

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

**Appendix 3B**

New issue announcement,  
application for quotation of additional securities  
and agreement

*Information or documents not available now must be given to ASX as soon as available.  
Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00,  
30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Lithium Australia NL

ABN

29 126 129 413

We (the entity) give ASX the following information.

**Part 1 - All issues**

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | (i) Fully paid ordinary shares (Shares)<br>(ii) Quoted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (i) Up to 108,174,643<br>(ii) Up to 54,087,322   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) Fully paid ordinary shares<br>(ii) Quoted options exercisable at \$0.12 per option and expiring on the second anniversary of their issue date. (Options) |

+ See chapter 19 for defined terms.

<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(i) Shares - Yes (ii) Options - No, however upon exercise each share issued will rank equally with existing Shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.06 per Share issued (with one free attaching Option for every 2 Shares issued)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pursuant to the Company's renounceable entitlement issue prospectus dated 11 June 2019, funds will be used as follows:</p> <ul style="list-style-type: none"> <li>-Lithium raw materials including exploration on Youanmi (drilling) and Medcalf (soil sampling);</li> <li>- Lithium chemicals including development of SiLeach<sup>®</sup>, LieNA<sup>®</sup>, L-Max<sup>®</sup> and phosphate technologies;</li> <li>- Lithium batteries including VSPC pilot plant operations and DLG alliance;</li> <li>- Lithium recycling including the Envirostream transaction;</li> <li>- working capital and the costs of the offer.</li> </ul>
<p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>

<sup>+</sup> See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	30 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	(i) Up to 108,174,643 Shares (ii) Up to 54,087,322 Options
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 68,309,949 TBC Rule 7.1A – 34,146,995 TBC

+ See chapter 19 for defined terms.

7	<p>+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	4 July 2019	
8	<p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	Number	+Class
		Up to 587,305,584	Fully paid ordinary shares
		169,916,918	Partly paid contributing shares paid to \$0.0001 each (\$0.2499 unpaid)
		Up to 54,087,322	Quoted options exercisable at \$0.12 per option and expiring on the second anniversary of their issue date.

---

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,316,666	\$0.15 options exercisable on or before 1 July 2019
	7,875,000	\$0.20 options exercisable on or before 1 July 2019
	9,200,000	\$0.30 options exercisable on or before 1 July 2019
	10,340,000	Performance rights as approved by shareholders on 15 July 2015
	13,625,000	Performance rights as approved by shareholders on 30 November 2016
	8,484,849	\$0.1938 options exercisable on or before 1 May 2021
	15,167,602	\$0.1756 options exercisable on or before 23 May 2021
	12,000,000	Performance rights as approved by shareholders on at the Company's General Meeting on 30 April 2018
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

**Part 2 - Pro rata issue**

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Renounceable
13 Ratio in which the +securities will be offered	1:6 (with one free attaching Option for every 2 Shares subscribed for and issued)
14 +Class of +securities to which the offer relates	(i) Shares (ii) Options (with entitlement being issued pro rata for existing Shares and partly paid contributing shares)

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	14 June 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded down
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	28 June 2019
20	Names of any underwriters	CPS Capital Group Pty Ltd
21	Amount of any underwriting fee or commission	Underwriting fee of 5% of the underwritten amount (\$1.5m underwritten). Placement fee of 5% of any shortfall securities placed beyond the underwritten amount
22	Names of any brokers to the issue	CPS Capital Group Pty Ltd is the lead manager to the issue.
23	Fee or commission payable to the broker to the issue	Lead manager fee of \$60,000. A management fee of 1% of the total amount raised under the Offer. 9,000,000 Options
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	17 June 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	11 June 2019
28	Date rights trading will begin (if applicable)	13 June 2019
29	Date rights trading will end (if applicable)	21 June 2019
30	How do security holders sell their entitlements <i>in full</i> through a broker?	The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights (including partly paid shareholders) to subscribe for Shares under the Offer may be traded on ASX. If Shareholders wish to sell all of their entitlement on ASX, they must provide instructions to their Stockbroker regarding the Entitlement they wish to sell on ASX. There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	If shareholders and/or partly paid shareholders wish to take up only part of their Entitlement, they must complete their personalized Entitlement and Acceptance Form for the number of Shares they wish to take up and subsequently, provide instructions to their stockbroker regarding the proportion of the Entitlement you may wish to sell.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Shareholders may elect to transfer all or a proportion of their Entitlement to another person other than on ASX. If the purchaser of the Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to

+ See chapter 19 for defined terms.

take up the Entitlement they have purchased. If a Shareholder is on the issuer sponsored subregister and they wish to transfer all or a proportion of their Entitlement to another person other than on ASX, they must forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to the account name set out in the Entitlement and Acceptance Form and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) in accordance with the details set out in the Entitlement and Acceptance Form. If a Shareholder wishes to transfer all or a proportion of their Entitlement to or from another person on the CHES subregister they must engage your CHES controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, the Shareholder should follow their stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with the terms of the offer.

33 +Issue date

4 July 2019

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1 - (i) and (ii)

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

---

+ See chapter 19 for defined terms.



**Entities that have ticked box 34(a)**

*Additional securities forming a new class of securities*

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought

---

+ See chapter 19 for defined terms.

40 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?

If the additional <sup>+</sup>securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another <sup>+</sup>security, clearly identify that other <sup>+</sup>security)

42 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the <sup>+</sup>securities in clause 38)

Number	<sup>+</sup> Class

<sup>+</sup> See chapter 19 for defined terms.

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: "Barry Woodhouse" Date: 11 June 2019  
Company Secretary

Print name: Barry Woodhouse

---

+ See chapter 19 for defined terms.

**Appendix 3B – Annexure 1**

**Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities**

Introduced 01/08/12 Amended 04/03/13

Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	421,134,909
<b><i>Add</i></b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<div style="margin-bottom: 10px;">2,711,467</div> <div style="margin-bottom: 10px;">42,623,572</div>
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	466,469,948

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of "A"</b>	
<b>"B"</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply "A" by 0.15</b>	69,970,492
<b>Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	1,660,993 9,000,000 Options (exercise price \$0.12 and expiring 2 years from issue)
<b>"C"</b>	10,660,993
<b>Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1</b>	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	69, 970,492
<p><b>Subtract "C"</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	10, 660,993
<b>Total ["A" x 0.15] – "C"</b>	59,309,949

+ See chapter 19 for defined terms.

Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	466,469,948
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>  <i>Note: this value cannot be changed</i>	0.10
<b>Multiply “A” by 0.10</b>	46,646,995
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of <sup>+</sup> equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <i>Notes:</i> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	12,500,000
<b>“E”</b>	12,500,000

+ See chapter 19 for defined terms.

<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
<b>"A" x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	46,646,995
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	12,500,000
<b>Total ["A" x 0.10] – "E"</b>	34,146,995 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.