

Lithium Power International Limited

ACN 607 260 328

Notice of Annual General Meeting **Explanatory Statement**

Date of Meeting

Wednesday, 15 November 2017

Time of Meeting

10.30am, Sydney time

Place of Meeting

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

LETTER TO SHAREHOLDERS

Dear Shareholder

It gives me great pleasure 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 10.30am (Sydney time) on Wednesday, 15 November 2017 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 first Annual General Meeting as Chairman of the Company.

The Company has made significant advancements in the past year, particularly with our Maricunga Joint Venture (**MJV**) Agreement completed in January 2017. For this reason, the Company has chosen to focus on the development of the Maricunga lithium brine project, with the impetus that high-grade lithium brine projects will sit on the bottom of the global lithium cost curve, which the Board expects will ultimately maximize value and return for our shareholders.

LPI has met every target and delivered on key milestones to ensure the acceleration of the Maricunga project. In addition to the A\$8M raised in the IPO in June 2016, the Company has contributed substantial funds towards the MJV via two further capital raisings of A\$13.5M in November 2016 and A\$12M in April 2017. The funds enabled LPI to fast-track its highly successful exploration program, resulting in the release of our maiden JORC compliant mineral resource estimate in July 2017.

The updated resource estimate has given the Maricunga lithium project both scale and global significance. The resource now stands under two internationally recognized standards, JORC and NI 43-101, at 2.15 Mt of lithium carbonate equivalent (LCE) and 5.7 Mt of potassium chloride (KCl).

Maricunga's lithium concentrate grade of 1,160 mg/l is classified as the 2nd highest grade lithium brine deposit in South America. The current resource has the potential for a multi-decade mine life, with further potential for a multi-decade mine life in the exploration target.

In parallel, we continue to work towards completing the pre-feasibility study (PFS) around December 2017 and the submission of the environmental impact assessment baseline study (EIA) in early in 2018.

Given our strategic focus on the MJV, LPI has decided to divest its Argentine lithium brine asset. A Term Sheet for the sale of the Company's Centenario project in Salta, Argentina has been agreed upon, subject to long form documents and final due diligence, with completion anticipated in 2017 or early 2018.

The Board has continued to strengthen with the appointment of Mr. Russell C Barwick as a Non-Executive Director in April 2017. Russell is a mining engineer and former CEO of Newcrest and COO with GoldCorp. I also had the privilege of joining the Board as the Chairman of LPI in February 2017, with my background as the founder and former Chairman of Atlas Iron. LPI will continue to put the right people in the right place at the right time as the Company advances.

If you have questions in relation to the upcoming Annual General Meeting, please contact Andrew Phillips, Director and Company Secretary, on +61 2 9276 1245.

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 2017 Annual General Meeting.

Yours faithfully

By order of the Board of Directors

David Hannon
Chairman

Lithium Power International Limited ACN 607 260 328

Notice of Annual General Meeting

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

Time: 10.30am (Sydney time).

Date: Wednesday, 15 November 2017.

Place: The offices of 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 2017.

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 2017 be adopted."

Voting Exclusion Statement: 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 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.

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 on this resolution by any person who may participate in the proposed issue of Equity Securities under this resolution, and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed (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. 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 Mr 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 3.

Resolution 4. Re-election of Dr Luis Ignacio Silva as Director

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

"That Dr Luis Ignacio Silva, 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 Dr Luis Ignacio Silva 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.

OTHER BUSINESS

To consider any other business which may properly and lawfully be 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 your investment adviser.

DATED THIS 10TH DAY OF OCTOBER 2017

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 13 November 2017.

Venue

The Annual General Meeting will be held at the offices of Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 on Wednesday, 15 November 2017 at 10.30am (Sydney time).

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 www.votingonline.com.au/lithiumagm2017 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 10.30am (Sydney time) on Monday, 13 November 2017. 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 10.30am (Sydney time) on Monday, 13 November 2017 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.

Lithium Power International Limited
ACN 607 260 328

Explanatory Statement

This Explanatory Statement and all attachments (if any) 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 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, 15 November 2017.

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 Company's Constitution provides for such reports to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the Annual General Meeting on such reports or statements. However, Shareholders will be given a reasonable opportunity to raise questions with respect to these reports and statements 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 <http://www.lithiumpowerinternational.com/> or may request a copy from the Company at any time.

1. Resolution 1 – Adoption of Remuneration Report

Under sections 249L and 250R of the Corporations Act, public companies are required to meet disclosure requirements in respect of Director and executive remuneration, and to include a Remuneration Report in the Director's Report to Shareholders. The Remuneration Report for the 12 months ended 30 June 2017 is included in the 2017 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.

