

Lithium Power International Limited
ACN 607 260 328

Notice of General Meeting
Explanatory Statement

Date of Meeting

Thursday, 6 July 2017

Time of Meeting

10.30am, Sydney time

Place of Meeting

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

Lithium Power International Limited ACN 607 260 328 Notice of General Meeting

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

Time: 10.30am (Sydney time).

Date: Thursday, 6 July 2017.

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

The business to be considered at the 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

Resolution 1. Ratification of issue of Shares under Placement – 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 purpose of Listing Rule 7.4 and for all other purposes, the issue of 24,650,377 Shares to sophisticated and professional investors under the Placement, details of which are set out in the Explanatory Statement, be ratified by Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person or entity who participated in the issue of Shares under the Placement and any Associates of those persons, unless the vote 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 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 1.

Resolution 2. Ratification of issue of Shares under Placement – Listing Rule 7.1A capacity

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the issue of 6,402,255 Shares to sophisticated and professional investors under the Placement, details of which are set out in the Explanatory Statement, be ratified by Shareholders.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person or entity who participated in the issue of Shares under the Placement and any Associates of those persons, unless the vote 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 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.

Resolution 3. Approval to issue Placement Options to Placement participants

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

“That, subject to and conditional on the passing of Resolutions 1 and 2, for the purpose of Listing Rule 7.1 and for all other purposes, the issue of up to 31,052,632 free attaching Placement Options to sophisticated and professional investors who participated in the Placement, details of which are 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 or entity who may participate in the proposed issue of Placement Options attaching to Shares issued under the Placement 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 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. Approval to issue Placement Options to Brokers

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 7.1 and for all other purposes, the issue of a total of up to 3,000,000 Placement Options to the Brokers (or their nominees) in consideration for services provided to the Company by the Brokers in connection with the Placement and ongoing corporate advisory services, details of which are 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 of the Brokers (or their nominees), and any of their respective Associates, unless the vote 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 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 4.

Resolution 5. Approval to issue Shares and attaching Placement Options to Russell Barwick on the same terms as the Placement

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue to Director Russell Barwick or his nominee(s) of 526,315 Shares and up to 526,315 free attaching Placement Options (on the same terms as Shares and Placement Options are issued under the Placement), details of which are 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 Russell Barwick or his nominee and any of their Associates, unless the vote 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 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 5.

Note: If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Resolution 6. Approval to issue Unlisted Options to David Hannon

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the issue of 2,000,000 Unlisted Options to David Hannon (or nominee), details of which are set out in the Explanatory Statement, be approved by Shareholders."

Voting Exclusion: The Company will disregard any votes cast on this resolution by David Hannon, his nominee(s) and any of their Associates, unless the vote 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 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.

Voting Prohibition: The Company will disregard any votes cast on this resolution by proxy by:

- (a) a person who is either:
 - a member of Key Management Personnel for the Company; or
 - a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if:

- (c) the person is the chair of the meeting at which the resolution is voted on; and
- (d) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel for the Company.

The Chairman intends to vote all undirected proxies in favour of Resolution 6, however the Chairman will not vote undirected proxies in relation to this resolution unless a Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

Note: If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Resolution 7. Approval to issue Unlisted Options to Russell Barwick

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the issue of 2,000,000 Unlisted Options to Russell Barwick (or nominee), details of which are set out in the Explanatory Statement, be approved by Shareholders."

Voting Exclusion: The Company will disregard any votes cast on this resolution by Russell Barwick, his nominee(s) and any of their Associates, unless the vote 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 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.

Voting Prohibition: The Company will disregard any votes cast on this resolution by proxy by:

- (a) a person who is either:
 - a member of Key Management Personnel for the Company; or
 - a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if:

- (c) the person is the chair of the meeting at which the resolution is voted on; and
- (d) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel for the Company.

The Chairman intends to vote all undirected proxies in favour of Resolution 7, however the Chairman will not vote undirected proxies in relation to this resolution unless a Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions.

Note: If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Resolution 8. Re-election of David Hannon as Director

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

"That David Hannon, being a Director who retires in accordance with clause 4.3(b) of the Company's Constitution and Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director."

Details of the qualifications and experience of Mr Hannon 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 8.

Resolution 9. 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 in accordance with clause 4.3(b) of the Company's Constitution and Listing Rule 14.4, 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 9.

OTHER BUSINESS

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

Explanatory Statement

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

DATED THIS FRIDAY, 26 MAY 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 General Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on Tuesday, 4 July 2017.

Venue

The General Meeting will be held at Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 commencing at 10.30am (Sydney time) on Thursday, 6 July 2017.

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/LPIGMJune2017 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 General Meeting at the time, date and place set out above.

Voting by proxy

Any Shareholder entitled to attend and vote at this 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 Tuesday, 4 July 2017. Proxy forms received later than this time will be invalid. Proxy forms should be delivered to Boardroom Pty Limited, 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 Tuesday, 4 July 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 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 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 Pty Limited (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 (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 General Meeting of the Company to be held at 10.30am (Sydney time) on Thursday, 6 July 2017.

1. Capital Raising

1.1 Overview

On 6 April 2017, the Company announced a capital raising and issue of Shares and Placement Options comprising the following components ("**Capital Raising**").

