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# INTERIM REPORT

31 DECEMBER 2021

# only Corporate Directory

## DIRECTORS

**Mr David R Hannon**  
Non-Executive Chairman

**Mr Cristobal Garcia-Huidobro R**  
Managing Director and Chief Executive Officer

**Mr Andrew G Phillips**  
Executive Director and Chief Financial Officer

**Mr Richard A Crookes**  
Executive Director – Corporate Finance

**Mr Russell C Barwick**  
Non-Executive Director

**Mr Martin Jose Domingo Borda M**  
Non-Executive Director

**Mr Reccared P Fertig**  
Non-Executive Director (resigned on 21 October 2021)

## COMPANY SECRETARY

Mr Andrew G Phillips

## STOCK EXCHANGE LISTING

Lithium Power International Limited shares are listed on the Australian Securities Exchange (ASX code: **LPI**)

## WEBSITE

[www.lithiumpowerinternational.com](http://www.lithiumpowerinternational.com)

## REGISTERED OFFICE

Level 7, 151 Macquarie Street, Sydney NSW 2000

Telephone: +61 2 9089 8723

Facsimile: +61 2 9276 1284

Website: [www.lithiumpowerinternational.com](http://www.lithiumpowerinternational.com)

## SHARE REGISTRY

### Boardroom Pty Limited

Level 12, 225 George Street, Sydney NSW 2000

Telephone: +61 2 9290 9600

Facsimile: +61 2 9279 0664

Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## AUDITOR

### Ernst & Young

The EY Centre

Level 34, 200 George Street, Sydney NSW 2000

Telephone: +61 2 9248 5555

Website: [www.ey.com/au](http://www.ey.com/au)

## SOLICITORS

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Telephone: +61 2 9258 6000

### Becketts Lawyers

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### Philippi Prietocarrizosa

#### Ferrero DU & Uria

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### Mitrani Caballero

#### Ruiz Moreno

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Buenos Aires, Argentina

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## BUSINESS OBJECTIVES

Lithium Power International Limited has used cash and cash equivalents held at the time of listing and the time since listing to explore, develop and seek to acquire lithium tenements in South America and Australia, in a way consistent with the business objectives as listed on the Company's website. The Company's focus is the development of its Maricunga Lithium Brine project in Chile, through its 51.55% owned Joint Venture company Minera Salar Blanco S.A.

## CORPORATE GOVERNANCE STATEMENT

The directors and management are committed to conducting the business of Lithium Power International Limited in an ethical manner and in accordance with the highest standards of corporate governance. Lithium Power International Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Forth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual has been updated to consider recommended changes by the ASX. These changes have been adopted by the Board and have been uploaded to the company's website and can be found on the 'Who We Are' page at [www.lithiumpowerinternational.com](http://www.lithiumpowerinternational.com).

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# Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Lithium Power International Limited (referred to hereafter as the 'Company', 'LPI' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

## DIRECTORS

The following persons were directors of Lithium Power International Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

**Mr David R Hannon** – Non-Executive Chairman

**Mr Cristobal Garcia-Huidobro R** – Managing Director and Chief Executive Officer

**Mr Andrew G Phillips** – Executive Director and Chief Financial Officer

**Mr Richard A Crookes** – Executive Director - Corporate Finance

**Mr Russell C Barwick** – Non-Executive Director

**Mr Martin Jose Domingo Borda M** – Non-Executive Director

**Mr Reccared P Fertig** – Non-Executive Director (resigned on 21 October 2021)

## PRINCIPAL ACTIVITY

During the financial half-year, the principal continuing activity of the consolidated entity consisted of the identification, acquisition, exploration and development of lithium assets in Chile, Argentina and Australia.

## REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$7,313,541 (31 December 2020: \$1,091,781).

## CORPORATE

- In December 2021, LPI raised a total of A\$12.4 million from a share placement of 47.7 million new ordinary shares at a price of \$0.26 per share.
- There was a change in the Board of the consolidated entity, with the resignation of Mr Reccared (Ricky) Fertig as a Non-Executive Director. Mr Fertig's position will not be replaced.

