

Lithium Power International Limited

ACN 607 260 328

Notice of Annual General Meeting **Explanatory Statement**

Date of Meeting

Wednesday, 25 November 2020

Time of Meeting

10.00am, Sydney time

Place of Meeting

Boardroom Pty Limited
Grosvenor Place
Level 12, 225 George Street
Sydney NSW 2000

LETTER TO SHAREHOLDERS

Dear Shareholder

I'm pleased to invite you to attend the Annual General Meeting of Lithium Power International Limited (**LPI** or the **Company**) and I enclose the Notice of Meeting, which sets out the items of business, and the Explanatory Statement, which explains each of the resolutions to be considered at the Annual General Meeting.

The Board considers the Annual General Meeting to be an important event on our calendar and we look forward to the opportunity to update you on the Company's recent performance and answer any questions you may have. It will be my fourth Annual General Meeting as Chairman of the Company.

The Company has been monitoring the advice of government health authorities regarding the ongoing risks from the COVID-19 outbreak. Given the cost associated with holding virtual meetings and taking into account the historical levels of Shareholder attendance at the Company's general meetings, the Board has determined to proceed with a physical meeting for the 2020 Annual General Meeting. This will enable the resources that would otherwise have been spent on holding a virtual meeting to be directed to the Company's operational activities.

In light of the social distancing requirements of Australian and New South Wales governments currently in place, the Board strongly encourages Shareholders to lodge a directed proxy in advance of the Meeting, rather than attending the Meeting in person. Social distancing, the use of masks and other COVID-safe practices will be utilised at the Annual General Meeting.

Shareholders who wish to listen to the Annual General Meeting can do so remotely by joining via teleconference. Shareholders will not be able to vote by teleconference or participate in the Annual General Meeting but will be able to ask questions at the close of the Meeting. All verbal questions will be moderated by the Company's outsourced teleconference operator. The Company encourages Shareholders to submit written questions in advance of the Annual General Meeting by emailing info@lithiumpowerinternational.com. Information on how to listen to the Annual General Meeting is provided in the Notice of Meeting.

It is pleasing to be able to report, as Chairman of Lithium Power International Limited, on progress during the last 12 months on our flagship Maricunga lithium brine project in Chile and our exploration orientated hard rock lithium assets in Western Australia. Clearly, the impact of the COVID-19 pandemic hampered work during the second half the year. But we remain focussed and resolute in achieving all our objectives.

The Company's 51%-owned Chilean Joint Venture company, Minera Salar Blanco (MSB), received its environmental approval (RCA) for the Maricunga Project on 4 February 2020. The Environmental Impact Assessment (EIA), an 11,400-page document, was submitted to the Chilean Authority, Servicio de Evaluación Ambiental (SEA) in September 2018. It then underwent an extremely rigorous, 15-month review process before it received final approval. This was one of the few EIA's approved in Chile in recent years. It is a tribute to the LPI and MSB teams that they achieved this key milestone, and clear recognition of their dedicated work.

We announced in August 2019, after several months of negotiations, that MSB had entered into a Memorandum of Understanding (MOU) with the Chilean state-owned copper mining company, CODELCO. It is intended that this process will lead to us entering a Joint Venture (JV) to jointly develop a lithium brine operation on the Maricunga Salar.

Due to external factors, including the social unrest seen in Chile at the end of 2019 and the COVID-19 pandemic, delays have been experienced in the due diligence and joint venture negotiations. The MSB and LPI project team are working closely with CODELCO's advisors and technical team to finalise the terms of a definitive agreement that maximises value for our Shareholders. We expect completion to occur by the end of 2020.

Meanwhile, the Engineering, Procurement and Construction (EPC) bidding process has advanced. Two major global engineering groups, Worley Parsons and Bechtel, each submitted comprehensive construction proposals. Evaluation of these proposals is being conducted by the Company and MSB's advisory engineering company. Further information has been requested before a final decision can be made.

Financial structuring for the project continues and is expected to be concluded once the CODELCO JV has been finalised. Discussions with parties on project funding - equity and debt - and off-take agreements have been held during the year. The Company is confident this work can be concluded after the CODECLO JV is finalised.