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 the 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 Company will be required to put to 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 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 2016 Annual General Meeting, a "first strike" was **not** recorded in respect of the Remuneration Report. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

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

2. Resolution 2 – Approval of 10% Placement Facility

2.1 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.

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. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (available on the ASX website at www.asx.com.au).

2.2 Further requirements of Listing Rule 7.1A

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the 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 15 November 2018); 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 the following quoted classes of Equity Securities:

- (a) Shares;
- (b) listed options with an exercise price of \$0.55 and expiring on 6 July 2019 (which trade under the code LPIOA); and
- (c) listed options with an exercise price of \$0.55 and expiring on 24 November 2017 (which trade under the code LPIO).

Issue price of Equity Securities issued under Listing Rule 7.1A3

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 7.1A4

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.

2.3 Effect of Resolution 2

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

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

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

2.4 Specific information required by Listing Rule 7.3A

Pursuant to Listing Rule 7.3, 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 Friday, 29 September 2017) (“**Issue**

Price") and the current number of Shares on issue as at the date of this Notice of Meeting. 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		
		\$0.19 (19 cents) 50% decrease in Issue Price	\$0.38 (38 cents) Issue Price	\$0.76 (76 cents) 100% increase in Issue Price
Current Variable A 195,914,852 Shares	10% voting dilution	19,591,485 Shares	19,591,485 Shares	19,591,485 Shares
	Funds raised	\$3,722,382	\$7,444,764	\$14,889,529
50% increase in current Variable A 293,872,278 Shares	10% voting dilution	29,387,227 Shares	29,387,227 Shares	29,387,227 Shares
	Funds raised	\$5,583,573	\$11,167,146	\$22,334,293
100% increase in current Variable A 391,829,704 Shares	10% voting dilution	39,182,970 Shares	39,182,970 Shares	39,182,970 Shares
	Funds raised	\$7,444,764	\$14,889,529	\$29,779,057

- (e) The table also shows two examples of where:
- (i) two examples where 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) two examples of where 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.
- (h) The approval under Listing Rule 7.1A 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

- (i) 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

- (j) 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).
- (k) 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).
- (l) 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

- (m) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2016 Annual General Meeting held on 28 November 2016.
- (n) 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	159,822,687, of which 128,466,019 are ordinary shares and 31,356,668 are options
Equity Securities issued during the previous 12 month period	143,554,103, of which 67,448,833 are ordinary shares and 76,105,270 are options
Percentage the previous issues represent of total number of Equity Securities on issue at commencement of 12 month period	89.82%

- (ii) *Listing Rule 7.3A.6(a): 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

- (o) 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.

2.5 Recommendation and undirected proxies

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

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

3. Resolution 3 – Re-election of Reccared (Ricky) Fertig as Director

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

3.1 Constitution and Listing Rule 14.4

Clause 4.3(c) of the Constitution provides for the retirement of one-third of the Directors (or the whole number nearest to one third) from office at each annual general meeting of the Company.

Listing Rule 14.4 provides that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

The note to Listing Rule 14.4 states that a director appointed:

- (a) prior to an entity's admission to the Official List must not hold office (without re-election) past the third annual general meeting following the entity's admission to the Official List or 3 years following the entity's admission to the Official List, whichever is longer; and
- (b) as an addition to the board prior to an entity's admission to the Official List is not required to stand for re-election at the next annual general meeting following the entity's admission to the Official List, provided he or she does not hold office past the time limits mentioned in (a) above and at least one director stands for re-election at each annual general meeting.

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.

3.2 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 property fund. He 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 East Sydney Private Hospital in Sydney, Australia, which he co-founded.

3.3 Recommendation and undirected proxies

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

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

4. Resolution 4 – Re-election of Dr Luis Ignacio Silva as Director

Dr Luis Ignacio Silva was appointed as a director of the Company on 24 July 2015, upon its incorporation.

4.1 Constitution and Listing Rule 14.4

The requirements of clause 4.3(c) of the Constitution and of Listing Rule 14.4 are as set out in Section 3.1 above.

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

4.2 Biography of Luis Silva

Dr Silva has over 40 years' experience in mining exploration and environmental studies, which includes the lithium sector over the last 10 years. He has managed projects in Chile and Panama and has additional experience in Argentina, Bolivia, Costa Rica and Peru. He was previously Deputy Manager of Geology at SERNAGEOMIM (the Chilean Geological Survey) for two years, from February 2012 to April 2014. Prior to that he was the Exploration and General Manager for Talison's Salares-7 lithium project from December 2009 to December 2011. He has worked with some of the largest mining companies in the world, including Talison Lithium Limited, Freeport McMoRan Gold Corporation, Amax Gold de Chile Ltda., Barrick-IGCI, Lundin, Minera Homestake Chile S.A, Conzinc Rio Tinto Australia Limited, Pegasus Minera de Chile S.A., Chilean Nuclear Energy Commission and Shell-Billiton S.A.