## MARICUNGA JOINT VENTURE – CHILE

- The consolidated entity's main focus during the financial half-year was to continue development of its flagship Maricunga Lithium Brine Project ('the Maricunga') through the Maricunga joint venture ('JV') company, Minera Salar Blanco S.A. (MSB).
- A staged development approach continued for our flagship Maricunga Lithium Project in Chile, with Stage One to fast-track the properties known as "Old Code" concessions.
- A drilling program to 400 metres was completed during the period resulting in a 90% increase to the JORC resource of Lithium Carbonate Equivalent for Stage One of the project.
- Stage One of the project has a nameplate capacity of 15,000 tonnes-per-year of very high purity lithium carbonate over a 20-year mine life. Significant expansion potential exists from subsequent stages.
- A work program involving a comprehensive internal review of the project's technical and economic design was completed. This included an updated Definitive Feasibility Study ('DFS') for the re-sized project, prepared by Worley and GEA Messo in accordance with JORC and NI 42-101 international standards. This updated DFS was released subsequent to the end of the period.

## CENTENARIO - ARGENTINA

The sale of the consolidated entity's 70% interest in Lithium Power Holdings (Argentina) Pty Ltd and its subsidiary Lithium Power S.A. (Argentina) was completed in November 2021.

## WESTERN AUSTRALIA

- Due to COVID conditions, minimal work was carried out on the Western Australian projects during this period, with the planned drilling program in Greenbushes being postponed.
- Alternative fieldwork including a drone magnetic survey was completed along with a comprehensive environmental survey requirements associated with Greenbushes exploration licence approvals.
- In January 2022, the consolidated entity announced the intention to demerge its Western Australia assets into a newly listed vehicle and is currently working through the required regulatory approval process.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 26 August 2021, the consolidated entity issued 47,692,309 ordinary shares at a price of \$0.26 per share to institutional and sophisticated investors. The gross proceeds from the issuance of these securities amounted to \$12,400,000.

On 29 September 2021, the consolidated entity released the results of the drilling program for the Stage One development of the Maricunga lithium brine project. The result of which was a 90% increase from its 2019 JORC resource of 1 million to 1.9 million tonnes of Lithium Carbonate Equivalent ('LCE') for the Stage One (Old Code) mining properties at an average grade of 953 mg/l lithium.

On 24 November 2021, the consolidated entity completed the sale of its 70% interest in Lithium Power Holdings (Argentina) Pty Ltd and its subsidiary Lithium Power S.A. (Argentina) to Vertex Lithium Corporation ('Vertex'), a Canadian based company for total consideration of \$1,242,381.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

On 12 January 2022, the Company announced its intention to demerge its Western Australia ('WA') Greenbushes and Pilgangoora hard rock lithium assets. The Company's WA interests are held by a wholly-owned subsidiary of LPI which will seek to list on the ASX, with LPI shareholders to receive shares in the demerged entity, on a pro-rata basis.

On 20 January 2022, the Company announced the release of the updated Definitive Feasibility Study ('DFS') for stage one of the development of its Maricunga lithium brine project. Highlights of the DFS were:

- US\$1.4B NPV (after tax) at an 8% discount rate;
- An IRR of 39.6% and a 2-year payback period;
- OPEX of US\$3,718 per tonne of LCE produced;
- Annual EBITDA of US\$324M;
- Direct development cost of US\$419M, Indirect cost US\$145M and contingency of US\$62M for a total project CAPEX of US\$626M; and
- 15,200 tonnes of LCE per annum over 20 years.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration follows this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



**David R Hannon**  
Chairman

15 March 2022  
Sydney



Building a better  
working world

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## Auditor's independence declaration to the directors of Lithium Power International Limited

As lead auditor for the review of the half-year financial report of Lithium Power International Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lithium Power International Limited and the entities it controlled during the financial period.

Ernst & Young

Scott Nichols  
Partner  
Sydney  
15 March 2022

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# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2021

