



ASX ANNOUNCEMENT

16 October 2018

CHAIRMAN'S ADDRESS

Dear Shareholders,

It is with pleasure that I take this opportunity to address all shareholders in Greenpower Energy to update you all on recent achievements, events and our outlook for the year ahead. Recent times in equity markets have seen quite a lot of volatility and the global economic environment while stable, is undergoing rapid change. Industry and Technology are experiencing enormous change and Australia as a supplier of raw materials to the world continues to be a significant contributor whether it be for steelmaking for Chinese growth, base metals for manufacturing and agri products like grains, for a booming global population.

Domestically, markets for capital remain quite tight, investment in small caps is under heavy scrutiny and assets need to be keenly and regularly assessed for relevance and success potential in order for companies to be attractive for investment. Being a small company, Greenpower has the attributes of flexibility and experience to enable it to move when required in order to make the most of the environment and in the best interests of shareholders. With this flexibility and opportunity presented to us, the Company has moved to acquire Ion Minerals Limited and its associated mineral assets.

Ion Minerals Acquisition

It is no secret the recent global demand for modern technology metals used in EV batteries, such as Lithium, Cobalt, Nickel, Vanadium and Copper, has increased dramatically and spawned a new “gold rush” for companies with this exposure. Greenpower’s Board identified this demand and sought to best exploit this once-in-a-generation opportunity and subsequently entered into agreement with Ion Minerals which had not only three excellent projects in Cobalt and Vanadium but also the experience within its two executives, Cameron McLean and Alistair Williams, to bring these projects in to further exploration and future development.

Cobalt is an essential component of the modern electric vehicle battery and while not rare, it is not found commonly in economic grades and quantities. EV growth is accelerating faster than anyone could have expected and the rise of companies like Tesla and its Chinese equivalents is testament to this. Automobile manufacturers such as Volvo, BMW and Ford will stop making petrol powered cars by 2025. Bloomberg reports that by 2030 there will be sales of 30 million EV’s compared to 4 million sold to date.

Global demand is forecast to grow at more than 15% between now and 2026 and as much of today’s Cobalt is derived as a secondary product to Nickel, a substantial supply gap is emerging. Current global demand for Cobalt is mainly met from mines in countries such as DRC and China. Operating in these countries can be problematic and it is likely that many companies operating there in early exploration will find it difficult to advance. Having high quality projects located in mining friendly Western Australia and Queensland is a definite advantage for us.



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Cobalt Projects (Ion Minerals)

Lincoln Springs, North Queensland

- Assay results up to 3.16% Co¹, 40% Cu²
- Granted and applied permits for area of approx. 158km²
- Extensive shear hosted vein system of 12km²
- Gold additional with grades found up to 23.75 g/t

Ashburton, Western Australia

- Cobalt anomalism over 15km x 7km area
- Rock chip samples up to 1.89% Co, 0.355% Zn + 0.28% Ni
- 80km south of Paraburdoo and approximately 218km²

Vanadium Project (Ion Minerals)

Julia Creek, North Queensland

- Exploration tenements totalling 270km²
- Nearby St Elmo deposit contains a total resource of 494Mt@0.28% V₂O₅³
- Similar shale host rocks
- Outcropping mineralisation

Immediate Exploration

With the vote of shareholder approval last week, to complete the acquisition of Ion Minerals, exploration campaigns will commence shortly at several identified targets across the Cobalt tenement package at Lincoln Springs. Following rock chip sampling, which has already been completed, a detailed soil sampling program and induced polarisation (IP) geophysical survey are planned with targets generated from these programs to be tested by drilling. The results of these programs will be reported once all the assays and results have been returned and analysed and if early sampling is any indication then I'm confident we'll have more encouraging news to report to shareholders soon.

OHD – Coals to Liquid Fertiliser

Greenpower has been exploring for ways to use the world's massive coal resources, other than burning for power generation, especially for agriculture. There is a global decline in demand for thermal coal due to the rapid development of alternative renewable energy sources – this is causing substantial hardship to owners of coal assets and in particular their local communities. An alternative use for coal would potentially significantly benefit these stakeholders.

Over the past 5 years, a key focus for Greenpower Energy has been on the OHD Project and thus far the Company has invested a significant amount in advancing this unique technology for converting coal to organic liquids for agricultural biostimulants and fertilisers, in partnership with Monash University. Concurrently, we are working on the viability of other valuable products from coal. We are



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proud of our achievements to date and we see this as a potentially valuable source of future revenue as the business develops.

The business now needs expertise in fertilisers, global marketing and product development which are the next steps beyond the technological developments that we've overseen. Currently Greenpower is engaging with leading agribusiness groups with whom to partner with and to take this business forward into commercialisation. We are confident that with the right partner, we will have the expertise to complete the journey with Greenpower reaping the benefit. This process is ongoing and Greenpower will provide further news on this front as it arises.

Guyana – Morabisi Lithium Project

When Greenpower identified the growing interest in modern electric vehicle battery minerals such as Lithium, Cobalt, Nickel, Tin and others, the Morabisi Lithium project was presented to us with potential for delineating an economic Lithium deposit, based on historical exploration. In conjunction with joint venture partner, Guyana Strategic Metals Inc (GSM) the tenements have undergone extensive sampling and exploration preliminary to extending that operation. Demobilisation following the drilling is now complete and Greenpower is in the process of having our shareholding raised to 51%. We are now in the process of reviewing all project data to determine the next step. Shareholders will be advised of further developments.

The pivot by Greenpower to these attractive assets, is a decision that the Board did not take lightly. Significant funds have been invested in the OHD project but now the business needs expertise in fertilisers, global marketing and product development which are the next steps beyond the technological developments that we've overseen. We are confident that the appropriately identified partner, once selected, will have the expertise to complete the journey and Greenpower will reap benefit. By identifying opportunity and then making the assessment on behalf of shareholders to refocus on the current global demand for technology minerals, we are confident that we have made the best decision for shareholders and a decision which will give us all the best opportunity for investment returns in the future.

With the approval by Shareholders to proceed with the Ion Minerals acquisition, I am very pleased to have our new directors Cameron McLean (Managing Director) and Alistair Williams (Non-Executive Director) join us and bring their wealth of knowledge of project execution and capital markets into the company of Greenpower Energy. Already I have been immensely impressed with the focus and energy these executives have exhibited to date, and along with the highly prospective portfolio of Cobalt and Vanadium assets that are now ready for exploitation, I'm confident they will add significantly to the improved outlook for Greenpower's market capitalisation and future shareholder returns.

Yours Sincerely

Gerald King



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References

1. 5 July 2018 – GPP ASX Announcement “Greenpower Energy Limited to acquire high grade Australian cobalt and vanadium focused company Ion Minerals.”
2. 11 September 2018 – GPP ASX Announcement “Successful due diligence on Ion Projects.”
3. Reference to the Saint Elmo Mineral Resource estimate has been taken from Multicom Resources website www.mcres.com.au/saint-elmo-project.
4. 26 August 2018 – GPP ASX Announcement “Guyana Morabishi Lithium Exploration Farm-In Project.”

*****ENDS*****

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