

28 October 2022

CHAIRMAN'S EXTRAORDINARY GENERAL MEETING ADDRESS

Lithium Power International Limited (ASX: LPI) ("LPI" or the "Company") is pleased to provide the Chairman's address for the Extraordinary General Meeting to be held as a hybrid at 10am on Friday, 28th of October 2022.

On behalf of the Board of Directors of Lithium Power International Limited, I am pleased to present you with an acquisition proposal that LPI believes has the potential to deliver significant value for our Shareholders.

LPI has entered into definitive binding agreements to consolidate 100% ownership of the Maricunga Lithium Brine project in Chile via two all-scrip mergers with its joint venture partners, Minera Salar Blanco SpA (31.31% of Maricunga) and Bearing Lithium Corp (17.14% of Maricunga).

As a result of these transactions, an enlarged LPI will benefit from enhanced scale and full control of Maricunga. That will significantly increase LPI's attributable production to 15.2ktpa of battery grade lithium carbonate from Maricunga based on the 2022 Definitive Feasibility Study.

We also believe that consolidating 100% ownership under LPI provides the optimal structure to oversee the rapid development of the project by:

- simplify future decision making.
- simplifying and de-risking the funding pathway for Maricunga.
- enhancing the Company's ability to source capital from a wider range of providers; and
- creating a clearer and more understandable investment vehicle.

Lithium Power International Ltd

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ASX CODE: LPI

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This, in turn, can potentially deliver enhanced returns to LPI shareholders.

To affect the Transactions, LPI will:

- issue approximately 161.6m ordinary LPI shares to MSB SpA as consideration for LPI merging with MSB SpA's wholly owned subsidiary, a newly formed Delaware limited liability company called SALAR BLANCO LLC. That company will hold MSB SpA's 31.31% interest in Maricunga; and
- merge with Bearing by issuing 0.70 ordinary LPI shares for every Bearing common share on issue, and for every Bearing option or Bearing warrant that is exercised following completion of the Bearing Transaction. The maximum number of LPI shares the Company may issue under the Bearing Transaction is 94.5m.

In order to affect these Transactions, LPI requires the approval of LPI Shareholders, which is being sought at the Meeting.

In light of the high workload of the LPI Board arising from the long negotiation of both Transactions along with the proposed spin-off of its Western Australian assets, the recent capital raising as well as progressing the Project towards a development commitment, the Board proposes to award Share Appreciation Rights to its executive directors and options to some of its non-executive directors.

Given LPI's small executive management team, this has required a very high workload for directors. This has been carried out across multiple time zones and, for many months has been far beyond what is usually expected of directors of a listed mining development company. Accordingly, the LPI Board considers that these awards are justified in the context of that sustained workload.

The Company also seeks shareholder approval to refresh the placement capacity arising from the recent granting of Share Appreciation Rights to senior executives of MSB. It also seeks shareholder approval for the grant of adviser options to Treadstone Resource Partners, who are advising the Company on the SBD Transaction and Bearing Transaction.

The LPI Board unanimously recommends that all LPI shareholders **VOTE IN FAVOUR** of all Resolutions



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