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		\$	\$
	Note		
<b>Revenue</b>			
Share of losses of joint ventures accounted for using the equity method		(901,174)	(1,851,237)
Other income	4	351	296,328
Interest revenue calculated using the effective interest method		106	7,046
<b>Expenses</b>			
Employee benefits expense		(644,813)	(849,695)
Occupancy costs		(84,460)	(50,549)
Depreciation and amortisation expense		(9,496)	(4,083)
Legal and professional fees		(180,029)	(120,432)
Travel expense		32,893	(7,311)
Administration expense		(450,437)	(112,779)
Net foreign exchange (losses)/gains	5	(6,165,085)	1,658,310
Other expenses		(88,706)	(999)
Finance costs		(2,092)	(1,827)
<b>Loss before income tax expense from continuing operations</b>		<b>(8,492,942)</b>	<b>(1,037,228)</b>
Income tax expense		-	-
Loss after income tax expense from continuing operations		(8,492,942)	(1,037,228)
Profit/(loss) after income tax expense from discontinued operations	6	1,530,261	(77,933)
<b>Loss after income tax expense for the half-year</b>		<b>(6,962,681)</b>	<b>(1,115,161)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,401,038	159,733
Other comprehensive income for the half-year, net of tax		2,401,038	159,733
<b>Total comprehensive income for the half-year</b>		<b>(4,561,643)</b>	<b>(955,428)</b>
Loss for the half-year is attributable to:			
Non-controlling interest		350,860	(23,380)
Owners of Lithium Power International Limited		(7,313,541)	(1,091,781)
		<b>(6,962,681)</b>	<b>(1,115,161)</b>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		-	-
Discontinued operations		183,026	21,301
Non-controlling interest		183,026	21,301
Continuing operations		(5,532,426)	(1,026,431)
Discontinued operations		787,757	49,702
Owners of Lithium Power International Limited		(4,744,669)	(976,729)
		<b>(4,561,643)</b>	<b>(955,428)</b>
		Cents	Cents
<b>Earnings per share for loss from continuing operations attributable to the owners of Lithium Power International Limited</b>			
Basic earnings per share	18	(2.54)	(0.39)
Diluted earnings per share	18	(2.54)	(0.39)
<b>Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Lithium Power International Limited</b>			
Basic earnings per share	18	0.35	(0.02)
Diluted earnings per share	18	0.35	(0.02)
<b>Earnings per share for loss attributable to the owners of Lithium Power International Limited</b>			
Basic earnings per share	18	(2.19)	(0.41)
Diluted earnings per share	18	(2.19)	(0.41)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Financial Statements

for the half-year ended 31 December 2021

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		<b>CONSOLIDATED</b>	
		<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
		\$	\$
	Note		
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		15,400,912	6,280,656
GST and other receivables		105,152	16,250
Other		201,121	188,424
		<b>15,707,185</b>	<b>6,485,330</b>
Assets of disposal groups classified as held for sale	7	–	316,716
Total current assets		<b>15,707,185</b>	<b>6,802,046</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	8	26,592,162	28,594,937
Property, plant and equipment		136,040	24,180
Exploration and evaluation	9	4,475,281	4,077,209
Total non-current assets		<b>31,203,483</b>	<b>32,696,326</b>
<b>Total assets</b>		<b>46,910,668</b>	<b>39,498,372</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	412,291	322,160
Employee benefits		86,129	82,065
		<b>498,420</b>	<b>404,225</b>
Liabilities directly associated with assets classified as held for sale	11	–	45,119
Total current liabilities		<b>498,420</b>	<b>449,344</b>
<b>Total liabilities</b>		<b>498,420</b>	<b>449,344</b>
<b>Net assets</b>		<b>46,412,248</b>	<b>39,049,028</b>
<b>Equity</b>			
Issued capital	12	89,167,042	77,402,542
Reserves	13	10,423,128	8,977,351
Accumulated losses		(53,177,922)	(47,147,839)
Equity attributable to the owners of Lithium Power International Limited		<b>46,412,248</b>	<b>39,232,054</b>
Non-controlling interest		–	(183,026)
<b>Total equity</b>		<b>46,412,248</b>	<b>39,049,028</b>

The above statement of financial position should be read in conjunction with the accompanying notes.



## STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
<b>Balance at 1 July 2020</b>	69,612,965	7,964,415	(41,033,765)	(187,077)	36,356,538
Loss after income tax expense for the half-year	–	–	(1,091,781)	(23,380)	(1,115,161)
Other comprehensive income for the half-year, net of tax	–	115,052	–	44,681	159,733
Total comprehensive income for the half-year	–	115,052	(1,091,781)	21,301	(955,428)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	7,199,577	–	–	–	7,199,577
Share-based payments	–	544,056	–	–	544,056
<b>Balance at 31 December 2020</b>	<b>76,812,542</b>	<b>8,623,523</b>	<b>(42,125,546)</b>	<b>(165,776)</b>	<b>43,144,743</b>
<b>Balance at 1 July 2021</b>	77,402,542	8,977,351	(47,147,839)	(183,026)	39,049,028
Profit/(loss) after income tax expense for the half-year	–	–	(7,313,541)	350,860	(6,962,681)
Other comprehensive income for the half-year, net of tax	–	2,568,872	–	(167,834)	2,401,038
Total comprehensive income for the half-year	–	2,568,872	(7,313,541)	183,026	(4,561,643)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 12)	11,764,500	–	–	–	11,764,500
Share-based payments	–	160,363	–	–	160,363
Transfer from reserves to accumulated losses on disposal of subsidiary (note 13)	–	(1,283,458)	1,283,458	–	–
<b>Balance at 31 December 2021</b>	<b>89,167,042</b>	<b>10,423,128</b>	<b>(53,177,922)</b>	<b>–</b>	<b>46,412,248</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Financial Statements