4.3 Recommendation and undirected proxies

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

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

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Andrew Phillips, on (02) 9276 1245 if they have any queries in respect of the matters set out in this Notice of Meeting or Explanatory Statement.

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 2.1 of the Explanatory Statement.

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

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

ASIC means Australian Securities and Investments Commission.

Associate has the meaning given in the Listing Rules.

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

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

Board means the board of Directors of the Company.

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

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

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

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

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

Constitution means the Company's constitution.

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

Director means a director of the Company.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means this explanatory statement.

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

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

Official List means the official list of ASX.

Related Party has the meaning given in the Listing Rules.

Resolution means a resolution contained in the Notice of Meeting.

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

Shareholder means a holder of a Share.

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

VWAP means volume weighted average market price.

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.	2 December 2016	35,769,886	<p>Fully paid ordinary shares ranking parri passu with all existing ordinary shares of the Company from the date of issue.</p> <p>Each share issued under the Placement, Director Placement and SPP (see next column) had attached to it an entitlement to subscribe for 1 free option to be issued by the Company, on the terms set out in the Company's prospectus dated 31 October 2016 (LPIOs).</p>	<ul style="list-style-type: none"> 14,822,517 shares issued to sophisticated or otherwise exempt investors under section 708 of the <i>Corporations Act 2001</i> (Cth) under tranche 2 of a two-tranche share placement announced to ASX on 14 October 2016 (Placement). Shares under the first tranche of the Placement were issued more than 12 months prior to the date of the Meeting. 1,315,790 shares issued to Directors Reccared Fertig and Andrew Phillips (or nominees), issued on the same terms as the issue under the Placement (Director Placement). 2,631,579 shares issued to existing shareholders of the Company under a share purchase plan (SPP), including the issue of SPP shortfall shares, as announced to ASX on 25 November 2016. 	<ul style="list-style-type: none"> In respect of the shares issued under the Placement, Director Placement and SPP, \$0.38 (38 cents) per share. This issue price represented an 18% discount to the closing market price on the date prior to announcement of the issue of shares. No cash consideration was payable in respect of the shares issued to MSB. The shares were issued as consideration for the Company acquiring option rights over certain tenements comprising part of the Maricunga Lithium Brine Project. No cash consideration was payable in respect of the shares issued to Murray Brooker (or nominee). The shares were issued in consideration for Mr Brooker agreeing to a 3 year contract arrangement with the Company under which Mr Brooker agreed to manage the Maricunga Lithium Brine Project Joint Venture. 	<p>As disclosed in the Company's prospectus dated 31 October 2016, proceeds from the Placement, Director Placement and SPP (and any funds raised from the exercise of the LPIOs) were used to fund the Company's ongoing obligations at the Maricunga Lithium Brine Project, and for working capital purposes.</p> <p>All of this cash has been spent.</p>	<p>The value of the 1,000,000 shares issued to Mr. Murray Brooker (or nominee) as at 29 September 2017 is \$380,000.</p> <p>The value of the 16,000,000 shares issued to MSB as at 29 September 2017 is \$6,080,000.</p>

	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
				<ul style="list-style-type: none"> 1,000,000 shares issued to Mr. Murray Brooker (or nominee). 16,000,000 shares issued to Minera Salar Blanco SpA (MSB) in accordance with the terms of the joint venture agreement announced to ASX on 13 September 2016, further details of which were provided to ASX on 14 October 2016. 			
2.	6 December 2016	37,526,323	<p>Quoted LPIO options with an exercise price of \$0.55 and expiring on 24 November 2017, the terms of issue of which were set out in the Company's prospectus dated 31 October 2016.</p> <p>At the time of issue the LPIOs were a new class of security and ranked equally amongst themselves.</p> <p>Any ordinary shares issued on exercise of the LPIOs will be fully paid and will, on issue, rank equally in all respects with the fully paid ordinary shares issued by the</p>	<ul style="list-style-type: none"> A total of 35,526,323 LPIOs were issued to subscribers of shares under the Placement, Director Placement and SPP. Each share issued under the Placement, Director Placement and SPP had an entitlement to subscribe for LPIO (see above row for further details.). The remaining 2,000,000 LPIOs were issued as part-payment for services provided by Blue Ocean Equities Pty Ltd in respect 	No cash consideration was received for the issue of the options.	N/A	As at 29 September 2017, the LPIOs are trading at \$0.014 (1.4 cents) per option on ASX.

