

Lithium Power International Limited

ACN 607 260 328

Notice of Annual General Meeting Explanatory Statement

Date of Meeting

Wednesday, 27 November 2019

Time of Meeting

3.00pm, 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 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 meeting will be held at 3.00pm (Sydney time) on Wednesday, 27 November 2019 at the offices of Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000.

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 third Annual General Meeting as Chairman of the Company.

The Company continues to hit its major milestones with our primary focus on the advancement of our 51 per cent owned Chilean Joint Venture, which is developing the world class Maricunga Lithium Brine project.

In accordance with the Chilean Joint Venture Investment Agreement, we completed our earn-in to the Joint Venture Company, Minera Salar Blanco S.A. (**MSB**) in February 2018. Those funds, as budgeted, took MSB through to the submission of the Environmental Impact Assessment and the release of the Definitive Feasibility Study. During the year, a capital call for general working capital for the 2019 calendar year was made by MSB. This call required all MSB shareholders to contribute on a shareholding pro-rata basis.

In November 2018, we submitted the Project's Environmental Impact Assessment (**EIA**) to the Chilean Environmental Authority (the **Authority**). This was the result of in-depth work over a two-year period by MSB and LPI's executive teams and our external consultants. The EIA has now progressed through each review hurdle with the Authority and we await the completion of this approval process.

The Definitive Feasibility Study (**DFS**) was released in January 2019. The DFS was completed by WorleyParsons, and it details the outstanding economics of the Project. It confirms that Maricunga is the most advanced pre-production lithium brine project in South America. It has a pre-tax NPV of US\$1.3 billion, and an IRR of 29.8 per cent over its 20-year mine life, at 20,000 tons of Lithium Carbonate Equivalent (**LCE**) per annum.

The maiden Ore Reserve estimate, prepared in accordance with JORC and NI 43-101 international standards, was also released in January 2019. This showed a total of 742,000 tonnes of LCE, exceeding the 20-year project mine life production needs.

In August 2019, we announced that after several months of negotiation MSB had entered into a non-binding Memorandum of Understanding (**MOU**) with the Chilean State-owned mining company, Codelco. The MOU will define terms for the negotiation of a definitive agreement to form a new Joint Venture allowing to develop the Maricunga Salar under a private-public ownership structure. This further confirms and validates the quality of the Project.

A 70:30 Joint Venture on our Centenario project in Salta, Argentina, was finalised in August 2019 with Marquee Resources Limited. Discussions on advancing this project are now underway. Throughout the year, the Company conducted a pre-drilling exploration program and other permitting requirements.

In Western Australia, we continue to explore for hard rock pegmatite targets in both our southern, Greenbushes, and northern, Pilbara, tenements. A drilling program commenced at the northern Tabba Tabba tenement in August 2019, with results expected shortly. The Company has also been working with the Western Australian Department of Conservation and Land Management to finalise an environmental management program to enable exploration on the southern Greenbushes tenement.

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.

If you are not able to attend the meeting to vote in person, the Board encourages you to complete the enclosed Proxy Form and return it by mail or fax in accordance with the instructions provided.

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

Finally, the Board of Directors and members of the Company's management would like to invite you to join us for light refreshments following the Annual General Meeting.

I look forward to welcoming you to the 2019 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: 3.00pm (Sydney time).

Date: Wednesday, 27 November 2019.

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

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 2019.

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 2019 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**:

"That, for the purposes of Listing Rule 7.1A, the issue of Equity Securities comprising up to 10% of the Company's share capital, calculated in accordance with Listing Rule 7.1A as set out in the Explanatory Statement, be authorised and approved by Shareholders."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associates of those persons. However, the Company need not disregard a vote if it is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

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

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

Note: In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded from voting.

Resolution 3. Ratification of issue of 750,000 Options to RK Equity – Listing Rule 7.1 capacity

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, the issue of 750,000 Unlisted Options to RK Equity, details of which are set out in the Explanatory Statement, be ratified by Shareholders."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 3 by RK Equity and any Associates of RK Equity, however the Company need not disregard a vote if it is cast:

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

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

Resolution 4. Re-election of Reccared (Ricky) Fertig as Director

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

"That Reccared (Ricky) Fertig, 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 Fertig 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.

Resolution 5. Re-election of Russell Barwick as Director

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

"That Russell Barwick, 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 Barwick 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 5.

Resolution 6. Increase cap on Non-Executive Directors' remuneration

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

"That, pursuant to and in accordance with clauses 4.6(a) and (b) of the Constitution, Listing Rule 10.17 and for all other purposes, the limit on total aggregate remuneration that may be paid to Non-Executive Directors be increased by \$250,000 per annum, from \$500,000 per annum to a maximum of \$750,000 per annum."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any Non-Executive Director, their nominee(s) and any of their Associates, however the Company need not disregard a vote if it is cast:

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

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

Resolution 7. Approval of long term variable remuneration plan for Executive Directors

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 7.2 Exception 9 and for all other purposes, the LPILRP and any grants of Rights (as defined in the LPILRP) and Shares or Restricted Shares (Shares that are subject to disposal restrictions) that result from the exercising of Rights under the LPILRP be approved."

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), their nominee(s) and any of their Associates, however the Company need not disregard a vote if it is cast:

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

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

Resolution 8. Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Cristóbal Garcia-Huidobro, Managing Director

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

"That for the purposes of ASX Listing Rule 10.14, and all other purposes, approval is given for the issue of 6,000,000 SARs in relation to FY20 remuneration to the Managing Director, Mr

Cristóbal García-Huidobro, under the LPILRP on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person, their nominee(s) and any of their Associates, however the Company need not disregard a vote if it is cast:

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

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

Resolution 9. Approval for the Granting of FY20 Share Appreciation Rights to a Director – Richard Crookes, Executive Director – Corporate Finance

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

“That for the purposes of ASX Listing Rule 10.14, and all other purposes, approval is given for the issue of 4,000,000 SARs in relation to FY20 remuneration to the Executive Director – Corporate Finance, Richard Crookes, under the LPILRP on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person, their nominee(s) and any of their Associates, however the Company need not disregard a vote if it is cast:

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

The Chairman intends to vote all undirected proxies in favour of Resolution 9.

Resolution 10. Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Andrew Phillips, Executive Director and Company Secretary

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

“That for the purposes of ASX Listing Rule 10.14, and all other purposes, approval is given for the issue of 2,500,000 SARs in relation to FY20 remuneration to the Executive Director and Company Secretary, Mr Andrew Phillips, under the LPILRP on the terms and conditions described in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of any Director of the Company who is eligible to participate in the employee incentive scheme in respect

of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person, their nominee(s) and any of their Associates, however the Company need not disregard a vote if it is cast:

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

The Chairman intends to vote all undirected proxies in favour of Resolution 10.

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 22ND DAY OF OCTOBER 2019

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 Annual General Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on Monday, 25 November 2019.