for the half-year ended 31 December 2020

## STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

	CONSOLIDATED	
	31 Dec 2021	31 Dec 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of GST)	(1,281,847)	(785,358)
Interest received	17,231	27,927
Interest and other finance costs paid	(9,260)	(11,134)
Income taxes refunded	21	8
Net cash used in operating activities	(1,273,855)	(768,557)
<b>Cash flows from investing activities</b>		
Payments for additional investment in the Maricunga Joint Venture	(2,148,356)	(2,604,418)
Payments for property, plant and equipment	(121,356)	–
Payments for exploration and evaluation	(397,867)	(54,244)
Proceeds from disposal of subsidiary, net of cash disposed	1,235,064	–
Proceeds from disposal of investment in shares	–	458,828
Net cash used in investing activities	(1,432,515)	(2,199,834)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	12,400,000	7,750,000
Share issue transaction costs	(635,500)	(550,423)
Net cash from financing activities	11,764,500	7,199,577
Net increase in cash and cash equivalents	9,058,130	4,231,186
Cash and cash equivalents at the beginning of the financial half-year	6,310,876	7,141,558
Effects of exchange rate changes on cash and cash equivalents	31,906	(280,174)
Cash and cash equivalents at the end of the financial half-year	15,400,912	11,092,570

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

31 December 2021

## NOTE 1. GENERAL INFORMATION

The financial statements cover Lithium Power International Limited as a consolidated entity consisting of Lithium Power International Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (collectively referred to as the 'consolidated entity'). The financial statements are presented in Australian dollars, which is Lithium Power International Limited's functional currency and the consolidated entity's presentation currency.

Lithium Power International Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Level 7, 151 Macquarie Street  
Sydney NSW 2000**

A description of the nature of the consolidated entity's operations and its principal activity are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2022.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

## NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



# Notes to the Financial Statements

31 December 2021

## NOTE 3. OPERATING SEGMENTS

### IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The consolidated entity is organised into one operating segment, being the exploration and evaluation of early stage lithium resources. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the financial statements and therefore not duplicated.

## NOTE 4. OTHER INCOME

	CONSOLIDATED	
	31 Dec 2021	31 Dec 2020
	\$	\$
Net gain on disposal of shares in Carnaby Resources Ltd	–	296,328
Other income	351	–
Other income	351	296,328

### NET GAIN ON DISPOSAL OF SHARES IN CARNABY RESOURCES LTD (31 DECEMBER 2020)

On 15 July 2020, the consolidated entity disposed of its interest in the Strelley tenement (E45/4638) in the north of Western Australia to Carnaby Resources Ltd (ASX: CNB) ('Carnaby') in exchange for 1,250,000 fully paid CNB ordinary shares with a fair value of \$0.13 per share at the date of sale and an entitlement to a 1% Net Smelter Return royalty for any gold produced from the tenement by Carnaby. The consolidated entity will retain all mineral rights for lithium, caesium, tantalum and tin contained within the tenement. No gain or loss was recognised on the disposal of the Strelley tenement. Subsequent to this event, the consolidated entity sold all CNB shares at various dates during the half-year ended 31 December 2020 for a gain of \$296,328.