Placement

- (a) A placement to professional and sophisticated investors to raise approximately \$11.8 million ("**Placement**") through the issue of 31,052,632 new Shares at an offer price of \$0.38 (38 cents) per Share ("**Offer Price**"). When combined with the Director Placement, total proceeds of the issue of Shares under the Capital Raising will be \$12 million (before costs).
- (b) Shares were issued under the Placement on 12 April 2017, utilising the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.
- (c) The Company seeks to ratify the issue of Shares under the Placement at the General Meeting – see Resolutions 1 and 2.
- (d) The Company engaged the services of Blue Ocean Equities Pty Limited ("**Blue Ocean**") to lead manage the Placement, and EverBlu Capital Pty Ltd ("**EverBlu**"), Sprott Private Wealth LP ("**Sprott**") and Hartleys Limited ("**Hartleys**") to provide corporate finance and advisory services in connection with the Placement.
- (e) Blue Ocean, EverBlu, Sprott and Hartleys are collectively referred to as the "**Brokers**".

Placement Options

- (a) Shares issued under the Placement and Director Placement are offered with free attaching options, exercisable on or before expiry of the period commencing 2 years from their date of issue (which is expected to be on or around 7 July 2017, making the indicative expiry date 6 July 2019) at an exercise price of \$0.55 ("**Placement Options**"). The terms of issue of the Placement Options are set out in Schedule 2.
- (b) The Placement Options have been allocated at a ratio of 1 Option for every 1 new Share issued under the Placement.
- (c) The Placement Options are being offered under a transaction-specific prospectus issued by the Company on 18 May 2017 ("**Prospectus**"), with the issue of Placement Options subject to Shareholder approval at the General Meeting. The Company will apply for quotation of the Placement Options on ASX.

- (d) Resolution 3 seeks approval for the issue of up to 31,052,632 Placement Options to participants in the Placement and is conditional on the passing of Resolutions 1 and 2.

Issue of Placement Options to the Brokers

- (a) Resolution 4 seeks approval for the issue of a total of up to 3,000,000 Placement Options to EverBlu, Blue Ocean, Sprott and Hartleys for nil consideration.
- (b) The Company proposes to issue the Placement Options to the Brokers as payment for services provided by them to the Company in connection with the Capital Raising and for ongoing corporate advisory services.
- (c) The Placement Options are being offered to EverBlu, Blue Ocean, Sprott and Hartleys under the Prospectus.

Issue of Shares and Placement Options to Related Party

- (a) Resolution 5 seeks approval for the issue of \$200,000 worth of Shares (526,315 Shares) and up to 526,315 Placement Options to Director Russell Barwick (or nominee) ("**Director Placement**").
- (b) The issue of Shares and Placement Options to Mr Barwick will, if approved, be undertaken on exactly the same terms as the issue of Shares and Placement Options to participants in the Placement.

1.2 Issue of Unlisted Options to Directors

Resolutions 6 and 7 seek approval for the issue of 2,000,000 options to each of David Hannon and Russell Barwick (or nominees), both of whom are Directors and thus related parties of the Company. The options will be exercisable on or before expiry of the period commencing 3 years from their date of issue (which is expected to be on or around 7 July 2017, making the indicative expiry date 6 July 2020) at an exercise price of \$0.60 ("**Unlisted Options**"). The terms of issue of the Unlisted Options are set out in Schedule 3. The Company will not seek quotation of the Unlisted Options on ASX and will offer the Unlisted Options under the Prospectus.

1.3 Use of funds raised under the Capital Raising

The proceeds of the Capital Raising (including any cash proceeds raised from the exercise of the Options) will be used to progress to the next stage of development at the Maricunga Lithium Brine Project, including:

- (a) drilling further deep holes;
- (b) progressing of the planned pre-feasibility study;
- (c) finalising the engineering requirements of the Project;
- (d) completion of an environmental impact report;
- (e) confirmation of the production methodology, including an enhanced evaporation process;
- (f) securing key infrastructure;
- (g) community engagement; and
- (h) general working capital.

1.4 Timetable of the Capital Raising

The timetable for the Capital Raising, assuming that all of the Resolutions set out in the Notice of Meeting which relate to the Capital Raising are passed, is set out below.

Event	Date
Announcement of Placement	Thursday, 6 April 2017
Settlement of Placement	Tuesday, 11 April 2017
Issue and trading of Shares under Placement	Wednesday, 12 April 2017
Lodgment of Prospectus in connection with offer of Placement Options and Unlisted Options	Thursday, 18 May 2017
Despatch of Notice of Meeting and Explanatory Statement	Wednesday, 31 May 2017
Offer of Options under Prospectus closes	29 June 2017
General Meeting	10.30am (Sydney time) on Thursday, 6 July 2017
Issue of Shares under Director Placement and Options	On or around Friday, 7 July 2017
Trading of all Shares and Placement Options	On or around Monday, 10 July 2017

LPI reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Sydney times. The timetable is subject to the Listing Rules.