Venue

The Annual General Meeting will be held at Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 commencing at 3.00pm (Sydney time) on Wednesday, 27 November 2019.

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/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.

Voting in person

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

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 3.00pm (Sydney time) on Monday, 25 November 2019. 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

Alternatively, you can fax your proxy form so that it is received no later than 3.00pm (Sydney time) on Monday, 25 November 2019 at the following fax number: +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 or handed in at the meeting when registering as a corporate representative.

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 Wednesday, 27 November 2019.

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 <https://lithiumpowerinternational.com/wp-content/uploads/2019/10/Annual-Report-30-June-2019.pdf> 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 2019 (**Remuneration Report**) is included in the 2019 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 2018 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. Listing Rules – Chapter 7

2.1 Listing Rules 7.1 and 7.2

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period without the approval of holders of ordinary securities than the amount which represents 15% of the number of fully paid ordinary securities on issue at the start of the 12 month period.

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A.

2.2 Listing Rule 7.1A

Listing Rule 7.1A provides that an eligible entity may seek approval of holders of its ordinary securities by special resolution (which requires 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)) at its annual general meeting to issue Equity Securities equivalent to an additional 10% of the number of ordinary securities on issue (based on the number of ordinary securities on issue 12 months before the date of issue or date of agreement to issue) over a period of 12 months after the annual general meeting ("**10% Placement Facility**").

The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The exceptions in Listing Rule 7.2, also apply to Listing Rule 7.1A.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

2.3 Listing Rule 7.4

Listing Rule 7.4 provides that an issue of securities made without the approval of holders of ordinary securities under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and holders of ordinary securities subsequently approve the issue pursuant to a notice of meeting which complies with Listing Rule 7.5. Listing Rule 7.4 also permits the ratification of issues of securities under Listing Rule 7.1A.

3. 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. 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).

3.1 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 earlier to occur of:

- (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 27 November 2019); or

- (b) 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 5 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

Listing Rule 7.1A.4 requires the Company to give to ASX the information required by Listing Rule 3.10.5A when it issues Equity Securities under Listing Rule 7.1A.

3.2 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.

3.3 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 Thursday, 3 October 2019) ("**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		
		\$0.15 (15 cents) 50% decrease in Issue Price	\$0.30 (30 cents) Issue Price	\$0.60 (60 cents) 100% increase in Issue Price
Current Variable A 262,513,903 Shares	10% voting dilution	26,251,390 Shares	26,251,390 Shares	26,251,390 Shares
	Funds raised	\$3,937,709	\$7,875,417	\$15,750,834
50% increase in current Variable A 393,770,855 Shares	10% voting dilution	39,377,085 Shares	39,377,085 Shares	39,377,085 Shares
	Funds raised	\$5,906,563	\$11,813,126	\$23,626,251
100% increase in current Variable A 525,027,806 Shares	10% voting dilution	52,502,781 Shares	52,502,781 Shares	52,502,781 Shares
	Funds raised	\$7,875,417	\$15,750,834	\$31,501,669

- (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 the following purposes:
 - (i) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) 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).
- (k) Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

Prior approval

- (l) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2018 Annual General Meeting held on 28 November 2018.
- (m) As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities issued by the Company in the 12 months preceding the date of this Annual General Meeting:
 - (i) *Listing Rule 7.3A.6(a): Total Equity Securities issued in previous 12 months*

Number of Equity Securities on issue at the commencement of the previous 12 month period	337,349,518, of which 262,513,903 are Shares and 74,835,615 are options
Equity Securities issued during the previous 12 month period	6,750,000, of which 6,750,000 are options
Percentage the previous issues represent of total number of Equity Securities on issue at commencement of 12 month period	2.00%

(ii) *Listing Rule 7.3A.6(b): Details of Equity Securities issued in previous 12 months*

The details of Equity Securities issued during the previous 12 months preceding the date of this Annual General Meeting are set out in the Annexure to this Notice of Meeting.

Voting exclusion statement

- (n) A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

3.4 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.

4. Resolution 3 – Ratification of issue of 750,000 Unlisted Options to RK Equity (Listing Rule 7.1 capacity)

4.1 Purpose

On 23 August 2019, the Company issued 3,000,000 unlisted options (**Unlisted Options**) to RK Equity Inc. (**RK Equity**) as consideration in respect of corporate advisory services provided by RK Equity.

Resolution 3, which is an ordinary resolution, seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 750,000 Unlisted Options to RK Equity under Listing Rule 7.1.

4.2 Information provided in accordance with Listing Rule 7.5

The following information is provided in relation to the issue of the Unlisted Options to RK Equity in accordance with Listing Rule 7.5:

- The number of Unlisted Options issued under Listing Rule 7.1 was 750,000 options.
- The Unlisted Options were issued for nil cash consideration.
- The key terms of issue of the Unlisted Options are 750,000 options exercisable at 60 cents (\$0.60) each at any time from their date of issue up to their expiry on 31 March 2022.
- The Unlisted Options were issued to RK Equity (or its nominee).
- No funds were raised from the issue of the Unlisted Options to RK Equity as the Unlisted Options were issued by the Company as consideration in respect of corporate advisory services provided by RK Equity.
- A voting exclusion statement in relation to Resolution 3 is included in the Notice of Meeting.

4.3 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

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

5. Resolution 4 – Re-election of Reccared (Ricky) Fertig as Director

Reccared (Ricky) Fertig was appointed as a director of the Company on 24 July 2015, upon its incorporation.

5.1 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, Ricky Fertig retires as Director and offers himself for re-election as a Director at this Annual General Meeting.

5.2 Biography of Ricky Fertig

Mr Fertig is a senior executive with over 30 years' international commercial experience across the property, healthcare and mining services sector. He is the Chief Executive Officer of Adrenna Property Group Limited, a Johannesburg listed property fund (JSE: ANA).

Mr Fertig was also Chairman of Quyn International Outsource, a South African-based human resource group that has over 3,000 employees in Southern Africa, servicing the mining, construction and commercial industries; RMS Corporate Solutions, one of the leading property and facilities management companies in Southern Africa and also co-founded the East Sydney Private Hospital in Sydney, Australia.

5.3 Recommendation and undirected proxies

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

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

6. Resolution 5 – Re-election of Russell Barwick as Director

Russell Barwick was appointed as a director of the Company on 6 April 2017.

6.1 Constitution and Listing Rule 14.4

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

6.2 Biography of Russell Barwick

Mr Barwick is an internationally renowned mining executive and engineer with over 44 years technical, managerial and corporate experience in various commodities. Mr Barwick has an extremely strong development, operational and corporate background, particularly in Latin America. Formerly CEO of Newcrest and COO of GoldCorp.

Mr Barwick is currently Chairman of Red Metal Limited (ASX: RDM) and Mount Gibson Iron Limited (ASX: MGX).

6.3 Recommendation and undirected proxies

The Directors (other than Mr Barwick) unanimously recommend that Shareholders vote in favour of Resolution 5.