If you have questions in relation to the upcoming Annual General Meeting, please contact Andrew Phillips, Director and Company Secretary, on +61 2 9089 8723.

The Board encourages you to complete the enclosed Proxy Form and return it by mail or fax in accordance with the instructions provided, or alternatively to vote via the online voting facility.

As Chairman, I will vote all undirected proxies in favour of all Resolutions (subject to any restrictions or exclusions).

I look forward to welcoming you to the 2020 Annual General Meeting.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D Hannon', with a stylized flourish at the end.

David Hannon
Chairman

Lithium Power International Limited ACN 607 260 328

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of the Shareholders of Lithium Power International Limited ACN 607 260 328 (**LPI** or the **Company**) will be held as follows:

Time: 10.00am (Sydney time)

Date: 25 November 2020

Place: Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000

Given the cost associated with holding virtual meetings and taking into account the historical levels of Shareholder attendance at the Company's general meetings, the Board has determined to proceed with a physical meeting for the 2020 Annual General Meeting. In doing so the Company will be abiding by responsible social distancing measures and will employ other COVID-safe measures. The Board encourages Shareholders to submit a directed proxy in advance of the Meeting, rather than planning on attending the Meeting in person. Shareholders are also able to listen to the Meeting via teleconference and will have the opportunity to ask questions after the close of the Meeting. The teleconference facility will not permit voting at, or participation in, the Meeting.

Voting will only be permitted via a returned proxy form, through the online proxy voting facility or through attendance at the Meeting.

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Capitalised terms used in this Notice of Meeting and Explanatory Statement are defined in the Glossary and throughout this Notice of Meeting and Explanatory Statement.

BUSINESS

Financial Statements and Report

To receive and consider the Company's financial statements and reports of the Directors and auditor for the financial year ended 30 June 2020.

Resolution 1. Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, in accordance with section 250R(2) of the Corporations Act, the Remuneration Report as set out in the Company's annual report for the financial year ended 30 June 2020 be adopted."

Resolution 2. Approval of 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"The Company have the additional capacity to issue equity securities provided for in Listing Rule 7.1A."

The Chairman intends to vote all undirected proxies in favour of Resolution 2.

Resolution 3. Re-election of Richard Crookes as Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Richard Crookes, being a Director who retires by rotation in accordance with clause 4.3(c) of the Constitution, and being eligible for re-election, be re-elected as a Director."

Details of the qualifications and experience of Mr Crookes and the recommendation of the Board in relation to his election are set out in the Explanatory Statement.

The Chairman intends to vote all undirected proxies in favour of Resolution 3.

Resolution 4. Re-election of Martin Borda as Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Martin Borda, being a Director who retires by rotation in accordance with clause 4.3(c) of the Constitution, and being eligible for re-election, be re-elected as a Director."

Details of the qualifications and experience of Mr Borda and the recommendation of the Board in relation to his election are set out in the Explanatory Statement.

The Chairman intends to vote all undirected proxies in favour of Resolution 4.

VOTING PROHIBITION – RESOLUTION 1

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of any of the following:

- (a) Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) Closely Related Parties of Key Management Personnel,

however the Company need not disregard a vote on Resolution 1 if it is cast:

- (c) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman will vote all undirected proxies in favour of Resolution 1 however the Chairman will not vote undirected proxies in relation to this Resolution unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

OTHER BUSINESS

To consider any other business which may be properly and lawfully brought before the Annual General Meeting in accordance with the Company's Constitution and the Corporations Act.

Explanatory Statement

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of Meeting. All Shareholders should read the Explanatory Statement carefully and in its entirety. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company, your accountant or investment adviser.

DATED THIS 23RD DAY OF OCTOBER 2020

By order of the Board of Directors

A handwritten signature in blue ink, appearing to read 'Andrew Phillips', with a long horizontal stroke extending to the right.

Andrew Phillips
Director and Company Secretary

Important Information

“Snap-shot” time

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 23 November 2020.

Venue

The Meeting will be held at Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000, commencing at 10.00am (Sydney time) on Wednesday, 25 November 2020.