1.5 Impact of the Capital Raising on the capital structure of the Company

Assuming completion of the issue of:

- (a) 31,052,632 free attaching Placement Options;
- (b) 526,315 new Shares and 526,315 Placement Options to Russell Barwick (or nominee); and
- (c) a total of 3,000,000 Placement Options to EverBlu, Blue Ocean, Sprott and Hartleys;
- (d) a total of 4,000,000 Unlisted Options to Directors David Hannon and Russell Barwick,

on or around 10 July 2017, the capital structure of the Company will comprise:

- (e) 195,914,852 Shares;
- (f) 29,456,668 unlisted options issued in accordance with the terms of issue set out in the Company's replacement prospectus dated 26 April 2016, 95% of which are escrowed until 24 June 2018;
- (g) 37,526,323 listed options issued under the Company's prospectus dated 31 October 2016, which expire on 24 November 2017 and which trade under the code LPIO;
- (h) 34,578,947 Placement Options issued under the Prospectus; and
- (i) 4,000,000 Unlisted Options issued under the Prospectus.

2. Listing Rules – Chapter 7

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 7.1A provides that an eligible entity may seek the approval of holders of its ordinary securities by special resolution to have additional capacity to issue Equity Securities under Listing Rule 7.1A.

Listing Rule 7.1B.4 provides that, in working out the number of fully paid ordinary securities on issue 12 months before the relevant issue date, if first quotation of the entity's securities occurred less than 12 months before the issue date then the number of securities will be the number of fully paid ordinary securities on issue on the date of first quotation.

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

Listing Rules 7.3 and 7.3A provide that, for the holders of ordinary securities to approve an issue or agreement to issue under Listing Rules 7.1 and 7.1A respectively, an entity must provide certain specified information in relation to the issue (or agreement to issue) to its security holders.

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 1 – Ratification of issue of Shares under Placement (Listing Rule 7.1 capacity)

3.1 Purpose

Resolution 1, which is an ordinary resolution, seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 24,650,377 Shares under the Placement under Listing Rule 7.1.

3.2 Information provided in accordance with Listing Rule 7.5

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

- (a) The number of Shares issued under Listing Rule 7.1 in connection with the Placement was 24,650,377 Shares.
- (b) The price at which Shares were issued under the Placement was the Offer Price of \$0.38 (38 cents) per Share.
- (c) Shares issued under Placement are fully paid and rank equally in all respects with the Company's other Shares on issue, save for the fact that, subject to the passing of Resolution 3, each Share issued under the Placement will be entitled to subscribe for 1 free attaching Placement Option.
- (d) Shares issued under Placement were issued to sophisticated and professional investors who are clients of the Brokers or who were otherwise identified by the Company in the course of its investor relations activities.
- (e) The funds raised from the issue of the Shares under the Placement will be used by the Company for the purposes set out in section 1.3 above.
- (f) A voting exclusion statement in relation to Resolution 1 is included in the Notice of Meeting.

3.3 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

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

4. Resolution 2 – Ratification of issue of Shares under Placement (Listing Rule 7.1A capacity)

4.1 Purpose

Resolution 2, which is an ordinary resolution, seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 6,402,255 Shares under the Placement under Listing Rule 7.1A.

4.2 Information provided in accordance with Listing Rule 7.5

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

- (a) The number of Shares issued under Listing Rule 7.1A in connection with the Placement was 6,402,255 Shares.
- (b) The price at which Shares were issued under the Placement was the Offer Price of \$0.38 (38 cents) per Share.
- (c) Shares issued under Placement are fully paid and rank equally in all respects with the Company's other Shares on issue, save for the fact that, subject to the passing of Resolution 3, each Share issued under the Placement will be entitled to subscribe for 1 free attaching Placement Option.
- (d) Shares issued under Placement were issued to sophisticated and professional investors who are clients of the Brokers or who were otherwise identified by the Company in the course of its investor relations activities.
- (e) The funds raised from the issue of the Shares under the Placement will be used by the Company for the purposes set out in section 1.3 above.
- (f) A voting exclusion statement in relation to Resolution 2 is included in the Notice of Meeting.

4.3 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.

5. Resolution 3 – Approval to issue Placement Options to Placement participants

5.1 Purpose

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 31,052,632 attaching Placement Options for nil consideration as part of the Placement. Resolution 3 is subject to and conditional on the passing of Resolutions 1 and 2.

The Placement Options will be issued under the Prospectus, which is a transaction-specific prospectus issued by the Company on 18 May 2017 pursuant to section 713 of the Corporations Act. It is expected that the Placement Options will be issued on or around 7 July 2017.

5.2 Information provided in accordance with Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) The maximum number of Placement Options to be issued under this Resolution 3 is 31,052,632 Placement Options.
- (b) The Placement Options will be issued on or around 7 July 2017 and no Placement Options will be issued later than 3 months after the date of the General Meeting.
- (c) The issue price of the Placement Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement (under the Prospectus).
- (d) The Placement Options will be issued to subscribers under the Placement on the basis of an entitlement to 1 Placement Option for every 1 Share subscribed for and issued under the Placement.
- (e) The Placement Options will be issued in accordance with the terms of issue set out in Schedule 2.
- (f) No funds will be raised from this Resolution 3 as the Placement Options are being issued for nil cash consideration.
- (g) A voting exclusion statement in relation to Resolution 3 is included in the Notice of Meeting.