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

7. Resolution 6 – Increase cap on Non-Executive Directors' remuneration

7.1 Non-Executive Director remuneration

In accordance with clauses 4.6(a) and (b) of the Constitution and rule 10.17 of the ASX Listing Rules, the aggregate remuneration of Non-Executive Directors is determined from time to time by the Company in General Meeting and, until a different amount is determined, the remuneration payable (other than any remuneration payable to any Director under any executive service contract with the Company or a related body corporate) is \$500,000 per annum. There have been no changes to the amount of \$500,000 provided by the Constitution and so, accordingly, the annual remuneration pool for Non-Executive Directors was \$500,000. The total Non-Executive Director remuneration of the Company for the year period ended 30 June 2019 utilised \$500,000 of this authorised amount.

Resolution 6 seeks Shareholder approval to set the maximum aggregate remuneration payable to Non-Executive Directors at \$750,000 per annum representing an increase of \$250,000.

The Board believes that the remuneration of the Directors must be maintained at a level consistent with similarly sized ASX-listed companies, taking into account the time commitment of the role and Company performance. The increase in the aggregate remuneration pool sought by Resolution 6 is designed to:

- (a) accommodate the increase in the number of Non-Executive Directors and a potential increase in the future; and
- (b) allow for future increases in remuneration to current or future Non-Executive Directors, should this be considered appropriate.

The Company has not issued any securities to any Non-Executive Director under either of ASX Listing Rules 10.11 or 10.14 within the preceding 3 years.

Resolution 6, if passed, will ensure the Company has adequate flexibility to increase the size of the Board or the remuneration of Non-Executive Directors, as and when the business of the Company requires.

7.2 Recommendation

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

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

8. Resolution 7 – Approval of long term variable remuneration plan for Executive Directors

8.1 Background

Resolution 7 seeks Shareholder approval for the Lithium Power International Limited Rights Plan (**LPILRP** or the **Plan**) in order to preserve the 15% limit on new issues that may be made during any 12 month period (under Listing Rule 7.1 as summarised in Section 2.1 above), without Shareholder approval. If passed the approval will exclude from the calculation of the utilisation of the limit, any Shares that are issued as the result of Rights (as defined in the LPILRP) that have been issued under the LPILRP being exercised, during the subsequent three (3) years (Listing Rule 7.2 exception 9).

Senior executive remuneration in the Company is determined by the Non-Executive Directors, having consideration of relevant market practices and the circumstances of the Company on an annual basis. It is the view of the non-executive members of the Board that it is in the interests of Shareholders for selected executives (the **Participants**) to receive part of their total remuneration package (**TRP**) in the form of equity that will deliver value to the Participants based on the value created for Shareholders during a specified period.

The LPILRP is therefore designed to form a significant component of variable remuneration and to create alignment between Shareholder benefit and the remuneration of the

Participants. If approved, grants under the LPILRP will facilitate LPI providing appropriate, competitive and performance-linked remuneration to the executives of the Company. The Non-Executive Directors seek to ensure that grants to executives are made at a level that will appropriately position their TRPs in the market, in accordance with the Company's remuneration policies. The Board reviews market positioning, as well as the elements and mix of remuneration for executives to ensure remuneration remains reasonable, within the range of market practices, and is appropriate to the circumstances of the Company.

Non-executive directors are not eligible to participate in the LPILRP.

As at the date of this Notice of Meeting, no Rights have been issued under the LPILRP.

A summary of the main features of the LPILRP is set out in the table below (capitalised terms in this table have the meanings defined in the Plan Rules):

Aspect	Details
Instrument	<p>The LPILRP uses indeterminate Rights which are an entitlement to the value of a Share (less any Exercise Price) which may be satisfied either in cash and/or in Shares (at the Board's discretion). Generally, it is expected that vested Rights will be satisfied in Shares.</p> <p>The LPILRP allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"> • Performance Rights which vest when performance conditions have been satisfied and could be used for the purpose of granting long term variable remuneration to executives once the Company is producing resources: • Service Rights which vest after the completion of a period of service and which may be used to help retain key employees: and • Restricted Rights which are fully vested at grant. <p>Each type of Right may be structured as a Share Appreciation Right (SAR) by specifying an Exercise Price in the Invitation. A SAR is like a cashless exercise option.</p>
Terms & Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the LPILRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. The terms and conditions of the LPILRP include those aspects legally required as well as terms addressing exceptional circumstances, such as in the circumstances of a change of control, a major return of capital to shareholders or the treatment of Rights on termination of employment.</p> <p>The LPILRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the LPILRP.</p>
Variation of Terms and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the LPILRP.
Eligibility	<p>Eligible Persons selected by the Board will be invited to participate in the Plan. Eligible Persons includes: full time and part-time employees, directors and contractors.</p> <p>Non-executive directors are not eligible so as to ensure their independence with regards to the oversight of the LPILRP.</p>
Term	Rights issued under the LPILRP have a default term of 15 years and if not exercised within the term the Rights will lapse. The Board may specify a lesser term as part of a specific Invitation. Initial grants proposed are subject to a term of 4 years.

Aspect	Details
Number of Rights	The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's fixed pay, relevant market practices and the relevant policies of the Company regarding remuneration.
Measurement Period	The Measurement Period is the period over which vesting conditions are assessed and may be determined by the Board as part of each Invitation. Measurement Periods apply to Performance Rights and Service Rights only.
Vesting and Vesting Conditions	<p>Performance Rights may vest based on selected measures of performance and may include service conditions. Service Rights may vest based on service only. Restricted Rights are fully vested at grant.</p> <p>Vesting Conditions are to be determined by the Board as part of each Invitation.</p>
Cost of Rights and Exercise Price	<p>No amount is payable by Participants to acquire Rights because the value of the Rights forms part of the remuneration of the Participants.</p> <p>The Board may specify an Exercise Price as part of an Invitation, creating a Share Appreciation Right, which functions like an Option; the Participant will only benefit from growth in the Share Price over the Exercise Price, creating a performance hurdle directly linked to Shareholder value creation.</p> <p>Prior to the Company commencing production, it is the view of the Board that the most appropriate instrument to reward and align executives is a Restricted Right structured as a SAR or Option, with an Exercise Price set at a premium to the market price of a Share at the time of grant.</p> <p>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.</p> <p>As an example, if the Exercise Price was \$0.50 and the Share price at the time of exercise of the SAR was \$1.00, then only one Share would be issued for each 2 SARs exercised, compared to 2 Shares being issued in respect of 2 Options exercised i.e. Options would be 100% more dilutive in this example.</p>
Exercise Restrictions and Exercise of Vested Rights	<p>An Invitation may specify Exercise Restrictions which are a period during which vested Rights (including SARs) may not be exercised.</p> <p>Vested Rights may be exercised at any time after the latter of the Vesting Date or the elapsing of Exercise Restrictions, and before the end of their Term, by the Participant submitting an Exercise Notice. If not exercised before the end of the Term, Rights will lapse.</p> <p>Upon exercise, the Exercised Rights Value will be calculated according to the following formula:</p> <p>$(\text{Share Price} - \text{Exercise Price}) \times \text{Number of Rights Exercised}$</p> <p>The Exercised Rights Value will be either converted into Shares based on the then Share price, paid in cash, or a combination of cash and Shares, as determined by the Board. Generally, it is expected that vested Rights will be converted into whole Shares and the number of Shares will be rounded down if necessary. Such Shares may be Restricted Shares if the Company's trading policy prohibits trading in securities at the time of exercise.</p> <p>In the case of Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following grant.</p>

