

ASX RELEASE

LPI.ASX

26 October 2017

EXPIRY OF LISTED OPTIONS (LPIO)

Lithium Power International Limited (ASX: LPI) (“LPI” or “the Company”) advises that the 37,526,323 listed options trading under the code LPIO will expire, unless exercised before, on 24 November 2017.

Each LPIO option is exercisable at a price of \$0.55 (55 cents), and entitles the holder to subscribe for one fully paid ordinary share of the Company. The options were issued on 7 December 2016 under a prospectus dated 31 October 2016.

Enclosed is the letter sent to each LPIO option holder today.



Andrew Phillips
Company Secretary
Lithium Power International Limited

[date] 2017

<Name / Address 1>
<Name / Address 2>
<Name / Address 3>
<Name / Address 4>
<Name / Address 5>

Number of LPIO options held:

[insert]

Dear Option Holder

IMPORTANT NOTICE – EXPIRY OF LISTED LPIO OPTIONS

The \$0.55 (55 cent) listed options (**Options**) issued by Lithium Power International Limited (ASX: LPI) (**LPI** or the **Company**) under a prospectus dated 31 October 2016 are due to expire at 5.00pm (Sydney time) on 24 November 2017 (**Expiry Date**).

The Options trade under the code LPIO and the terms of issue of the Options are annexed to this letter.

LPI is required to give you notice of the expiry of the Options at least 20 business days before the Expiry Date.

In accordance with the ASX Listing Rules, the Company advises as follows:

- (a) Each Option is exercisable at a price of \$0.55 (55 cents), and entitles the holder to subscribe for one fully paid ordinary share (**Share**) of the Company.
- (b) The last date for exercise of the Options and for payment to be received in cleared funds is the Expiry Date, being 24 November 2017.
- (c) If you do not exercise your Options and pay the required exercise price, your unexercised Options will lapse on the Expiry Date.
- (d) Quotation of the Options will cease on Monday, 20 November 2017.
- (e) The latest available market price of the underlying Shares is the closing price of the Shares on ASX on 20 October 2017, which was \$0.425 (42.5 cents).
- (f) The highest and lowest market price of the Shares on ASX during the 3 months ending 20 October 2017 are set out below:
 - a. *Highest*: \$0.49 (49 cents) per Share on 10 October 2017.
 - b. *Lowest*: \$0.28 (28 cents) per Share on 8 August 2017.
- (g) As at 20 October 2017, the Company has not entered into any underwriting agreement in connection with the Options.

- (h) The Company also has on issue 34,578,947 listed options with an exercise price of \$0.55 (55 cents) that trade under the code LPIOA and are due to expire on 6 July 2019.
- (i) The latest available market price of the LPIOA options is the closing price of the options on ASX on 20 October 2017, which was \$0.10 (10 cents).
- (j) The highest and lowest market price of the LPIOA options on ASX during the 3 months ending 20 October 2017 are set out below:
 - a. *Highest:* \$0.13 (13 cents) per LPIOA option on 13 October 2017.
 - b. *Lowest:* \$0.041 (4.1 cents) per LPIOA option on 20 July 2017.
- (k) As at 20 October 2017, the Company has not entered into any underwriting agreement in connection with the LPIOA options.

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To exercise some or all of your Options, complete the **Notice of Exercise** form below (or the form enclosed in the terms of issue of the Options), sign it and send it to the Company's share registry, Boardroom Pty Ltd, with the appropriate exercise amount by cheque or money order made payable to "Lithium Power International Limited" and crossed "Non-negotiable".

Your completed Notice of Exercise form and your cheque or money order for the exercise price for your exercised Options should be mailed to:

Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Your completed Notice of Exercise, together with payment of the requisite Option exercise price in cleared funds, must be received by Boardroom Pty Ltd by no later than 24 November 2017, failing which your Options will lapse. If you have any queries regarding your Options or how to exercise them, please contact Boardroom Pty Ltd on 1300 737 760 or +61 2 9290 9600.

Yours faithfully,



Andrew Phillips
Company Secretary
Lithium Power International Limited

Notice of Exercise of Option

To: Lithium Power International Limited C/- Boardroom Pty Ltd, GPO Box 3993, Sydney NSW 2001 Australia

I

Name of Option holder (block letters)

Of

Registered address (block letters)

Hereby exercise my LPIO options to apply for

(number of shares in words)

(number of shares in figures)

fully paid ordinary shares in the capital of Lithium Power International Limited (**Company**) and I enclose my cheque or money order made payable to Lithium Power International Limited for:

\$.....

as payment for such shares at an exercise price of \$0.55 per Option.

I request that you issue me the number of shares to which I have validly exercised and enter my name for such shares on the share register of the Company and I agree to accept such shares subject to the constitution of the Company.

Please sign here:

Shareholder 1

Joint Shareholder (1)

Joint Shareholder (2)

Sole Director / Company
Secretary

Director

Director / Company Secretary

Business telephone

Date

Terms of issue of the LPIO options

- (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 1 December 2016) up to their expiry on 24 November 2017 (inclusive) (“**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 these 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.

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 \$0.55 (55 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.
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