

12 March 2021

Notice of Meeting for an Extraordinary General Meeting of Shareholders

Lithium Power International Limited (ASX: LPI) (LPI or the Company) provides a Notice of Meeting for an Extraordinary General Meeting of Shareholders (EGM) to be held at 10.00am on Wednesday, 14 April, 2021.

On 16 December 2020 the Company announced a successful A\$8.0 million placement of shares at an offer price of \$0.22 per new share.

The Placement was undertaken in two tranches:

1. Tranche 1 of the placement, for an amount of A\$7.7 million equaling 35 million new shares, completed without shareholder approval on 22 December 2020 using the Company's available placement capacity under ASX Listing Rule 7.1; and
2. Tranche 2 of the placement for an amount of A\$0.3 million, equaling approximately 1.4 million new shares, was subscribed for by related parties of the Company on the same terms as Tranche 1. Tranche 2 of the placement is condition on shareholder approval for the purposes of ASX Listing Rule 10.11.

The Resolutions to be considered under the Notice of Meeting are to:

1. Ratify the issue of new shares under Tranche 1 of the placement for the purposes of ASX Listing Rule 7.1 (Resolution 1); and
2. Approve the issue of new shares to related parties under Tranche 2 of the placement (Resolutions 2 to 8).

Enclosed is the Notice of Meeting and Proxy Form for this meeting.

For further information, please contact:

Cristobal Garcia-Huidobro – CEO; or Andrew Phillips – CFO

Lithium Power International

E: info@lithiumpowerinternational.com

www.lithiumpowerinternational.com

@LithiumPowerLPI

Lithium Power International Ltd

Australia Level 7, 151 Macquarie Street, Sydney NSW 2000, Australia

Chile Av. El Golf 40, Piso 20, Las Condes, Santiago, Chile 7550107

Argentina Bouchard 680, Piso 12, (C1106ABJ), Buenos Aires, Argentina

lithiumpowerinternational.com

ACN 607 260 328

ASX CODE: LPI

CHARGING THE FUTURE

Lithium Power International Limited

ACN 607 260 328

Notice of General Meeting Explanatory Statement

Date of Meeting

Wednesday, 14 April 2021

Time of Meeting

10.00am, Sydney time

Place of Meeting

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

Lithium Power International Limited ACN 607 260 328

Notice of General Meeting

Notice is given that a 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: Wednesday, 14 April 2021

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

The Board has determined to proceed with a physical 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 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

Resolution 1. Ratification of issue of Shares under Placement Tranche 1

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

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 35,000,000 Shares (at an issue price of \$0.22 per Share) to various sophisticated and professional investors under Placement Tranche 1, on the terms and conditions set out in the Explanatory Statement.”

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

Resolution 2. Approval of issue of Shares to be purchased by David Hannon under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr David Hannon, a Director, (or his nominee(s)) of a total of 340,909 Shares (at an

issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

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

Resolution 3. Approval of issue of Shares to be purchased by Ricky Fertig under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Ricky Fertig, a Director, (or his nominee(s)) of a total of 227,273 Shares (at an issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

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

Resolution 4. Approval of issue of Shares to be purchased by Russell Barwick under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Russell Barwick, a Director, (or his nominee(s)) of a total of 227,273 Shares (at an issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

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

Resolution 5. Approval of issue of Shares to be purchased by Martin Borda under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Martin Borda, a Director, (or his nominee(s)) of a total of 227,273 Shares (at an issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

The Chairman intends to vote all undirected proxies in favour of Resolution 5.

Resolution 6. Approval of issue of Shares to be purchased by Richard Crookes under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Richard Crookes, a Director, (or his nominee(s)) of a total of 113,636 Shares (at an

issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

The Chairman intends to vote all undirected proxies in favour of Resolution 6.

Resolution 7. Approval of issue of Shares to be purchased by Cristobal Garcia-Huidobro under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Cristobal Garcia-Huidobro, a Director, (or his nominee(s)) of a total of 113,636 Shares (at an issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

The Chairman intends to vote all undirected proxies in favour of Resolution 7.