Aspect	Details
Gates	The Board may attach gates to tranches of Performance Rights. A gate is a condition that, if not fulfilled, will result in nil vesting of a tranche irrespective of performance in relation to other vesting conditions.
No Transfer of Rights	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law. Any attempt to breach this Rule will result in forfeiture of the Rights.
Specified Disposal Restrictions	Invitations may include disposal restrictions that apply for a specified period to Restricted Shares that may result from exercising Rights. The Board will decide whether to include such conditions and the period for which they will apply.
Other Disposal Restrictions	<p>Shares acquired from the exercise of vested Rights will be subject to trading restrictions contained in:</p> <ul style="list-style-type: none"> a) the Company's Share trading policy, and b) the insider trading provisions of the Corporations Act. <p>Shares resulting from the exercising of Rights that may not be traded due to the foregoing or because of Specified Disposal Restrictions will be Restricted Shares while they are so restricted. LPI will ensure that such restrictions are enforced due to the application of CHES holding locks or alternatively by any trustee that may be appointed in connection with the Plan.</p>
Disposal/Exercise Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Rights or Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of such Restricted Shares. This ensures that unreasonable tax outcomes are avoided.
Retesting	The Plan Rules do not allow retesting. Thus, the vesting achieved at the end of the Measurement Period may not be increased with subsequent performance improvement.

Aspect	Details
Termination of Employment	<p>If a Participant ceases to be an employee of the Group then unvested Performance Rights will be forfeited in the proportion that the remainder of the first year of the Measurement Period bears to a full year, unless and to the extent otherwise determined by the Board in its discretion.</p> <p>If a Participant ceases to be an employee of the Group then unvested Service Rights will be forfeited in the proportion that the remainder of the Measurement Period bears to the full Measurement Period, unless and to the extent otherwise determined by the Board in its discretion.</p> <p>Any unvested Rights that remain held by a Participant will be retained for possible vesting at the end of the relevant Measurement Period. The Board has discretion to determine that any service conditions have been fulfilled at the end of a Measurement Period in the case of a former employee, should it be appropriate to do so.</p> <p>50% of any unexercised Rights subject to Exercise Restrictions will be cease to be so restricted on the date of the cessation of employment with the Group and 50% of any Restricted Shares held by the Participant will cease to be subject to any Specified Disposal Restrictions, unless otherwise determined by the Board and specified in the relevant Invitation. Any unexercised vested Rights they hold will be exercised by the Company 90 days after the date that the Participant ceases to hold unvested Rights or Rights subject to Exercise Restrictions.</p> <p>If Rights are exercised subsequent to a termination of employment and if the market value of a Share at the time of exercise is less than the market value of a Share at the date of the termination of employment then the Exercised Rights Value will be paid in cash, unless otherwise determined by the Board. This is intended to avoid inappropriate tax outcomes.</p>
Delisting	<p>In the event the Board determines that the Company will be imminently de-listed, the Vesting Conditions attached to the Tranche at the time of the grant will cease to apply and:</p> <ul style="list-style-type: none"> • Unvested Performance Rights will vest pro-rata for the elapsed portion of the first year of the Measurement Period, with any remainder being subject to automatic vesting in the percentage that the Share Price has increased between the commencement of the Measurement Period and the Effective Date (as determined by the Board) of the delisting. Any subsequent remainder will either vest or lapse at the Board's discretion; • Service Rights will vest to the extent determined to be appropriate by the Board under the circumstances; and • Exercise Restrictions and Specified Disposal Restrictions will cease to apply.

Aspect	Details
Change of Control Without Delisting	<p>In the event the Board determines that the Company will be subject to a change of control without delisting, the Vesting Conditions attached to the Tranche at the time of the grant will cease to apply and:</p> <ul style="list-style-type: none"> Unvested Performance Rights will vest according to a formula pro-rata for the percentage of the first year of the Measurement Period completed multiplied by the percentage change in the Share Price between the commencement of the Measurement Period and the Effective Date (as determined by the Board) of the Change of Control. The Board has discretion to either lapse or vest any remainder, or to allow the Rights to continue on-foot; Service Rights will vest or be allowed to continue, to the extent determined to be appropriate by the Board under the circumstances; and Exercise Restrictions will cease to apply to any Rights held.
Major Return of Capital or Demerger	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of Rights such that Participants are neither advantaged nor disadvantaged by the event.</p> <p>Restricted Rights will cease to be subject to Exercise Restrictions prior to the return of capital or demerger, on the date determined by the Board.</p>
Board Discretion and Preventing Inappropriate Benefits	<p>The Board has discretion to adjust the number of Performance and Service Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the Measurement Period.</p> <p>The Board has sole discretion to determine that some or all unvested Rights held by a Participant lapse on a specified date if allowing the Rights to vest would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances would include joining a competitor or actions that harm the Company's stakeholders. In the case of fraud or misconduct, Participant will forfeit all unvested Rights.</p>
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	<p>The number of Rights held by Participants will be proportionately adjusted to reflect bonus issues. Right holders will not participate in general or shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue.</p> <p>Rights do not carry voting or dividend entitlements. Shares issued when Rights are exercised carry all entitlements of Shares, including voting and dividend rights.</p>
Quotation	<p>Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LPILRP, in accordance with the ASX Listing Rules.</p>
Issue or Acquisition of Shares	<p>Shares allocated to a Participant when Rights are exercised under the LPILRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.</p>
Cost and Administration	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the LPILRP.</p>

Aspect	Details
Hedging	The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by Participants.

8.2 Recommendation

It should be noted that in respect of employees of any joint venture that are recipients of Rights under the LPILRP, the costs of those Rights will be met pro-rata by the parties to the joint venture, reflecting proportional interests in it. This may result in a reimbursement to LPI by other joint venture parties.

The Company will disregard any votes cast on Resolution 7 cast by any Directors who are eligible to participate in the LPILRP, and any Associates of those Directors.

Given their potential interest in relation to Resolution 7, the Executive Directors abstain from making a recommendation in relation to this Resolution. The Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

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

9. Resolution 8 –Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Cristóbal Garcia-Huidobro, Managing Director

9.1 Background

ASX Listing Rule 10.14 requires the Company to obtain approval from Shareholders for the issue of securities to a Director under an employee incentive scheme. The Company is seeking Shareholder approval for the proposed grant of FY20 SARs to Mr Cristóbal Garcia-Huidobro, Managing Director under the LPILRP.