Listening to the Meeting via teleconference

Shareholders and appointed proxyholders can dial into the teleconference and will be able to listen to the Meeting live and ask questions on the telephone after the conclusion of the Meeting. Participants cannot vote using the teleconference facility, so voting via lodgement of a completed Proxy Form in advance of the Meeting is encouraged.

Shareholders and appointed proxyholders who would like to listen to the Meeting via teleconference will need to contact Boardroom on 1300 737 760 or +61 2 9290 9600 or by emailing **info@lithiumpowerinternational.com** to request registration details for the teleconference line, by **10.00am (Sydney time) on Monday, 23 November 2020**.

Once registered, Shareholders will be provided with a dial number, access code and unique pin which is used to identify you in the Meeting. The teleconference operators will introduce you into the Meeting.

How to vote

You may vote by attending the Meeting in person, by proxy or duly authorised representative.

You may also lodge your vote online by visiting <https://www.votingonline.com.au/lithiumagm2020> and entering your Postcode or Country of Residence (if outside Australia) and your Voting Access Code (VAC), which are provided on your enclosed proxy form.

Voting by proxy

Any Shareholder entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting, so that it is received **no later than 10.00am (Sydney time) on 23 November 2020**. Proxy forms received later than this time will be invalid. Proxy forms should be delivered to Boardroom, the Company's share registry, as follows:

Postal address: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

In person: Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Australia

By Fax: +61 2 9290 9655

Your proxy form is enclosed

This is an important document. Please read it carefully. If you are unable to attend the Annual General Meeting, please complete the enclosed proxy form and return it in accordance with the instructions set out on that form.

Corporate representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that corporate Shareholder's representative.

The authority may be sent to the Company and/or Boardroom (address above) in advance of the Meeting. An "Appointment of Corporate Representative" form is available on request from the Company Secretary.

Explanatory Statement

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker, lawyer or other professional adviser.

This Explanatory Statement has been prepared for the Shareholders of Lithium Power International Limited ACN 607 260 328 in connection with the Annual General Meeting of the Company to be held on 25 November 2020.

Financial Statements and Reports

The Corporations Act requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting. In addition, the Constitution provides for these reports to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on these reports or statements. However, Shareholders will be given a reasonable opportunity to raise questions with respect to the auditor's report and the financial report at the Annual General Meeting.

In accordance with the Corporations Act the Company is not required to provide a hard copy of the Company's Annual Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Shareholders may view the Company's Annual Report on the Company's website at www.lithiumpowerinternational.com or may request a copy from the Company at any time.

1. Resolution 1 – Adoption of Remuneration Report

Under sections 249L and 250R of the Corporations Act, public companies are required to meet disclosure requirements in respect of Director and executive remuneration, and to include a remuneration report in the Director's Report to Shareholders. The Company's remuneration report for the 12 months ended 30 June 2020 (**Remuneration Report**) is included in the 2020 Annual Report.

Further, the Corporations Act requires that adoption of the remuneration report be included as a resolution on which shareholders are given the opportunity to vote at the annual general meeting of a company.

The vote on Resolution 1 is advisory only and will not be binding on the Board or the Company.

Notwithstanding the non-binding nature of the vote, the Board will take note of the outcome of the vote when considering future remuneration matters.

Under the Corporations Act, if at least 25% of the votes cast on a remuneration report are against the adoption of the relevant remuneration report at two consecutive annual general meetings (with any such potential 25% or more vote 'against' commonly referred to as a "first strike" or "second strike", respectively), the relevant company will be required to put to its shareholders a resolution at the later of those annual general meetings proposing that an extraordinary general meeting (**Spill Meeting**) be called to consider the election of the directors of the company (**Spill Resolution**).

The Spill Meeting must be held within 90 days of the date of the second annual general meeting. For a Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

At the Company's 2019 Annual General Meeting, a "first strike" was **not** recorded in respect of the Remuneration Report. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2 – Approval of 10% Placement Facility under Listing Rule 7.1A

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility in Listing Rule 7.1A (**10% Placement Facility**). The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (available on the ASX website at www.asx.com.au).