Resolution 8. Approval of issue of Shares to be purchased by Andrew Phillips under Placement Tranche 2

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Andrew Phillips, a Director, (or his nominee(s)) of a total of 113,636 Shares (at an issue price of \$0.22 per Share) under Placement Tranche 2, on the terms and conditions set out in the Explanatory Statement.”

The Chairman intends to vote all undirected proxies in favour of Resolution 8.

VOTING EXCLUSION – RESOLUTION 1

The Company will disregard any votes cast in favour of Resolution 1 by any person or entity who participated in the issue of Shares under Placement Tranche 1 and any Associates of those persons, unless the vote is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

VOTING EXCLUSION – RESOLUTIONS 2 TO 8

The Company will disregard any votes cast in favour of:

- (a) Resolution 2 by Mr David Hannon and any of his Associates;
- (b) Resolution 3 by Mr Ricky Fertig and any of his Associates;

- (c) Resolution 4 by Mr Russell Barwick and any of his Associates;
- (d) Resolution 5 by Mr Martin Borda and any of his Associates;
- (e) Resolution 6 by Mr Richard Crookes and any of his Associates;
- (f) Resolution 7 by Mr Cristobal Garcia-Huidobro and any of his Associates; and
- (g) Resolution 8 by Mr Andrew Phillips and any of his Associates,

unless, in each case, the vote is cast by:

- (h) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (i) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the Chair to vote as the Chair decides; or
- (j) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To consider any other business which may be properly and lawfully brought before the 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 12TH DAY OF MARCH 2021

By order of the Board of Directors



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 Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on Monday, 12 April 2021.

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, 14 April 2021.

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, 12 April 2021**.

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/lithiummegm2021> 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 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 Monday, 12 April 2021. 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 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 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 General Meeting of the Company to be held on Wednesday, 14 April 2021.

1. Resolution 1 – Ratification of issue of Shares under Placement Tranche 1

On 16 December 2020, the Company announced to the ASX (**Placement Announcement**) the successful closing of an \$8.0 million Share placement (**Placement**) to new and existing institutional and sophisticated investors. The Placement involves the issue of 36,363,636 Shares at the price of \$0.22 per Share (**Offer Price**) in two tranches.

In the first tranche of the Placement, the Company issued a total of 35,000,000 Shares to raise a total of \$7.7 million pursuant to the Company's existing 15% placement capacity under Listing Rule 7.1 (**Placement Tranche 1**). The Placement Tranche 1 Shares were issued at the Offer Price of \$0.22 per Share on 22 December 2020 and did not require Shareholder approval.

The second tranche of the Placement (**Placement Tranche 2**) is a proposed placement of 1,363,636 Shares at the Offer Price to the Directors (or persons or entities associated with them) to raise a total of \$300,000, subject to approval of Resolutions 2 to 8 at the Meeting.

Shareholder approval of Placement Tranche 1 is sought under Resolution 1 in accordance with Listing Rule 7.4.

1.1 ASX Listing Rules 7.1 and 7.4

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.

Placement Tranche 1 does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval of Placement Tranche 1 under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, Placement Tranche 1 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 (as extended to 25% under the 10% Placement Facility), effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of Placement Tranche 1.

If Resolution 1 is not passed, Placement Tranche 1 will be included in calculating the Company's 15% limit in Listing Rule 7.1 (as extended to 25% under the 10% Placement

Facility), effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the date of Placement Tranche 1.

1.2 Information required under Listing Rule 7.5

The following information is provided in relation to the issue of Shares under Placement Tranche 1 in accordance with Listing Rule 7.5:

- (a) The number of Shares issued under Listing Rule 7.1 in connection with Placement Tranche 1 was 35,000,000 Shares.
- (b) The price at which Shares were issued under Placement Tranche 1 was the Offer Price of \$0.22 per Share.
- (c) Shares issued under Placement Tranche 1 are fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (d) The allottees of the Shares under Placement Tranche 1 were existing and new sophisticated and institutional investors.
- (e) Shares issued under Placement Tranche 1 were issued on 22 December 2020.
- (f) Funds raised from Placement Tranche 1 will be applied to:
 - (i) Resource / Reserve expansion, by conducting a deep drilling program of circa 2,400m on the Maricunga "old Code" tenements, including:
 - (1) 5 exploration wells;
 - (2) 1 brine production well, including pump testing; and
 - (3) 1 fresh water well, including pump testing.
 - (ii) Engineering activities and completion of a JORC and NI43-101 update within the Maricunga Joint Venture.
 - (iii) Production process activities and camp operations within the Maricunga Joint Venture.
 - (iv) Exploration activities at LPI's Western Australia Greenbushes tenements.
 - (v) General working capital.
- (g) A voting exclusion statement in relation to Resolution 1 is included in the Notice.

