

MEDIA RELEASE

LPI.ASX

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FULLY UNDERWRITTEN A\$35.6M FUNDING PACKAGE

Highlights

- **LPI completes heavily oversubscribed A\$15m underwritten Placement and announces underwritten ~A\$20.6m option package.**
- **LPI is fully funded to complete Maricunga JV earn-in and undertake pre-construction activities prior to a development decision at Maricunga.**

Lithium Power International Limited (ASX:LPI) (“LPI” or “the Company”) is pleased to announce the completion of a heavily oversubscribed placement of new fully paid ordinary shares to institutional, existing and new sophisticated investors (“Placement”). The Placement is fully underwritten by Canaccord Genuity (Australia) Limited (“Canaccord”). Canaccord has also agreed to fully underwrite the exercise of all quoted LPIO options which are due to expire this Friday, 24 November 2017.

LPI’s shares will resume normal trading on ASX at the commencement of trading on 22 November 2017.

Completion of Underwritten Placement

The Company announces completion of the Placement, which will raise A\$15 million before costs. The Placement was undertaken at an issue price of A\$0.55 per share, representing:

- a 15.4% discount to the last closing share price of LPI shares on Friday, 17 November 2017 of \$0.65; and
- a 9.7% discount to the 10 day volume weighted average price of LPI shares trading on ASX up to and including 17 November 2017.

The Placement will result in the issue of approximately 27.27 million new shares and is being conducted using the Company’s available capacity under ASX Listing Rule 7.1. The Company expects to issue the new shares under the Placement on Wednesday, 29 November 2017.

The Company is pleased to advise that the Placement was heavily oversubscribed with funds allocated to high-quality domestic and international investors, the majority of whom will be new shareholders of the Company. The significant enhancement of LPI’s share register is an important milestone for the Company ahead of pre-construction development work at Maricunga.

Underwriting of LPIO Options

In conjunction with the fully underwritten Placement, on 22 November 2017 LPI and Canaccord entered into an underwriting agreement with regard to the exercise of all of the listed LPIO options (“Options”).

The Options have an exercise price of A\$0.55 per share, being the same issue price as the Placement, and will expire on Friday, 24 November 2017.

There are approximately 37.53 million Options on issue and accordingly a total of approximately A\$20.6 million (before costs) will be raised through the exercise and underwriting of the Options. This will result in the issue of 37.53 million new shares.

Option holders who have validly exercised their Options are expected to be issued shares no later than Wednesday, 29 November 2017.

Shares representing any shortfall in the exercise of Options are expected to be issued on or around Monday, 4 December 2017.

In consideration for agreeing to underwrite the exercise of all the Options, LPI will pay to Canaccord:

- a management and selling fee of 1.5% of the gross proceeds of the exercise of the Options, where the gross proceeds is calculated by multiplying the total number of Options on issue by the Option exercise price of \$0.55; and
- an underwriting fee of 3.5% of the shortfall proceeds of the underwriting of the Options, where the shortfall proceeds is calculated by multiplying the number of Options which were not validly exercised by the Option holders by the Option expiry date (ie the shortfall) by the Option exercise price of \$0.55.

On completion of the Placement and underwriting of the Options, LPI will have approximately 260.7 million fully paid ordinary shares on issue.

LPI Fully Funded through to Development Decision

The Company will now be fully funded through to the Maricunga project final investment decision.

Specifically, funds raised through the Placement and the exercise and underwriting of the Options will be applied to:

- Expedite payments of the remaining US\$7.5m earn-in which will finalise LPI’s 50% ownership in the Maricunga Joint Venture. The payments are due in three instalments up to September 2018;
- Contribute to pre-construction programs within the Maricunga Joint Venture;
- Other strategic initiatives associated with the Maricunga Joint Venture;
- Exploration activities at LPI’s Western Australia tenements; and
- Provide general working capital.

LPI's Chief Executive Officer, Martin Holland, commented:

"We are pleased to announce the successful capital raise via an institutional placement of A\$15m along with the full underwriting of LPIO Options for the value of A\$20.6m. The calibre of new investors on our share register provides the Company with a strong support base ahead of the Maricunga project development decision.

Funds raised will be used to complete the outstanding earn-in payments required for LPI to finalise its 50% interest in the Maricunga Joint Venture. We will also apply funds to pre-construction work programs and other strategic initiatives associated with the Maricunga development. LPI will also engage in additional exploration at its Western Australian, Greenbushes tenements in calendar year 2018.

We wish to thank Canaccord for their assistance in the process leading up to the Placement and for the underwriting of both the Placement and Options issues.

Finally, the Board of LPI wishes to thank both existing shareholders for their continued support and welcome the new shareholders to the Company, as we take the next exciting steps in the development of LPI's flagship Maricunga project, Chile's next lithium mine.

Development of high quality, strategic assets such as the Maricunga project is an important part of providing real lithium supply to the market to allow the paradigm shift from petrol to electric to occur. We are now a company that is responsible for this execution".

For further information, please contact:

Martin C Holland – CEO

Lithium Power International

E: info@lithiumpowerinternational.com

Ph: +612 9276 1245

www.lithiumpowerinternational.com

@LithiumPowerLPI

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