The LPILRP has been designed to facilitate the Company moving towards best practice remuneration structures for executives. A key component of effective remuneration for executives is equity-based remuneration aligned to Shareholder value creation, to drive shared performance objectives, link remuneration to Company performance and align their interests with sustainable value creation for Shareholders.

The features of the proposed FY20 Invitation to apply for SARs to be provided to Mr Cristóbal Garcia-Huidobro are summarised below (capitalised terms in this table have the meanings defined in the Plan Rules):

Aspect	Details
Instrument	If this resolution is approved, Cristóbal Garcia-Huidobro will be invited to apply for Share Appreciation Rights (SAR). These are Restricted Rights under the Lithium Power International Limited Rights Plan (LPILRP) that are fully vested at grant, but which are subject to Exercise Restrictions, effectively deferring when they may be exercised. 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). Generally, it is expected that exercised SARs will be satisfied in Shares/Restricted Shares. No amount is payable by Cristóbal Garcia-Huidobro to receive the SARs as their value forms part of the total remuneration package determined to be appropriate by the Board. The Board has obtained market data and advice from an independent expert remuneration consultant in forming this view. The value that may be realised is a function of growth in Share Price over the Exercise Price, and the market value of a Share at the time of sale of any Shares that may result from exercising SARs.

Aspect	Details
Terms & Conditions, Variation of Terms and Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the LPILRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. The terms and conditions of the LPILRP include those aspects legally required as well as terms addressing exceptional circumstances, such as in the circumstances of a change of control, a major return of capital to shareholders or the treatment of SARs on termination of employment.</p> <p>The LPILRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the LPILRP.</p>
Term	SARs that are the subject of this resolution will have a Term that elapses on 30 June 2023, and if not exercised within the Term the SARs will lapse.
Number of SARs	<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 \$0.1581 per SAR, using the following assumptions:</p> <ul style="list-style-type: none"> • Risk Free Rate of 1.75%; • Volatility of 80%; • Time until exercise of 3.62 years, reflecting the period from the expected date of grant, to the elapsing of the Term; • A Share Price of \$0.30 which was the closing price at the date of calculation and preparation of this explanation; • An Exercise Price of \$0.36, being a 20% premium over the Share Price: and • Nil dividends. <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>
Measurement Period	No Measurement Period applies to the proposed SARs.
Vesting Conditions	No Vesting Conditions apply; the proposed SARs are Restricted Rights that are fully vested at grant, but subject to Exercise Restrictions that defer access to any value that may become realisable from exercising the SARs.
Gates	No Gates apply.
Cost of SARs and Exercise Price	<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 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. At the time of preparation of this document, it was not possible to calculate the VWAP as the 30 day period had not elapsed.</p>

Aspect	Details
Exercise of SARs and Exercise Restrictions	<p>The Participant may exercise SARs at between the elapsing of the Exercise Restriction and the end of the Term, but only when Shares may be traded under the Company's Share Trading Policy, by submitting an Exercise Notice. Upon exercise, the Exercised Rights Value will be calculated according to the following formula:</p> $(\text{Share Price} - \text{Exercise Price}) \times \text{Number of Rights Exercised}$ <p>The Exercised Rights Value will be either converted into Shares based on the then Share price, paid in cash, or a combination of cash and Shares, as determined by the Board. Generally, it is expected that vested Rights will be converted into whole Shares and the number of Shares will be rounded down if necessary.</p> <p>The SARs proposed will be granted in 2 equal tranches if approved:</p> <ul style="list-style-type: none"> • 50% will be subject to an Exercise Restriction until 31 December 2020, and • 50% will be subject to an Exercise Restriction until 30 June 2022.
Disposal Restrictions	<p>Rights, including SARs, may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of SARs will be subject to trading restrictions contained in:</p> <ol style="list-style-type: none"> a) the Company's Share trading policy, and b) the insider trading provisions of the Corporations Act. <p>No additional Specified Disposal Restriction applies to the proposed SARs.</p>
Disposal Restriction Release at Taxing Point	<p>In the event that a taxing point arises in relation to Restricted Rights or Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of such Restricted Shares. This ensures that unreasonable tax outcomes are avoided.</p>
Termination of Employment	<p>50% of any unexercised SARs subject to Exercise Restrictions will be cease to be so restricted on the date of the cessation of employment with the Group and 50% of any Restricted Shares held by the Participant will cease to be subject to any Specified Disposal Restrictions, unless otherwise determined by the Board and specified in the relevant Invitation. Any unexercised vested SARs they hold will be exercised by the Company 90 days after the date that the Participant ceases to hold unvested Rights or Rights subject to Exercise Restrictions.</p> <p>If SARs are exercised subsequent to a termination of employment and if the market value of a Share at the time of exercise is less than the market value of a Share at the date of the termination of employment then the Exercised Rights Value will be paid in cash, unless otherwise determined by the Board. This is intended to avoid inappropriate tax outcomes.</p>
Delisting	<p>In the event the Board determines that the Company will be imminently de-listed, Exercise Restrictions and Specified Disposal Restrictions will cease to apply.</p>
Change of Control Without Delisting	<p>In the event the Board determines that the Company will be subject to a change of control without delisting, Exercise Restrictions will cease to apply to any SARs held.</p>

Aspect	Details
Major Return of Capital or Demerger	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of SARs such that Participants are neither advantaged nor disadvantaged by the event.</p> <p>SARs will cease to be subject to Exercise Restrictions prior to the return of capital or demerger, on the date determined by the Board</p>
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	<p>The number of SARs held by Participants will be proportionately adjusted to reflect bonus issues. SAR holders will not participate in general or shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue.</p> <p>SARs do not carry voting or dividend entitlements. Shares issued when SARs are exercised carry all entitlements of Shares, including voting and dividend rights.</p>
Quotation	SARs will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LPILRP, in accordance with the ASX Listing Rules.
Issue or Acquisition of Shares	Shares allocated to a Participant when SARs are exercised under the LPILRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised SARs, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the LPILRP.
Hedging	The Company prohibits the hedging of Rights including SARs, or Shares subject to disposal restrictions, by Participants.

9.2 Specific information required under Listing Rule 10.15

Pursuant to Listing Rule 10.15, the following information is provided in relation to Resolution 8:

- (a) The SARs will be issued to Mr Cristóbal Garcia-Huidobro (or his nominee). Mr Garcia-Huidobro is the Managing Director of the Company and is a related party of the Company by virtue of being a Director.
- (b) The maximum number of SARs the Company will grant to Mr Garcia-Huidobro (or his nominee) pursuant to Resolution 8 is 6,000,000.
- (c) The SARs will have a nil issue price.
- (d) No Directors or Associates of Directors have received securities under the LPILRP to date.
- (e) The people referred to in Listing Rule 10.14 who are entitled to participate under the Plan are Mr Cristóbal Garcia-Huidobro, Mr Richard Crookes and Mr Andrew Phillips or their respective nominees.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) There is no loan in relation to the acquisition of the SARs.