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

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

6. Resolution 4 – Approval to issue Placement Options to the Brokers

6.1 Purpose

The Company has agreed, subject to the passing of this Resolution 4, to issue a total of up to 3,000,000 Placement Options to EverBlu, Blue Ocean, Sprott and Hartleys in payment for services provided by each of them in connection with the Capital Raising and for ongoing corporate advisory services.

6.2 Information provided in accordance with Listing Rule 7.3

Pursuant to Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) The maximum aggregate number of Placement Options to be issued to EverBlu, Blue Ocean, Sprott and Hartleys is 3,000,000 Placement Options under this Resolution 4.
- (b) The Placement Options will be issued to each of EverBlu, Blue Ocean, Sprott and Hartleys (or their nominees).
- (c) The Placement Options will be issued on or around 7 July 2017 and no Placement Options will be issued later than 3 months after the date of the General Meeting.
- (d) The issue price of the Placement Options issued to EverBlu, Blue Ocean, Sprott and Hartleys will be nil as they will be issued in consideration for services provided in connection with the Capital Raising and for ongoing corporate advisory services.
- (e) The Placement Options will be issued in accordance with the terms of issue set out in Schedule 2.
- (f) No funds will be raised from this Resolution 4 as the Placement Options are being issued to the Brokers for nil cash consideration.

- (g) A voting exclusion statement in relation to Resolution 4 is included in the Notice of Meeting.

6.3 Recommendation and undirected proxies

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

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

7. Resolution 5– Approval to issue Shares and Placement Options to Russell Barwick

7.1 Background

The Company has agreed, subject to the passing of Resolution 5, to issue a total of 526,315 Shares at the Offer Price of \$0.38 (38 cents), together with up to 526,315 free attaching Placement Options (on the basis of an entitlement of 1 Placement Option for every issued Share), to raise a total of \$200,000 from Director Russell Barwick.

Shares and Placement Options issued to Mr Barwick will be issued on exactly the same terms as Shares and Placement Options are issued to participants in the Placement.

7.2 Chapter 2E of the Corporations Act

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

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

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

The issue of Shares and Placement Options to Russell Barwick under Resolution 5 constitutes giving a financial benefit as Mr Barwick is a related party for the purposes of Chapter 2E of the Corporations Act.

The Directors, other than Russell Barwick (given his material personal interest in Resolution 5), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares and Placement Options under Resolution 5 because the Shares and Placement Options are being issued on arm's length terms on the basis that they are being issued on exactly the same terms as Shares issued to investors under the Placement.

7.3 Listing Rule 10.11

Listing Rule 10.11 requires the approval of holders of ordinary securities to be obtained where an entity issues, or agrees to issue, securities to a Related Party or to a person whose relationship with the entity is, in ASX's opinion, such that approval should be obtained.

Certain exceptions to Listing Rule 10.11 are set out in Listing Rule 10.12, none of which permits the issue of Shares and Placement Options to Russell Barwick as set out above without first obtaining Shareholder approval.

Accordingly, the effect of Resolution 5 will be to permit the Company to issue the Shares and Placement Options to Mr Barwick as described above in compliance with Listing Rule 10.11.

7.4 Information required by Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) The Shares and Placement Options will be issued to Director Russell Barwick (or nominee).
- (b) 526,315 Shares at the Offer Price of \$0.38 (38 cents), together with up to 526,315 free attaching Placement Options (on the basis of an entitlement of 1 Placement Option for every issued Share) will be issued to Mr Barwick.
- (c) The Shares and Placement Options will be issued to Russell Barwick (or nominee) on or around 7 July 2017 and will not be issued any later than 1 month after the date of the General Meeting.
- (d) In the event that Mr Barwick instructs the Company to issue Shares or Placement Options to a nominee, each such nominee will be a Related Party of the Director and thus approval under Listing Rule 10.11 will be required.
- (e) The Shares issued will be fully paid and rank equally in all respects with the Company's other Shares on issue, save for the fact that each Share issued will be entitled to subscribe for 1 free attaching Placement Option.
- (f) The Placement Options will be issued for nil consideration in accordance with the terms of issue set out in Schedule 2.
- (g) The funds raised from the issue of the Shares will be used by the Company for the purposes set out in section 1.3 above.
- (h) No funds will be raised from the issue of Placement Options attaching to the Shares as the Placement Options are being issued for nil cash consideration.
- (i) A voting exclusion statement in relation to Resolution 5 is included in the Notice of Meeting.

Approval pursuant to Listing Rule 7.1 is not required for the issue of Shares and Placement Options under Resolution 5 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares and Placement Options to Russell Barwick will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

8. Resolutions 6 and 7 – Issue of Unlisted Options to David Hannon and Russell Barwick

8.1 Background

The Board has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 4,000,000 Unlisted Options to Messrs David Hannon and Russell Barwick (or their nominees), on the terms and conditions set out in Schedule 3.

For a public company to give a financial benefit to a related party of the public company, the public company must:

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

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

In addition, Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of Unlisted Options to the Directors requires the Company to obtain Shareholder approval because the Unlisted Options constitute giving a financial benefit and as Directors, Messrs David Hannon and Russell Barwick are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Unlisted Options to the Directors as contemplated by Resolutions 6 and 7.