## NOTE 5. EXPENSES

	CONSOLIDATED	
	31 Dec 2021	31 Dec 2020
	\$	\$
Loss before income tax from continuing operations includes the following specific expenses:		
<b>NET FOREIGN EXCHANGE LOSS/(GAIN)</b>		
Net foreign exchange loss/(gain)	6,165,085	(1,658,310)

The exchange loss (31 December 2020: exchange gain) has primarily arisen on an intercompany loan granted by Lithium Power International Limited, which has an Australian Dollar functional currency, to its wholly owned subsidiary, Lithium Power Inversiones Chile S.p.A, which has a Chilean Peso functional currency. As at 30 December 2021, total funds advanced to Lithium Power Inversiones Chile S.p.A amounted to \$60,867,000 (31 December 2020: \$54,697,000). As at 31 December 2021, when compared to the previous reporting period (30 June 2021), the Chilean Peso weakened by approximately 13% against the Australian dollar, giving rise to an exchange loss. During the comparative period, the Chilean Peso strengthened by approximately 3% against the Australian dollar, giving rise to an exchange gain.

## NOTE 6. DISCONTINUED OPERATIONS

### DISPOSAL OF LITHIUM POWER HOLDINGS (ARGENTINA) PTY LTD

On 14 May 2021, the consolidated entity entered into an agreement to dispose of its 70% interest in Lithium Power Holdings (Argentina) Pty Ltd and its subsidiary Lithium Power S.A. (Argentina) to Vertex Lithium Corporation ('Vertex'), a Canadian based company. Total consideration of \$1,242,381 was received in cash, comprising of the following components:

- (i) Cash payments of USD\$700,000;
- (ii) USD\$40,000 to cover the costs to execute the transaction; and
- (iii) USD\$198,946, which was received in lieu of CAD\$250,000 worth of fully paid ordinary shares in Vertex which the consolidated entity elected to receive in cash, due to the delay of the initial public offering of Vertex on the Toronto Stock Exchange.



On 24 November 2021, the transaction was completed and control of Lithium Power Holdings (Argentina) Pty Ltd and its subsidiary Lithium Power S.A. (Argentina) was transferred to Vertex.

## FINANCIAL PERFORMANCE INFORMATION

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
Interest revenue calculated using the effective interest method	17,125	20,881
Legal and professional fees	(8,442)	(26,227)
Administration expenses	(1,810)	(3,688)
Net foreign exchange losses	(326,141)	(59,196)
Other expenses	(529)	(396)
Finance costs	(7,168)	(9,307)
<b>Total expenses</b>	<b>(344,090)</b>	<b>(98,814)</b>
Loss before income tax expense	(326,965)	(77,933)
Income tax expense	-	-
<b>Loss after income tax expense</b>	<b>(326,965)</b>	<b>(77,933)</b>
Gain on disposal before income tax	1,857,226	-
Income tax expense	-	-
<b>Gain on disposal after income tax expense</b>	<b>1,857,226</b>	<b>-</b>
<b>Profit/(loss) after income tax expense from discontinued operations</b>	<b>1,530,261</b>	<b>(77,933)</b>

## CARRYING AMOUNTS OF ASSETS AND LIABILITIES DISPOSED

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
Cash and cash equivalents	7,317	-
Trade and other receivables	60,146	-
Intangibles	94,297	-
<b>Total assets</b>	<b>161,760</b>	<b>-</b>
Trade and other payables	9,912	-
<b>Total liabilities</b>	<b>9,912</b>	<b>-</b>
<b>Net assets</b>	<b>151,848</b>	<b>-</b>

# Notes to the Financial Statements

31 December 2021

## NOTE 6. DISCONTINUED OPERATIONS (CONTINUED)

### DETAILS OF THE DISPOSAL

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
Total sale consideration	1,242,381	–
Carrying amount of net assets disposed	(151,848)	–
Derecognition of foreign currency reserve	598,859	–
Derecognition of non-controlling interest	167,834	–
Gain on disposal before income tax	1,857,226	–
Gain on disposal after income tax	1,857,226	–

## NOTE 7. CURRENT ASSETS - ASSETS OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
Cash and cash equivalents	–	30,220
Other receivables	–	50,114
Income tax receivable	–	21
Other current assets	–	141,859
Exploration and evaluation	–	94,502
	–	316,716

Refer to note 6 for details of disposal groups classified as held for sale.

## NOTE 8. NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
Investment	26,592,162	28,594,937

### RECONCILIATION:

Reconciliation of the carrying amounts at the beginning and end of the financial period are set out below:

	\$
Opening carrying amount at 1 July 2021	28,594,937
Share of loss after tax	(901,174)
Additional investment	2,148,356
Foreign exchange difference	(3,249,957)
Closing carrying amount at 31 December 2021	26,592,162

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The consolidated entity, through the Company's subsidiary entity Lithium Power Inversiones Chile S.p.A ('LPI Chile'), has a 51.55% (30 June 2021: 51.43%) interest in the Maricunga Lithium Brine Project in Chile (the Maricunga Joint Venture ('JV')). The JV is constituted by the JV Shareholder Agreement of the Joint Venture Company, Minera Salar Blanco S.A. ('MSB'). The consolidated entity's interest in MSB is deemed to be a joint venture pursuant to accounting standards as the appointment of MSB's directors and the allocation of voting rights for key business decisions requires the unanimous approval of its venturers.