- (h) The SARs will be issued to Mr Garcia-Huidobro (or his nominee) no later than 12 months after the date of the Meeting and it is anticipated that the SARs will be issued on one date.

9.3 Recommendation

It should be noted that in respect of employees of any joint venture that are recipients of Rights under the LPILRP, the costs of those Rights will be met pro-rata by the parties to the joint venture, reflecting proportional interests in it. This may result in a reimbursement to LPI by other joint venture parties.

The maximum number of SARs to be granted to all persons subject to Shareholder approval (under Resolutions 8 to 10) is 12,500,000 if all FY20 grants contemplated by these Resolutions are in fact made, following Shareholder approval. No prior grants have been made under the LPILRP.

Given their potential interest in relation to Resolution 8, the Executive Directors abstain from making a recommendation in relation to this Resolution. The Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

The Company will disregard any votes cast on Resolution 8 cast by any Directors to whom this Resolution relates, and any Associates of those Directors.

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

10. Resolution 9 – Approval for the Granting of FY20 Share Appreciation Rights to a Director – Richard Crookes, Executive Director – Corporate Finance

10.1 Background

ASX Listing Rule 10.14 requires the Company to obtain approval from Shareholders for the issue of securities to a Director under an employee incentive scheme. The Company is seeking Shareholder approval for the proposed grant of FY20 SARs to Mr Richard Crookes, Executive Director – Corporate Finance under the LPILRP.

The LPILRP has been designed to facilitate the Company moving towards best practice remuneration structures for executives. A key component of effective remuneration for executives is equity-based remuneration aligned to Shareholder value creation, to drive shared performance objectives, link remuneration to Company performance and align their interests with sustainable value creation for Shareholders.

The features of the proposed FY20 Invitation to apply for SARs to be provided to Mr Richard Crookes are summarised below (capitalised terms in this table have the meanings defined in the Plan Rules):

Aspect	Details
Instrument	If this resolution is approved, Richard Crookes will be invited to apply for Share Appreciation Rights (SAR). These are Restricted Rights under the Lithium Power International Limited Rights Plan (LPILRP) that are fully vested at grant, but which are subject to Exercise Restrictions, effectively deferring when they may be exercised. 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). Generally, it is expected that exercised SARs will be satisfied in Shares/Restricted Shares. No amount is payable by Richard Crookes to receive the SARs as their value forms part of the total remuneration package determined to be appropriate by the Board. The Board has obtained market data and advice from an independent expert remuneration consultant in forming this view. The value that may be realised is a function of growth in Share Price over the Exercise Price, and the market value of a Share at the time of sale of any Shares that may result from exercising SARs.

Aspect	Details
Terms & Conditions, Variation of Terms and Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the LPILRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. The terms and conditions of the LPILRP include those aspects legally required as well as terms addressing exceptional circumstances, such as in the circumstances of a change of control, a major return of capital to shareholders or the treatment of SARs on termination of employment.</p> <p>The LPILRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the LPILRP.</p>
Term	SARs that are the subject of this resolution will have a Term that elapses on 30 June 2023, and if not exercised within the Term the SARs will lapse.
Number of SARs	<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 \$0.1581 per SAR, using the following assumptions:</p> <ul style="list-style-type: none"> • Risk Free Rate of 1.75%; • Volatility of 80%; • Time until exercise of 3.62 years, reflecting the period from the expected date of grant, to the elapsing of the Term; • A Share Price of \$0.30 which was the closing price at the date of calculation and preparation of this explanation; • An Exercise Price of \$0.36, being a 20% premium over the Share Price; and • Nil dividends. <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>
Measurement Period	No Measurement Period applies to the proposed SARs.
Vesting Conditions	No Vesting Conditions apply; the proposed SARs are Restricted Rights that are fully vested at grant, but subject to Exercise Restrictions that defer access to any value that may become realisable from exercising the SARs.
Gates	No Gates apply.
Cost of SARs and Exercise Price	<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 set as at 120% of the volume weighted average price (WVAP) 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 26th September 2019. At the time of preparation of this document, it was not possible to calculate the WVAP as the 30 day period had not elapsed.</p>

Aspect	Details
Exercise of SARs and Exercise Restrictions	<p>The Participant may exercise SARs at between the elapsing of the Exercise Restriction and the end of the Term, but only when Shares may be traded under the Company's Share Trading Policy, by submitting an Exercise Notice. Upon exercise, the Exercised Rights Value will be calculated according to the following formula:</p> $(\text{Share Price} - \text{Exercise Price}) \times \text{Number of Rights Exercised}$ <p>The Exercised Rights Value will be either converted into Shares based on the then Share price, paid in cash, or a combination of cash and Shares, as determined by the Board. Generally, it is expected that vested Rights will be converted into whole Shares and the number of Shares will be rounded down if necessary.</p> <p>The SARs proposed will be granted in 2 equal tranches if approved:</p> <ul style="list-style-type: none"> • 50% will be subject to an Exercise Restriction until 31st December 2020, and • 50% will be subject to an Exercise Restriction until 30th June 2022.
Disposal Restrictions	<p>Rights, including SARs, may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of SARs will be subject to trading restrictions contained in:</p> <ol style="list-style-type: none"> a) the Company's Share trading policy, and b) the insider trading provisions of the Corporations Act. <p>No additional Specified Disposal Restriction applies to the proposed SARs.</p>
Disposal Restriction Release at Taxing Point	<p>In the event that a taxing point arises in relation to Restricted Rights or Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of such Restricted Shares. This ensures that unreasonable tax outcomes are avoided.</p>
Termination of Employment	<p>50% of any unexercised SARs subject to Exercise Restrictions will be cease to be so restricted on the date of the cessation of employment with the Group and 50% of any Restricted Shares held by the Participant will cease to be subject to any Specified Disposal Restrictions, unless otherwise determined by the Board and specified in the relevant Invitation. Any unexercised vested SARs they hold will be exercised by the Company 90 days after the date that the Participant ceases to hold unvested Rights or Rights subject to Exercise Restrictions.</p> <p>If SARs are exercised subsequent to a termination of employment and if the market value of a Share at the time of exercise is less than the market value of a Share at the date of the termination of employment then the Exercised Rights Value will be paid in cash, unless otherwise determined by the Board. This is intended to avoid inappropriate tax outcomes.</p>
Delisting	<p>In the event the Board determines that the Company will be imminently de-listed, Exercise Restrictions and Specified Disposal Restrictions will cease to apply.</p>
Change of Control Without Delisting	<p>In the event the Board determines that the Company will be subject to a change of control without delisting, Exercise Restrictions will cease to apply to any SARs held.</p>

Aspect	Details
Major Return of Capital or Demerger	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of SARs such that Participants are neither advantaged nor disadvantaged by the event.</p> <p>SARs will cease to be subject to Exercise Restrictions prior to the return of capital or demerger, on the date determined by the Board</p>
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	<p>The number of SARs held by Participants will be proportionately adjusted to reflect bonus issues. SAR holders will not participate in general or shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue.</p> <p>SARs do not carry voting or dividend entitlements. Shares issued when SARs are exercised carry all entitlements of Shares, including voting and dividend rights.</p>
Quotation	SARs will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LPILRP, in accordance with the ASX Listing Rules.
Issue or Acquisition of Shares	Shares allocated to a Participant when SARs are exercised under the LPILRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised SARs, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the LPILRP.
Hedging	The Company prohibits the hedging of Rights including SARs, or Shares subject to disposal restrictions, by Participants.