8.2 Shareholder approval under Chapter 2E and Listing Rule 10.13

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Unlisted Options to the Directors as contemplated by Resolutions 6 and 7:

- (a) the related parties are Messrs David Hannon and Russell Barwick and they are related parties by virtue of being Directors;
- (b) the maximum number of Unlisted Options (being the nature of the financial benefit being provided) to be allocated to the related parties is:
 - (A) 2,000,000 Unlisted Options to David Hannon (or his nominee); and
 - (B) 2,000,000 Unlisted Options to Russell Barwick (or his nominee);
- (c) the Unlisted Options will be granted to the Directors no later than 1 month after the date of the General Meeting and it is anticipated the Unlisted Options will be allocated on one date;
- (d) the Unlisted Options will be issued for nil cash consideration and accordingly no funds will be raised;
- (e) Shares issued on exercise of the Unlisted Options will rank equally with fully paid ordinary shares;
- (f) the Unlisted Options will be issued on the terms set out in Schedule 3;
- (g) the value of the Unlisted Options have been valued by management in accordance with the Black Scholes valuation methodology as set out below. The value is not necessarily the market price that the Unlisted Options could be sold at and is not automatically the market price for taxation purposes;

Assumptions:	
Valuation date	25 May 2017
Market price of shares	\$0.28
Exercise price of Unlisted Options	\$0.60
Expiry date	6 July 2020
Risk free interest rate	1.75%
Volatility	80%
Dividend yield	Continuous
Indicative value per Unlisted Option	\$0.0953

Assumptions:	
Total value of Unlisted Options issued to Directors	\$381,200 (\$190,600 per Director)

- (h) the relevant interests of the Directors in securities of the Company as at 25 May 2017, and assuming that all of the security issuances contemplated by this Notice of Meeting are approved and occur, and that no securities are purchased or sold by any Director, will be as set out below:

Director	Shares (as at 25 May 2017)	Options (as at 25 May 2017)	Shares post-General Meeting	Options post-General Meeting
David Hannon	20,715,484	1,261,316 LPIO quoted options 7,750,000, \$0.20 unlisted options expiring June 2021	No change	1,261,316 LPIO quoted options 7,750,000, \$0.20 unlisted options expiring June 2021 2,000,000 Unlisted Options
Martin Holland	21,000,001	10,000,001, \$0.20 unlisted options expiring June 2021	No change	No change
Ricky Fertig	17,638,347	7,750,000, \$0.20 unlisted options expiring June 2021	No change	No change
Andrew Phillips	598,158	1,500,000, \$0.20 unlisted options expiring June 2021 263,150, LPIO quoted options	No change	No change
Luis Ignacio Silva	280,000	640,000, \$0.20 unlisted options expiring June 2021	No change	No change
Russell Barwick	Nil	Nil	526,315	526,315 Placement Options 2,000,000 Unlisted Options

- (i) the remuneration from the Company to the Directors and their associates (for their roles as Directors) for the previous financial year and the proposed remuneration for the current financial year are set out below:

Director	Current Financial Year (FY2017)*	Previous Financial Year (FY2016)
David Hannon	\$54,750	N/A
Martin Holland	\$262,800	\$290,900
Ricky Fertig	\$120,000	\$160,000
Andrew Phillips	\$197,110	\$424,175
Luis Ignacio Silva	\$65,000	\$121,643
Russell Barwick	\$20,250	N/A

* Expected remuneration in FY2017 (excludes the value of any Unlisted Options issued under Resolutions 6 and 7).

- (j) if the Unlisted Options granted to the Directors are exercised, a total of 4,000,000 Shares would be allotted and issued for total consideration received by the Company of \$2,400,000. This would increase the number of Shares on issue from to 195,914,892 to 199,914,892 (assuming that no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of approximately 2.00%.

If only one grant of Unlisted Options is approved and 2,000,000 Unlisted Options are subsequently exercised, 2,000,000 Shares would be allotted and issued for total consideration received by the Company of \$1,200,000. This would increase the number of Shares on issue from 195,914,892 to 197,914,892 (assuming that no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing shareholders would be diluted by an aggregate of approximately 1.01%.

The market price of Shares during the term of the Unlisted Options would normally determine whether or not the Unlisted Options are exercised. If, at any time any of the Unlisted Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Unlisted Options, there may be a perceived cost to the Company;

- (k) the trading history of the Shares on ASX since commencing quotation on 24 June 2016, up to and including 25 May 2017, is set out below:

	Price	Date
Highest	\$0.48	27/07/2016
Lowest	\$0.245	28/06/2016 14/12/2016 15/12/2016
Last (as at 25 May 2017)	\$0.28	25/05/2016