The funds contributed by the consolidated entity to date (US\$38 million) have been used by MSB to acquire additional tenements and to fund the exploration and development of the Maricunga Lithium Brine Project including an initial Definitive Feasibility Study, issued during January 2019, the finalising of the Environmental Impact Assessment, approved February 2020, and additional deep drilling program for Stage One, of the staged development of the project, resulting in a 90% increase in JORC resource, released in September 2021 and the release of an updated Definitive Feasibility Study, released January 2022.

During the financial half-year ended 31 December 2021, the MSB JV partners, LPI Chile, Minera Blanco and Bearing Lithium Inc, contributed to a capital call on a pro rata basis. The consolidated entity's pro rata share of this capital call was US\$1.60m (AUD\$2.15m) in total, paid on 15 July 2021.

Key milestones have been achieved by MSB which are detailed in the Review of Operations.

## NOTE 9. NON-CURRENT ASSETS - EXPLORATION AND EVALUATION

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
Exploration and evaluation expenditures – at cost	4,475,281	4,077,209

Capitalised exploration and evaluation expenditures are comprised of the costs incurred to acquire the consolidated entity's lithium tenements in Western Australia and exploration and evaluation activities incurred to date.

## NOTE 10. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	\$	\$
Trade payables	342,800	191,680
Accrued expenses	69,491	96,622
GST payable	–	20,212
Other payables	–	13,646
	<b>412,291</b>	<b>322,160</b>

## NOTE 11. CURRENT LIABILITIES - LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2020</b>	<b>30 Jun 2021</b>
	\$	\$
Trade payables	–	3,903
Accrued expenses	–	41,216
	–	45,119

Refer to note 6 for details of disposal groups classified as held for sale.

# Notes to the Financial Statements

31 December 2021

## NOTE 12. EQUITY – ISSUED CAPITAL

	CONSOLIDATED			
	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares – fully paid	348,769,848	301,077,539	89,167,042	77,402,542

### MOVEMENTS IN ORDINARY SHARE CAPITAL

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	301,077,539		77,402,542
Issue of shares	26 August 2021	47,692,309	\$0.26	12,400,000
Less issue costs net of taxation				(635,500)
<b>Balance</b>	<b>31 December 2021</b>	<b>348,769,848</b>		<b>89,167,042</b>

### ORDINARY SHARES

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## NOTE 13. EQUITY – RESERVES

	CONSOLIDATED	
	31 Dec 2021 \$	30 Jun 2021 \$
Foreign currency reserve	3,362,413	793,541
Share-based payments reserve	3,862,162	3,701,799
Options reserve	3,198,553	3,198,553
Other reserve	–	1,283,458
	<b>10,423,128</b>	<b>8,977,351</b>

### FOREIGN CURRENCY RESERVE

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### SHARE-BASED PAYMENTS RESERVE

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### OPTIONS RESERVE

The reserve is used to recognise the value of equity benefits provided to shareholders who receive a one for one attaching option for each share acquired in the Company.

### OTHER RESERVE

This reserve is used to recognise the difference between the fair value of consideration received and the fair value of the net assets and foreign currency translation reserve transferred to non-controlling interests.



## MOVEMENTS IN RESERVES

Movements in each class of reserve during the current financial half-year are set out below:

<b>CONSOLIDATED</b>	<b>Foreign currency</b> \$	<b>Share-based payments</b> \$	<b>Options</b> \$	<b>Other</b> \$	<b>Total</b>
Balance at 1 July 2021	793,541	3,701,799	3,198,553	1,283,458	<b>8,977,351</b>
Foreign currency translation	3,167,731	–	–	–	<b>3,167,731</b>
Derecognition of foreign currency reserve on disposal of subsidiary	(598,859)	–	–	–	<b>(598,859)</b>
Share-based payments	–	160,363	–	–	<b>160,363</b>
Transfer to accumulated losses on disposal of subsidiary with non-controlling interests	–	–	–	(1,283,458)	<b>(1,283,458)</b>
Balance at 31 December 2021	3,362,413	3,862,162	3,198,553	–	<b>10,423,128</b>

### NOTE 14. EQUITY - DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### NOTE 15. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

### NOTE 16. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2021 and 30 June 2021.

### NOTE 17. RELATED PARTY TRANSACTIONS

#### PARENT ENTITY

Lithium Power International Limited is the parent entity.

#### TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b> \$	<b>31 Dec 2020</b> \$
Payment for goods and services:		
Rental expense paid to director related entity	<b>84,000</b>	45,000

#### RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

#### LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date.

#### TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions and at market rates.

# Notes to the Financial Statements

31 December 2021

## NOTE 18. EARNINGS PER SHARE

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
<b>EARNINGS PER SHARE FOR LOSS FROM CONTINUING OPERATIONS</b>		
Loss after income tax attributable to the owners of Lithium Power International Limited	<b>(8,492,942)</b>	(1,037,228)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>334,254,797</b>	266,070,969
Weighted average number of ordinary shares used in calculating diluted earnings per share	<b>334,254,797</b>	266,070,969
	Cents	Cents
Basic earnings per share	<b>(2.54)</b>	(0.39)
Diluted earnings per share	<b>(2.54)</b>	(0.39)

750,000 (31 December 2020: 37,256,668) options and 12,500,000 (31 December 2020: 12,500,000) share appreciation rights on issue have been excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share for loss from continuing operations as they are considered anti-dilutive.

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
<b>EARNINGS PER SHARE FOR PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>		
Profit/(loss) after income tax	<b>1,530,261</b>	(77,933)
Non-controlling interest	<b>(350,860)</b>	23,380
Profit/(loss) after income tax attributable to the owners of Lithium Power International Limited	<b>1,179,401</b>	(54,553)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>334,254,797</b>	266,070,969
Adjustments for calculation of diluted earnings per share:		
Share appreciation rights over ordinary shares	<b>109,601</b>	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	<b>334,364,398</b>	266,070,969

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	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	Cents	Cents
Basic earnings per share	0.35	(0.02)
Diluted earnings per share	0.35	(0.02)

	<b>CONSOLIDATED</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	\$	\$
<b>EARNINGS PER SHARE FOR LOSS</b>		
Loss after income tax	<b>(6,962,681)</b>	(1,115,161)
Non-controlling interest	<b>(350,860)</b>	23,380
Loss after income tax attributable to the owners of Lithium Power International Limited	<b>(7,313,541)</b>	(1,091,781)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<b>334,254,797</b>	266,070,969
Weighted average number of ordinary shares used in calculating diluted earnings per share	<b>334,254,797</b>	266,070,969

  

	Cents	Cents
Basic earnings per share	<b>(2.19)</b>	(0.41)
Diluted earnings per share	<b>(2.19)</b>	(0.41)

750,000 (31 December 2020: 37,256,668) options and 12,500,000 (31 December 2020: 12,500,000) share appreciation rights on issue have been excluded from the weighted average number of ordinary shares used in calculating diluted earnings per share for loss as they are considered anti-dilutive.

## **NOTE 19. EVENTS AFTER THE REPORTING PERIOD**

On 12 January 2022, the Company announced its intention to demerge its Western Australia ('WA') Greenbushes and Pilgangoora hard rock lithium assets. The Company's WA interests are held by a wholly owned subsidiary of LPI which will seek to list on the ASX, with LPI shareholders to receive shares in the demerged entity, on a pro rata basis.

On 20 January 2022, the Company announced the release of the updated Definitive Feasibility Study ('DFS') for stage one of the development of its Maricunga lithium brine project. Highlights of the DFS were:

- US\$1.4B NPV (after tax) at an 8% discount rate;
- An IRR of 39.6% and a 2-year payback period;
- OPEX of US\$3,718 per tonne of LCE produced;
- Annual EBITDA of US\$324M;
- Direct development cost of US\$419M, Indirect cost US\$145M and contingency of US\$62M for a total project CAPEX of US\$626M; and
- 15,200 tonnes of LCE per annum over 20 years.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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# Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**David R Hannon**  
*Chairman*  
15 March 2022  
Sydney







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## Independent auditor's review report to the members of Lithium Power International Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Lithium Power International Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.





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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Scott Nichols  
Partner  
Sydney  
15 March 2022



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