10.2 Specific information required under Listing Rule 10.15

Pursuant to Listing Rule 10.15, the following information is provided in relation to Resolution 9:

- (a) The SARs will be issued to Mr Richard Crookes (or his nominee). Mr Crookes is the Executive Director – Corporate Finance of the Company and is a related party of the Company by virtue of being a Director.
- (b) The maximum number of SARs the Company will grant to Mr Crookes (or his nominee) pursuant to Resolution 9 is 4,000,000.
- (c) The SARs will have a nil issue price.
- (d) No Directors or Associates of Directors have received securities under the LPILRP to date.
- (e) The people referred to in Listing Rule 10.14 who are entitled to participate under the Plan are Mr Cristóbal Garcia-Huidobro, Mr Richard Crookes and Mr Andrew Phillips or their respective nominees.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) There is no loan in relation to the acquisition of the SARs.

- (h) The SARs will be issued to Mr Crookes (or his nominee) no later than 12 months after the date of the Meeting and it is anticipated that the SARs will be issued on one date.

10.3 Recommendation

It should be noted that in respect of employees of any joint venture that are recipients of Rights under the LPILRP, the costs of those Rights will be met pro-rata by the parties to the joint venture, reflecting proportional interests in it. This may result in a reimbursement to LPI by other joint venture parties.

The maximum number of SARs to be granted to all persons subject to Shareholder approval (under Resolutions 8 to 10) is 12,500,000 if all FY20 grants contemplated by these Resolutions are in fact made, following Shareholder approval. No prior grants have been made under the LPILRP.

Given their potential interest in relation to Resolution 9, the Executive Directors abstain from making a recommendation in relation to this Resolution. The Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

The Company will disregard any votes cast on Resolution 9 cast by any Directors to whom this Resolution relates, and any Associates of those Directors.

The Chairman intends to vote undirected proxies in favour of Resolution 9.

11. Resolution 10 – Approval for the Granting of FY20 Share Appreciation Rights to a Director – Mr Andrew Phillips, Executive Director and Company Secretary

11.1 Background

ASX Listing Rule 10.14 requires the Company to obtain approval from Shareholders for the issue of securities to a Director under an employee incentive scheme. The Company is seeking Shareholder approval for the proposed grant of FY20 SARs to Mr Andrew Phillips, Executive Director and Company Secretary under the LPILRP.

The LPILRP has been designed to facilitate the Company moving towards best practice remuneration structures for executives. A key component of effective remuneration for executives is equity-based remuneration aligned to Shareholder value creation, to drive shared performance objectives, link remuneration to Company performance and align their interests with sustainable value creation for Shareholders.

The features of the proposed FY20 Invitation to apply for SARs to be provided to Mr Andrew Phillips are summarised below (capitalised terms in this table have the meanings defined in the Plan Rules):

Aspect	Details
Instrument	If this resolution is approved, Andrew Phillips will be invited to apply for Share Appreciation Rights (SAR). These are Restricted Rights under the Lithium Power International Limited Rights Plan (LPILRP) that are fully vested at grant, but which are subject to Exercise Restrictions, effectively deferring when they may be exercised. 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). Generally, it is expected that exercised SARs will be satisfied in Shares/Restricted Shares. No amount is payable by Andrew Phillips to receive the SARs as their value forms part of the total remuneration package determined to be appropriate by the Board. The Board has obtained market data and advice from an independent expert remuneration consultant in forming this view. The value that may be realised is a function of growth in Share Price over the Exercise Price, and the market value of a Share at the time of sale of any Shares that may result from exercising SARs.

Aspect	Details
Terms & Conditions, Variation of Terms and Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the LPILRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. The terms and conditions of the LPILRP include those aspects legally required as well as terms addressing exceptional circumstances, such as in the circumstances of a change of control, a major return of capital to shareholders or the treatment of SARs on termination of employment.</p> <p>The LPILRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the LPILRP.</p>
Term	SARs that are the subject of this resolution will have a Term that elapses on 30 June 2023, and if not exercised within the Term the SARs will lapse.
Number of SARs	<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 \$0.1581 per SAR, using the following assumptions:</p> <ul style="list-style-type: none"> • Risk Free Rate of 1.75%; • Volatility of 80%; • Time until exercise of 3.62 years, reflecting the period from the expected date of grant, to the elapsing of the Term; • A Share Price of \$0.30 which was the closing price at the date of calculation and preparation of this explanation; • An Exercise Price of \$0.36, being a 20% premium over the Share Price; and • Nil dividends. <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>
Measurement Period	No Measurement Period applies to the proposed SARs.
Vesting Conditions	No Vesting Conditions apply; the proposed SARs are Restricted Rights that are fully vested at grant, but subject to Exercise Restrictions that defer access to any value that may become realisable from exercising the SARs.
Gates	No Gates apply.
Cost of SARs and Exercise Price	<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 set as at 120% of the volume weighted average price (WVAP) 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 26th September 2019. At the time of preparation of this document, it was not possible to calculate the WVAP as the 30 day period had not elapsed.</p>