	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
			<p>Company. Any options not exercised before their expiry date will lapse and expire.</p> <p>The LPIOs are not entitled to participate in dividends, distributions or interest payments.</p>	of the Company's capital raising.			
3.	16 December 2016	100,000	Fully paid ordinary shares ranking parri passu with all existing ordinary shares of the Company from the date of issue.	These shares were issued on the exercise of 100,000 seed investor options which were exercisable at \$0.20 per share, as further described in the Company's replacement prospectus dated 23 May 2016, which the prospectus pursuant to which the Company applied to be listed on ASX (Prospectus).	Unlisted options exercisable into shares at \$0.20 per share. \$0.20 per share was the issue price of the Company's shares under the Prospectus.	<p>The issue of shares on exercise of the options raised total cash proceeds of \$20,000, which was used for working capital purposes.</p> <p>All of this cash has been spent.</p>	N/A
4.	12 April 2017	31,052,632	<p>These shares were issued under a share placement announced to ASX on 6 April 2017.</p> <p>Each share issued under the share placement had attached to it an entitlement to subscribe for 1 free option to be issued by the Company, on the terms set out in the Company's announcement dated 6 April 2017 (LPIOAs).</p>	These shares were issued to sophisticated or otherwise exempt investors under section 708 of the <i>Corporations Act 2001</i> (Cth) under a share placement announced to ASX on 6 April 2017.	\$0.38 (38 cents) per share, which represented a premium of 1.3% to the closing market price on the date prior to announcement of the issue of shares.	The funds raised from the share placement were used to fund further development costs to expedite development of the Maricunga Lithium Brine Project Joint Venture and for general working capital.	N/A

	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
			Except for the entitlement described above, each share ranked parri passu with all existing ordinary shares of the Company from the date of issue.			All of this cash has been spent or to be allocated against future working capital and Joint Venture requirements	
5.	7 July 2017	See breakdown in next column	<ul style="list-style-type: none"> 526,315 fully paid ordinary shares ranking parri passu with all existing ordinary shares of the Company from the date of issue. 34,578,947 LPIOAs, exercisable at 55 cents (\$0.55) each, exercisable from their date of issue up to their expiry on 6 July 2019. 4,000,000 unlisted options exercisable at 60 cents (\$0.60) each, exercisable from their date of issue up to their expiry on 6 July 2020 (Unlisted Options). The LPIOAs and Unlisted Options were each a new 	<ul style="list-style-type: none"> Ordinary shares were issued to Director Russell Barwick (or nominee) as part of the Company's placement announced to ASX on 6 April 2017. LPIOAs were issued to subscribers under the Company's placement, as announced on 6 April 2017 (see above row for details.), and to Blue Ocean Equities Pty Ltd, Sprott Capital Partners, Hartleys Limited and EverBlu Capital Pty Ltd in consideration for services provided in connection with the placement and for ongoing corporate advisory services. 	<ul style="list-style-type: none"> \$0.38 per ordinary share, which represented a premium of 1.3% to the closing market price on the date prior to announcement of the issue of the shares. Nil in respect of the LPIOAs. Nil in respect of the Unlisted Options. 	<p>The funds raised from the share placement were used to fund further development costs to expedite development of the Maricunga Lithium Brine Project Joint Venture and for general working capital.</p> <p>All of this cash has been spent or to be allocated against future working capital and Joint Venture requirements</p>	<ul style="list-style-type: none"> As at 29 September 2017 the LPIOAs are trading at \$0.08 (8 cents) per LPIOA on ASX. The Unlisted 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 Unlisted Options (using Black-Scholes) at a total of \$381,200.

	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
			<p>class of security on issue and each entitle the holder to subscribe for one fully paid ordinary share.</p> <ul style="list-style-type: none"> • Shares issued upon exercise of the LPIOAs and Unlisted Options will rank equally with all other fully paid ordinary shares on issue. • The LPIOAs and Unlisted Options do not give the holder the right to participate in any future dividends or receive interest payments. 	<ul style="list-style-type: none"> • Unlisted Options were issued to directors David Hannon and Russell Barwick (or nominees) as detailed in the Company's prospectus dated 18 May 2017. 			

All Correspondence to:

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

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.30am (Sydney time) on Monday 13 November 2017.**

🖥 TO VOTE ONLINE

- STEP 1:** VISIT www.votingonline.com.au/lithiumagm2017
- 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 security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10.30am (Sydney time) on Monday 13 November 2017.** 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** www.votingonline.com.au/lithiumagm2017

📠 **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.

Lithium Power International Limited

ACN 607 260 328

☐

Your Address

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

☐

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Offices of Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 on Wednesday, 15 November 2017 at 10.30am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made. 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	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Reccared (Ricky) Fertig as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Dr Luis Ignacio Silva as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

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 / / 2017