2.1 ASX Listing Rule 7.1A

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% for the 12 months following that meeting.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 2 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without further Shareholder approval.

If Resolution 2 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 2 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Should the Company's market capitalisation exceed \$300 million or the Company be included in the S&P/ASX 300 on the date of the Annual General Meeting, Resolution 2 will no longer be effective and will be withdrawn.

2.2 Further requirements of Listing Rule 7.1A

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained (which, in the case of Resolution 2 will be 25 November 2021);
- (b) the time and date of the Company's 2021 annual general meeting; or
- (c) the date of the approval by holders of ordinary securities of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX,

("10% Placement Period").

Class of Equity Securities issued under Listing Rule 7.1A

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice of Meeting, has only one quoted class of Equity Securities, being Shares.

Issue price of Equity Securities issued under Listing Rule 7.1A.3

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (b) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued,
- (the “**Minimum Price**”).

Listing Rule 7.1A.4

In accordance with Listing Rule 7.1A, when the Company issues Equity Securities pursuant to the 10% Placement Facility, it will:

- (a) state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- (b) give the ASX immediately after the issue a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4(b).

2.3 Effect of Resolution 2

The effect of Resolution 2 will be to allow the Company to issue Equity Securities under the 10% Placement Facility Listing during the 10% Placement Period in addition to the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 2 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

While the Company does not have any immediate plans to issue Equity Securities under the 10% Placement Facility, purposes for which Equity Securities may be issued pursuant to Resolution 2 may include the raising of capital to expedite the development of the Company's projects.

2.4 Specific information required by Listing Rule 7.3A

Pursuant to Listing Rule 7.3A, the following information is provided in relation to Resolution 2:

Minimum Price

- (a) The Equity Securities will be issued at an issue price of not less than the Minimum Price (defined above).

Dilution

- (b) Shareholders should be aware that there is a risk of economic and voting dilution that may result from an issue of Equity Securities under the 10% Placement Facility, including the risk that:
 - (i) the market price for Equity Securities in that class may be significantly lower on the issue date than on the date of the meeting where approval is sought (i.e. the date of this Annual General Meeting); and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.

- (c) Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Equity Securities under the issue, unless the only Equity Securities issued are listed options and such options are not exercised.
- (d) The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2 on the basis of the market price of Shares (as at close of trade on 9 October 2020) ("**Issue Price**") and the current number of Shares on issue as at that date. The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Number of Shares on issue: Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0975 (9.75 cents) 50% decrease in Issue Price	\$0.195 (19.5 cents) Issue Price	\$0.39 (39 cents) 100% increase in Issue Price
Current Variable A 263,013,903 Shares	10% voting dilution	26,301,390 Shares	26,301,390 Shares	26,301,390 Shares
	Funds raised	\$2,564,385	\$5,128,771	\$10,257,542
50% increase in current Variable A 394,520,855 Shares	10% voting dilution	39,452,085 Shares	39,452,085 Shares	39,452,085 Shares
	Funds raised	\$3,846,578	\$7,693,156	\$15,386,313
100% increase in current Variable A 526,027,806 Shares	10% voting dilution	52,602,781 Shares	52,602,781 Shares	52,602,781 Shares
	Funds raised	\$5,128,771	\$10,257,542	\$20,515,084

- (e) The table also shows two examples of where:
- (i) variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval, for example, a pro rata entitlement offer or future placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) the issue price of Shares has decreased by 50% and increased by 100% as against the Issue Price.
- (f) The table above has been prepared on the following additional assumptions:
- (i) the Company issues the maximum number of Shares available under the 10% Placement Facility; and
 - (ii) the table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Placement Period

- (g) If Shareholder approval is granted for Resolution 2, that approval will expire at the end of the 10% Placement Period. Approval will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

Purpose

- (h) The Company may seek to issue the Equity Securities for cash consideration, in order to raise funds for the acquisition of new assets or investments (including expenses associated with such acquisitions), to expedite development of the Company's projects and for general working capital.