- (l) in respect of Resolutions 6 and 7:
- (A) as advised by the Company in its ASX announcements and its half year accounts for the period ending 31 December 2016, the Company continues to expedite the development of its flagship Maricunga Lithium Brine Project from a solid financial footing as a result of a successful capital raising in 2016 and this Capital Raising. Details of the significant transactions involving the Company in the last financial year are set out in the half year accounts;
 - (B) accordingly, the primary purpose of the grant of the Unlisted Options is to provide cost effective consideration to the Directors for agreeing to join the Board and to reward their commitment and contribution to the Company in their roles as Directors, whilst allowing the Company to maintain cash reserves for its operations. In addition, the Board (other than Mr Hannon in relation to Resolution 6, and Mr Barwick in relation to Resolution 7) considers the grant of the Unlisted Options to the Directors to be reasonable, given the necessity to attract high calibre professionals to the Company whilst maintaining the Company's cash reserves;
 - (C) the Board (other than Mr Hannon in relation to Resolution 6, and Mr Barwick in relation to Resolution 7) considered the extensive experience and reputation of the relevant persons within the industry, the current market price of Shares, the implied value of the Unlisted Options and current market practices when determining the number and exercise price of the Unlisted Options to be issued under Resolutions 6 and 7. Relevantly, the exercise price of the Unlisted Options is \$0.60, which is approximately:
 - (1) 58% more than the Offer Price under the Capital Raising, of \$0.38; and
 - (2) 114% more than the closing price of the Shares as at 25 May 2017, of \$0.28; and
 - (D) the Board (other than Mr Hannon in relation to Resolution 6, and Mr Barwick in relation to Resolution 7) does not consider there are any significant opportunity costs to the Company in issuing the Unlisted Options to the Directors; and
- (m) commentary relating to ASX Corporate Governance Principles and Recommendation Policy 8.2 states (inter alia) that non-executive directors should normally be remunerated by way of fees in the form of cash, non cash benefits, superannuation contributions or salary sacrifice into equity and that it is generally acceptable for non-executive directors to receive securities as part of their remuneration to align their interests with the interests of other security holders. The Board considers the issue of Unlisted Options to Directors Hannon and Barwick is an effective method available to Shareholders to consider in remunerating these Directors as opposed to a cash payment, given the Company's cash position for and the development program at the Maricunga Project and the Company's other projects. Shareholders should consider the above matters carefully before deciding how to vote on Resolutions 6 and 7.

8.3 Recommendation in relation to Resolution 6

David Hannon declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material personal interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than David Hannon) is not aware of any other information that would reasonably be required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.

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

8.4 Recommendation in relation to Resolution 7

Russell Barwick declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material personal interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Russell Barwick) is not aware of any other information that would reasonably be required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

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

9. Resolution 8 – Re-election of David Hannon as Director

David Hannon was appointed as a Director (and chairman) to fill a casual vacancy on 9 February 2017.

9.1 Constitution and Listing Rule 14.4

Clause 4.3(b) of the Constitution provides for the retirement of a Director by no later than the later of the third annual general meeting following his or her appointment, and three years following his or her appointment.

Listing Rule 14.4 provides that a director who is appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting following the director's appointment.

Accordingly, absent retirement and re-election at this General Meeting, Mr Hannon would be required to retire and stand for re-election at the Company's annual general meeting of 2017.

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

9.2 Biography of David Hannon

David Hannon holds a Bachelor of Economics from Macquarie University and is a Fellow of the Financial Services Institute of Australia (FINSIA).

Mr Hannon commenced his commercial career as a stockbroker / investment banker in 1985. He later became a Director of a private investment bank specialising in venture capital with a focus on the mining sector. Mr. Hannon has operated a private investment group, Chifley Investor Group Pty Limited, for over 15 years.

Mr Hannon's other listed mining company experience involves being a founding Director of Atlas Iron Limited ("**Atlas**") in 2004. Mr. Hannon remained a member of the Atlas Board for 10 years and was Chairman while it maintained its position as a member of the ASX 100 Index with a market capitalisation of over A\$2b. Throughout this period Mr. Hannon held various positions including Chairman of the Audit Committee and Chairman of the Nominations and Remunerations Committee. While Atlas embarked upon an iron ore growth strategy of its Pilbara assets it became the fourth largest iron ore producer in Australia.

9.3 Recommendation and undirected proxies

The Directors (other than David Hannon) unanimously recommend that Shareholders vote in favour of Resolution 8.

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

10. Resolution 9 – Re-election of Russell Barwick as Director

Russell Barwick was appointed as a Director to fill a casual vacancy on 6 April 2017.

10.1 Constitution and Listing Rule 14.4

Clause 4.3(b) of the Constitution provides for the retirement of a Director by no later than the later of the third annual general meeting following his or her appointment and three years following his or her appointment.

Listing Rule 14.4 provides that a director who is appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting following the director's appointment.

Accordingly, absent retirement and re-election at this General Meeting, Mr Barwick would be required to retire and stand for re-election at the Company's annual general meeting of 2017.

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

10.2 Biography of Russell Barwick

Russell Barwick is an internationally renowned mining executive and engineer with over 43 years of technical, managerial and corporate experience in various commodities. He initially worked for Bougainville Copper Limited (CRA), Pancontinental Mining Limited (Jabiluka Uranium) and CSR Ltd (Hail Creek Coal). Following this, Mr Barwick spent 16 years with Placer Dome Inc. occupying a number of key development, operational and corporate roles in numerous countries culminating in being appointed Managing Director of Placer Nuigini Ltd.

