporate Finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Andrew Phillips, Executive Director and Company Secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019