1.3 Directors' recommendation and undirected proxies

Recommendation – The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolutions 2 to 8 – Approval of issue of Shares to be purchased by Directors under Placement Tranche 2

The background to the Placement is set out in Section 1 above.

Placement Tranche 2 is a proposed placement of 1,363,636 Share to the Directors (or persons or entities associated with them) to raise a total of \$300,000, subject to Shareholder approval. The price to be paid by the Directors in respect of Shares issued under Placement Tranche 2 is the Offer Price of \$0.22 per Share (i.e. the same Offer Price paid by independent third party investors under Placement Tranche 1).

If approved, Placement Tranche 2 will involve the following Shares being issued:

- (a) **(Resolution 2)** Mr David Hannon, a Director (or his nominee), to be issued 340,909 Shares for \$75,000.
- (b) **(Resolution 3)** Mr Ricky Fertig, a Director (or his nominee), to be issued 227,273 Shares for \$50,000.
- (c) **(Resolution 4)** Mr Russell Barwick, a Director (or his nominee), to be issued 227,273 Shares for \$50,000.

- (d) **(Resolution 5)** Mr Martin Borda, a Director (or his nominee), to be issued 227,273 Shares for \$50,000.
- (e) **(Resolution 6)** Mr Richard Crookes, a Director (or his nominee), to be issued 113,636 Shares for \$25,000.
- (f) **(Resolution 7)** Mr Cristobal Garcia-Huidobro, a Director (or his nominee), to be issued 113,636 Shares for \$25,000.
- (g) **(Resolution 8)** Mr Andrew Phillips, a Director (or his nominee), to be issued 113,636 Shares for \$25,000.

Each of the above relevant persons are related parties of the Company by virtue of being Directors of the Company.

Shares to be issued under Placement Tranche 2 will be issued on exactly the same terms as Shares issued to participants in Placement Tranche 1 including as to the Offer Price to be paid.

Shareholder approval of Placement Tranche 2 is sought under Resolutions 2 to 8 in accordance with Listing Rule 10.11.

2.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Shares constitutes giving a financial benefit. The Directors are Related Parties of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shares to be issued under Placement Tranche 2 because the Shares are being issued on arm's length terms on the basis that they are being issued on exactly the same terms as Shares issued to investors (who are not Related Parties) under Placement Tranche 1.

Accordingly, Resolutions 2 to 8 seek approval under Listing Rule 10.11, but not Chapter 2E.

2.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at the time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The various Share issues contemplated under Placement Tranche 2 fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. The Placement Tranche 2 issues therefore require the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 2 to 8 seek the required Shareholder approval of Placement Tranche 2 under and for the purposes of Listing Rule 10.11.

To the extent that Resolutions 2 to 8 are passed, the Company will be able to proceed with Placement Tranche 2 in whole or in part (depending on whether all or just some of the Resolutions are passed) and so the Company will be able to proceed with issuing Shares under Placement Tranche 2 to the Relevant Persons to which the successful Resolution(s) relate.

To the extent that Resolutions 2 to 8 are not passed, the Company will not be able to proceed with Placement Tranche 2 in whole or in part (depending on whether all or just some of the Resolutions are defeated) and so the Company will not be able to proceed with issuing Shares under Placement Tranche 2 to the Relevant Persons to which the defeated Resolution(s) relate.