He then served as Chief Executive Officer of Newcrest Mining Limited where he achieved strong market support. For the four-year period, up to 2007, Mr Barwick was the Chief Operating Officer of Wheaton River Minerals and Goldcorp Inc. during which the quickly evolving company grew from market capitalisation of several hundred million dollars to CAD\$22 billion and became the third largest gold company in the world by market capitalisation.

Mr Barwick will add a distinctive skill set to the Board with a strong development, operating and corporate background, particularly in Latin America, along with providing the Company with leadership recognised by the international resources investment community.

10.3 Recommendation and undirected proxies

The Directors (other than Russell Barwick) unanimously recommend that Shareholders vote in favour of Resolution 9.

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

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Andrew Phillips, on (02) 9276 1242 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:

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.

Blue Ocean means Blue Ocean Equities Pty Limited ACN 151 186 935.

Board means the board of Directors of the Company.

Brokers has the meaning given in section 1.1 of this Explanatory Statement.

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

Capital Raising has the meaning given in section 1.1 of this Explanatory Statement.

Chair or **Chairman** means the chairman of the 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.

Director Placement has the meaning given in section 1.1 of this Explanatory Statement.

Equity Securities has the meaning given in the Listing Rules.

EverBlu means EverBlu Capital Pty Ltd ACN 612 793 683.

Explanatory Statement means this explanatory statement.

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

Hartleys means Hartleys Limited ACN 104 195 057.

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 General Meeting which accompanies this Explanatory Statement.

Offer Price has the meaning given in section 1.1 of this Explanatory Statement.

Official List means the official list of ASX.

Placement has the meaning given in section 1.1 of this Explanatory Statement.

Placement Option has the meaning given in section 1.1 of this Explanatory Statement.

Related Party has the meaning given in the Listing Rules.

Resolution means a resolution contained in the Notice of Meeting.

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

Shareholder means a holder of a Share.

Sprott means Sprott Private Wealth LP.

Unlisted Option has the meaning given in section 1.1 of this Explanatory Statement.

Schedule 2 – Placement Option terms of issue

The options to be issued under the Prospectus to participants in the Placement, Director Russell Barwick in the Director Placement and EverBlu, Blue Ocean, Sprott and Hartleys, in connection with the Capital Raising (“**Options**”), entitle the holder to subscribe for Shares on the following terms and conditions.

- (a) The Options are exercisable at a price of 55 cents (\$0.55) each at any time from the date of issue of the Options (on or around 7 July 2017) up to the expiry of the period ending 2 years after the date of issue of the Options (“**Option Exercise Period**”), but not thereafter.
- (b) Each Option entitles the holder to subscribe for one Share.
- (c) No amount is payable on issue of the Options.
- (d) The Company must give each Option holder a certificate or statement stating:
 - (i) the number of Options issued to the Option holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of issue of the Options and the Option Expiry Period.
- (e) The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act 2001 (Cth).
- (f) The Options will be fully transferrable in accordance with the Constitution of the Company and, for such time as the Company is listed, the Listing Rules of the ASX will apply.
- (g) Options do not carry any dividend entitlement until they are exercised. Subject to the Constitution, Shares issued on exercise of Options rank equally with other issued Shares from the date they are issued by the Company.
- (h) An Option holder is not entitled to participate in any new issue of securities to existing Shareholders unless the Option holder has exercised its Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (i) If listed, the Company must give an Option holder, in accordance with the Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under paragraph (h); and
 - (ii) the right to exercise the Option holder's Options under paragraph (h).
- (j) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the option holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the Listing Rules.
- (k) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the exercise price of each Option is reduced in accordance with the Listing Rules.

- (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which each option holder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (m) Any calculations or adjustments which are required to be made under the Option terms of issue will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.
- (n) The Company must within a reasonable period give to each Option holder notice of any change under paragraphs (h) to (l) (inclusive) to the exercise price of any Options held by an Option holder or the number of Shares for which the Option holder is entitled to subscribe on exercise of an Option.
- (o) When exercising Options, an Option holder must give the Company or its share registry a Notice of Exercise of Options form (substantially similar to the one below), together with payment of the exercise monies payable to the Company in connection with the Options being exercised (being \$0.55 per Option) and the Option holder statement.

<p>Notice of Exercise of Options</p> <p>To the Directors of Lithium Power International Ltd (the Company),</p> <p>I,</p> <p>of</p> <p style="padding-left: 40px;">being the registered holder of options in the capital of the Company hereby exercise such options to subscribe for ordinary shares and enclose application monies payable of \$0.55 (55 cents) per option exercised.</p> <p>I authorise you to register me as the holder of the shares to be allotted to me and agree to accept such shares subject to the constitution of the Company.</p> <p>Dated the day of 20</p> <p>Signed by the holder of the Options</p>

- (p) The Options are exercisable on any business day during the Option Exercise Period. An Option holder may only exercise Options in multiples of 1,000, unless the Option holder exercises all of its Options.
- (q) If an Option holder exercises less than the total number of its Options, the Company must cancel the Option certificate (if any) and issue the Option holder a new certificate or holding statement for the remaining number of Options held by the Option holder.