Allocation

- (i) The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However the allottees could consist of current Shareholders or new investors (or both).
- (j) The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a range of factors including:
- (i) the purpose of the issue;
 - (ii) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including the financial situation and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).

Prior approval

- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2019 Annual General Meeting held on 27 November 2019, but the Company has not previously used any of the additional placement capacity approved at that time.

Voting exclusion statement

- (l) As at the date of this Notice of Meeting, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A2. Accordingly, there is no exclusion statement in respect of Resolution 2.

2.5 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote undirected proxies in favour of Resolution 2.

3. Resolution 3 – Re-election of Richard Crookes as Director

Richard Crookes was appointed as a director of the Company on 25 October 2018.

3.1 Constitution and Listing Rule 14.4

Clause 4.3(c) of the Constitution provides for the retirement of one-third of the Directors (or the whole number nearest to one third) from office at each annual general meeting of the Company, with the Directors to retire being those who have been longest in office since their last election.

Listing Rule 14.4 provides that a director of an entity (other than a managing director) must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is longer.

In accordance with Clause 4.3(c) of the Constitution and Listing Rule 14.4, Richard Crookes retires as Director and offers himself for re-election as a Director at this Annual General Meeting.

3.2 Biography of Richard Crookes

Mr Crookes is a geologist by profession, starting his career in the minerals sector.

He has been deeply involved in all aspects of mining projects, including exploration, mineral resource development, mine operations, environmental management, mine fleet selection, project finance and project management.

Mr Crookes is currently an Independent Director for Highfield Resources Ltd (ASX: HFR) and Black Rock Mining (ASX: BKT).

3.3 Recommendation and undirected proxies

The Directors (other than Mr Crookes) unanimously recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote undirected proxies in favour of Resolution 3.

4. Resolution 4 – Re-election of Martin Borda as Director

Martin Borda was appointed as a director of the Company on 3 September 2018.

4.1 Constitution and Listing Rule 14.4

In accordance with Clause 4.3(c) of the Constitution and Listing Rule 14.4 (described above), Martin Borda retires as Director and offers himself for re-election as a Director at this Annual General Meeting.

4.2 Biography of Martin Borda

Mr Borda is a well-known businessman in Chile and is a significant Shareholder in the Company. He owns, through his private company, 30.98% of the Maricunga Joint Venture Company, MSB. Mr Borda is Chairman and major shareholder of Santiago stock exchange listed company Multiexport Foods S.A. (Multifoods) which is one of the largest salmon farmers and exporters in Chile.

4.3 Recommendation and undirected proxies

The Directors (other than Mr Borda) unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote undirected proxies in favour of Resolution 4.

Schedule 1 – Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

10% Placement Facility has the meaning given to that term in Section 2 of the Explanatory Statement.

10% Placement Period has the meaning given to that term in Section 2.2 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the annual general meeting of Shareholders convened by this Notice of Meeting.

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given in the Listing Rules.

ASX means ASX Limited or the securities exchange market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Board means the board of Directors of the Company.

Business Days means a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia.

Chair or **Chairman** means the chairman of the Annual General Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or members' spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company and **LPI** means Lithium Power International Limited ACN 607 260 328.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means this explanatory statement.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Notice of Meeting or **Notice** means the notice of Annual General Meeting, which accompanies this Explanatory Statement.

Official List means the official list of ASX.

Related Party has the meaning given in the Listing Rules.

Remuneration Report has the meaning given to that term in Section 1 of the Explanatory Statement.

Resolution means a resolution contained in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average market price.

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

☎ **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 10:00am (Sydney Time) on Monday, 23 November 2020.**

🖨 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/lithiumagm2020>
- 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 **10:00am (Sydney Time) on Monday, 23 November 2020.** 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/lithiumagm2020>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

Attending the Meeting

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

Lithium Power International Limited

ACN 607 260 328

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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:

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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 the offices of **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Wednesday, 25 November 2020 at 10:00am (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 Resolution 1. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is 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 Resolution 1). 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	Adoption of the 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	Re-election of Richard Crookes as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Martin Borda as a Director	<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 / / 2020