2.4 Information required by Listing Rule 10.3

The following information is provided in relation to the proposed issue of Shares under Placement Tranche 2 in accordance with Listing Rule 10.3:

- (a) **(Resolution 2)** Subject to Shareholder approval, Mr David Hannon, a Director (or his nominee), will be issued 340,909 Shares at the Offer Price.
- (b) **(Resolution 3)** Subject to Shareholder approval, Mr Ricky Fertig, a Director (or his nominee), will be issued 227,273 Shares at the Offer Price.
- (c) **(Resolution 4)** Subject to Shareholder approval, Mr Russell Barwick, a Director (or his nominee), will be issued 227,273 Shares at the Offer Price.
- (d) **(Resolution 5)** Subject to Shareholder approval, Mr Martin Borda, a Director (or his nominee), will be issued 227,273 Shares at the Offer Price.
- (e) **(Resolution 6)** Subject to Shareholder approval, Mr Richard Crookes, a Director (or his nominee), will be issued 113,636 Shares at the Offer Price.
- (f) **(Resolution 7)** Subject to Shareholder approval, Mr Cristobal Garcia-Huidobro, a Director (or his nominee), will be issued 113,636 Shares at the Offer Price.
- (g) **(Resolution 8)** Subject to Shareholder approval, Mr Andrew Phillips, a Director (or his nominee), will be issued 113,636 Shares at the Offer Price.
- (h) The individuals referred to in paragraphs (a) to (g) above are Related Parties of the Company by virtue of being Directors and so fall within Listing Rule 10.11.1.
- (i) Shares issued under Placement Tranche 2 will be fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.
- (j) If approved by Shareholders, Shares issued under Placement Tranche 2 will be issued on or around Monday, 19 April 2021 and will not be issued any later than 1 month after the date of the Meeting.
- (k) Funds raised from Placement Tranche 2 will be applied to:
 - (i) Resource / Reserve expansion, by conducting a deep drilling program of circa 2,400m on the Maricunga "old Code" tenements, including:
 - (1) 5 exploration wells;
 - (2) 1 brine production well, including pump testing; and
 - (3) 1 fresh water well, including pump testing.
 - (ii) Engineering activities and completion of a JORC and NI43-101 update within the Maricunga Joint Venture.
 - (iii) Production process activities and camp operations within the Maricunga Joint Venture.
 - (iv) Exploration activities at LPI's Western Australia Greenbushes tenements.
 - (v) General working capital.
- (l) A voting exclusion statement in relation to Resolutions 2 to 8 is included in the Notice.

2.5 Recommendation and undirected proxies

The Directors (other than the relevant person who has a material personal interest in the outcome of a particular Resolution) unanimously recommend that Shareholders vote in favour of Resolutions 2 to 8.

The Chairman intends to vote undirected proxies in favour of Resolutions 2 to 8.

Schedule 1 – Glossary

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

10% Placement Facility means the additional 10% placement capacity available to the Company under Listing Rule 7.1A in accordance with resolution 2 passed at the Company's Annual General Meeting on 25 November 2020.

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 General Meeting.

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.

Explanatory Statement means this explanatory statement.

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

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

Offer Price has the meaning given to that term in Section 1 of the Explanatory Statement.

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

Placement Announcement has the meaning given to that term in Section 1 of the Explanatory Statement.

Placement Tranche 1 has the meaning given to that term in Section 1 of the Explanatory Statement.

Placement Tranche 2 has the meaning given to that term in Section 1 of the Explanatory Statement.

Related Party has the meaning given in the Listing Rules.

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.

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, 12 April 2021.**

🖥 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/lithiummegm2021>

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:

- (a) 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.
- (b) 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, 12 April 2021.** 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/lithiummegm2021>

📠 **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

☐

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 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, 14 April 2021 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.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. 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 and your vote will not be counted in calculating the required majority.

		For	Against	Abstain*
Resolution 1	Ratification of issue of Shares under Placement Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Shares under Placement Tranche 2 to Mr David Hannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Shares under Placement Tranche 2 to Mr Ricky Fertig	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of Shares under Placement Tranche 2 to Mr Russell Barwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Shares under Placement Tranche 2 to Mr Martin Borda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of issue of Shares under Placement Tranche 2 to Mr Richard Crookes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of issue of Shares under Placement Tranche 2 to Mr Cristobal Garcia-Huidobro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of issue of Shares under Placement Tranche 2 to Mr Andrew Phillips	<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 / / 2021