Aspect	Details
Exercise of SARs and Exercise Restrictions	<p>The Participant may exercise SARs at between the elapsing of the Exercise Restriction and the end of the Term, but only when Shares may be traded under the Company's Share Trading Policy, by submitting an Exercise Notice. Upon exercise, the Exercised Rights Value will be calculated according to the following formula:</p> $(\text{Share Price} - \text{Exercise Price}) \times \text{Number of Rights Exercised}$ <p>The Exercised Rights Value will be either converted into Shares based on the then Share price, paid in cash, or a combination of cash and Shares, as determined by the Board. Generally, it is expected that vested Rights will be converted into whole Shares and the number of Shares will be rounded down if necessary.</p> <p>The SARs proposed will be granted in 2 equal tranches if approved:</p> <ul style="list-style-type: none"> • 50% will be subject to an Exercise Restriction until 31st December 2020, and • 50% will be subject to an Exercise Restriction until 30th June 2022.
Disposal Restrictions	<p>Rights, including SARs, may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of SARs will be subject to trading restrictions contained in:</p> <ol style="list-style-type: none"> a) the Company's Share trading policy, and b) the insider trading provisions of the Corporations Act. <p>No additional Specified Disposal Restriction applies to the proposed SARs.</p>
Disposal Restriction Release at Taxing Point	<p>In the event that a taxing point arises in relation to Restricted Rights or Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of such Restricted Shares. This ensures that unreasonable tax outcomes are avoided.</p>
Termination of Employment	<p>50% of any unexercised SARs subject to Exercise Restrictions will be cease to be so restricted on the date of the cessation of employment with the Group and 50% of any Restricted Shares held by the Participant will cease to be subject to any Specified Disposal Restrictions, unless otherwise determined by the Board and specified in the relevant Invitation. Any unexercised vested SARs they hold will be exercised by the Company 90 days after the date that the Participant ceases to hold unvested Rights or Rights subject to Exercise Restrictions.</p> <p>If SARs are exercised subsequent to a termination of employment and if the market value of a Share at the time of exercise is less than the market value of a Share at the date of the termination of employment then the Exercised Rights Value will be paid in cash, unless otherwise determined by the Board. This is intended to avoid inappropriate tax outcomes.</p>
Delisting	<p>In the event the Board determines that the Company will be imminently de-listed, Exercise Restrictions and Specified Disposal Restrictions will cease to apply.</p>
Change of Control Without Delisting	<p>In the event the Board determines that the Company will be subject to a change of control without delisting, Exercise Restrictions will cease to apply to any SARs held.</p>

Aspect	Details
Major Return of Capital or Demerger	<p>In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board has discretion to vest, lapse or adjust the terms of SARs such that Participants are neither advantaged nor disadvantaged by the event.</p> <p>SARs will cease to be subject to Exercise Restrictions prior to the return of capital or demerger, on the date determined by the Board</p>
Bonus Issues, Rights Issues, Voting and Dividend Entitlements	<p>The number of SARs held by Participants will be proportionately adjusted to reflect bonus issues. SAR holders will not participate in general or shareholder rights issues but may, subject to the ASX Listing Rules, be offered options on similar terms to the rights issue.</p> <p>SARs do not carry voting or dividend entitlements. Shares issued when SARs are exercised carry all entitlements of Shares, including voting and dividend rights.</p>
Quotation	SARs will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the LPILRP, in accordance with the ASX Listing Rules.
Issue or Acquisition of Shares	Shares allocated to a Participant when SARs are exercised under the LPILRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised SARs, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the LPILRP.
Hedging	The Company prohibits the hedging of Rights including SARs, or Shares subject to disposal restrictions, by Participants.

11.2 Specific information required under Listing Rule 10.15

Pursuant to Listing Rule 10.15, the following information is provided in relation to Resolution 10:

- (a) The SARs will be issued to Mr Andrew Phillips (or his nominee). Mr Phillips is an Executive Director and Company Secretary of the Company and is a related party of the Company by virtue of being a Director.
- (b) The maximum number of SARs the Company will grant to Mr Phillips (or his nominee) pursuant to Resolution 8 is 2,500,000.
- (c) The SARs will have a nil issue price.
- (d) No Directors or Associates of Directors have received securities under the LPILRP to date.
- (e) The people referred to in Listing Rule 10.14 who are entitled to participate under the Plan are Mr Cristóbal Garcia-Huidobro, Mr Richard Crookes and Mr Andrew Phillips or their respective nominees.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) There is no loan in relation to the acquisition of the SARs.

- (h) The SARs will be issued to Mr Phillips (or his nominee) no later than 12 months after the date of the Meeting and it is anticipated that the SARs will be issued on one date.

11.3 Recommendation

It should be noted that in respect of employees of any joint venture that are recipients of Rights under the LPILRP, the costs of those Rights will be met pro-rata by the parties to the joint venture, reflecting proportional interests in it. This may result in a reimbursement to LPI by other joint venture parties.

The maximum number of SARs to be granted to all persons subject to Shareholder approval (under Resolutions 8 to 10) is 12,500,000 if all FY20 grants contemplated by these Resolutions are in fact made, following Shareholder approval. No prior grants have been made under the LPILRP.

Given their potential interest in relation to Resolution 10, the Executive Directors abstain from making a recommendation in relation to this Resolution. The Non-Executive Directors unanimously recommend that Shareholders vote in favour of Resolution 10.

The Company will disregard any votes cast on Resolution 10 cast by any Directors to whom this Resolution relates, and any Associates of those Directors.

The Chairman intends to vote undirected proxies in favour of Resolution 10.

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 2.2 of the Explanatory Statement.

10% Placement Period has the meaning given to that term in Section 3.1 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.

LPILRP or **Plan** has the meaning given to that term in Section 8.1 of the Explanatory Statement.

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.

Participants has the meaning given to that term in Section 8.1 of the Explanatory Statement.

Related Party has the meaning given in the Listing Rules.

Remuneration Report has the meaning given to that term in Section 2.2 of the Explanatory Statement.

Resolution means a resolution contained in the Notice of Meeting.

RK Equity means RK Equity Inc.

SAR means Share Appreciation Right.

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.

TRP has the meaning given to that term in Section 8.1 of the Explanatory Statement.

Unlisted Options has the meaning given to that term in Section 4.1 of the Explanatory Statement.

VWAP means volume weighted average market price.

ANNEXURE

DETAILS OF EQUITY SECURITIES ISSUED FOR THE PURPOSES OF LISTING RULE 7.3A.6

	Date of issue	Number issued	Class/Type of equity security and summary of terms	Names of persons who received securities or basis on which those persons was determined	Issue Price and discount to market price (if any)	Issue for cash consideration, cash spent, intended use for remaining cash	Issue for non-cash consideration and current value of non-cash consideration
1.	5 December 2018	6,000,000	6,000,000 unlisted options exercisable at 60 cents (\$0.60) each, exercisable from their date of issue up to their expiry on 5 December 2020 (Director Options).	The Director Options were issued to Martin Borda, Cristóbal Garcia-Huidobro and Richard Crookes in accordance with Shareholder resolutions passed at the Company's 2018 AGM.	No cash consideration was payable on the issue of the Director Options.	N/A	The Director Options are not tradeable and do not have a market value. As at the date of the notice of meeting for the approval of their issue, the Company valued the Director Options (using Black-Scholes) at a total of \$576,600 (\$0.0961 per option)
2.	23 August 2019	750,000	750,000 unlisted options exercisable at 60 cents (\$0.60) each, exercisable from their date of issue up to their expiry on 31 March 2022 (\$0.60 Options).	The \$0.60 Options were issued to certain advisers of the Company in consideration for the provision of corporate advice to the Company.	No cash consideration was payable on the issue of the \$0.60 Options.	N/A	The \$0.60 Options are not tradeable and do not have a market value. As at the date of the notice of meeting for the approval of their issue, the Company valued the \$0.60 Options (using Black-Scholes) at a total of \$105,000 (\$0.14 per option)

PROXY FORM

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

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(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, 6, 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, 6, 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, 6, 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