- (r) Options will be deemed to be exercised on the date that the Notice of Exercise of Option Form is received by the Company in accordance with paragraphs (o) and (p). The Company shall within 10 days after the receipt of such Notice and cleared funds, issue Shares in respect of the Options exercised and dispatch a shareholder statement to the holder.
- (s) If applicable, the Company will apply to ASX for official quotation of the Shares issued on exercise of the Options.
- (t) The Company will advise holders at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options during the Option Exercise Period.
- (u) These Option Terms of Issue and the rights and obligations of Option holders are governed by the laws of New South Wales. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Schedule 3 – Unlisted Option terms of issue

The options to be issued under the Prospectus to Directors David Hannon and Russell Barwick (“Options”) entitle the holder to subscribe for Shares on the following terms and conditions.

- (a) The Options are exercisable at a price of 60 cents (\$0.60) each at any time from the date of issue of the Options (on or around 7 July 2017) up to the expiry of the period ending 3 years after the date of issue of the Options (“Option Exercise Period”), but not thereafter.
- (b) Each Option entitles the holder to subscribe for one Share.
- (c) No amount is payable on issue of the Options.
- (d) The Company must give each Option holder a certificate or statement stating:
 - (i) the number of Options issued to the Option holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of issue of the Options and the Option Expiry Period.
- (e) The Company will maintain a register of holders of Options in accordance with section 168(1)(b) of the Corporations Act 2001 (Cth).
- (f) The Options will be fully transferrable in accordance with the Constitution of the Company and, for such time as the Company is listed, the Listing Rules of the ASX will apply.
- (g) Options do not carry any dividend entitlement until they are exercised. Subject to the Constitution, Shares issued on exercise of Options rank equally with other issued Shares from the date they are issued by the Company.
- (h) An Option holder is not entitled to participate in any new issue of securities to existing Shareholders unless the Option holder has exercised its Options before the record date for determining entitlements to the new issue of securities and participates as a result of holding Shares.
- (i) If listed, the Company must give an Option holder, in accordance with the Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under paragraph (h); and
 - (ii) the right to exercise the Option holder's Options under paragraph (h).
- (j) If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Option is exercisable is increased by the number of Shares which the Option holder would have received if the option holder had exercised the Option before the record date for determining entitlements to the issue, in accordance with the Listing Rules.
- (k) If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the Option before the record date for determining entitlements to the issue, the exercise price of each Option is reduced in accordance with the Listing Rules.
- (l) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which each option holder is entitled and the exercise price) is changed to the

extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

- (m) Any calculations or adjustments which are required to be made under the Option terms of issue will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.
- (n) The Company must within a reasonable period give to each Option holder notice of any change under paragraphs (h) to (l) (inclusive) to the exercise price of any Options held by an Option holder or the number of Shares for which the Option holder is entitled to subscribe on exercise of an Option.
- (o) When exercising Options, an Option holder must give the Company or its share registry a Notice of Exercise of Options form (substantially similar to the one below), together with payment of the exercise monies payable to the Company in connection with the Options being exercised (being \$0.60 per Option) and the Option holder statement.

Notice of Exercise of Options

To the Directors of Lithium Power International Ltd (the **Company**),

I,

of

being the registered holder of options in the capital of the Company hereby exercise such options to subscribe for ordinary shares and enclose application monies payable of \$0.60 (60 cents) per option exercised.

I authorise you to register me as the holder of the shares to be allotted to me and agree to accept such shares subject to the constitution of the Company.

Dated the day of 20

Signed by the holder of the Options

- (p) The Options are exercisable on any business day during the Option Exercise Period. An Option holder may only exercise Options in multiples of 1,000, unless the Option holder exercises all of its Options.
- (q) If an Option holder exercises less than the total number of its Options, the Company must cancel the Option certificate (if any) and issue the Option holder a new certificate or holding statement for the remaining number of Options held by the Option holder.
- (r) Options will be deemed to be exercised on the date that the Notice of Exercise of Option Form is received by the Company in accordance with paragraphs (o) and (p). The Company shall within 10 days after the receipt of such Notice and cleared funds, issue Shares in respect of the Options exercised and dispatch a shareholder statement to the holder.

- (s) If applicable, the Company will apply to ASX for official quotation of the Shares issued on exercise of the Options.
 - (t) The Company will advise holders at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options during the Option Exercise Period.
- (u) These Option Terms of Issue and the rights and obligations of Option holders are governed by the laws of New South Wales. Each Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

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 Tuesday 4 July 2017.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/LPIGMJune2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (Sydney time) on Tuesday 4 July 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/LPIGMJune2017
- 📠 **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 securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **Boardroom Pty Ltd, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000 on Thursday, 6 July, 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 Resolutions 6 and 7: 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 6 and 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 6 and 7 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 6 and 7). 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	Ratification of issue of 24,650,377 Shares under Placement – Listing Rule 7.1 capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of issue of 6,402,255 Shares under Placement – Listing Rule 7.1A capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue 31,052,632 Placement Options to Placement participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue 3,000,000 Placement Options to Brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue 526,315 Shares and 526,315 attaching Placement Options to Russell Barwick on the same terms as the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue 2,000,000 Unlisted Options to David Hannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue 2,000,000 Unlisted Options to Russell Barwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Re-election of David Hannon as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Re-election of Russell Barwick as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017