

11 June 2019



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RIGHTS ISSUE TO RAISE UP TO \$6.5 MILLION

- **1 for 6 renounceable rights issue to raise up to \$6.5 million**
- **Partially underwritten to \$1.5 million**
- **Attractively priced at 6 cents per share**
- **Discount of 28% to the 5-day VWAP**
- **For every 2 new shares, shareholders will receive one new option**
- **New options will be listed, have exercise price of 12 cents and expire in 2 years**
- **Shareholders can trade their rights and apply for additional shares from the shortfall**
- **Rights to commence trading from 13 June 2019**
- **Directors intend to participate**

Lithium Australia NL (ASX:LIT, LITCE) (“Company”) is pleased to announce a renounceable rights issue offered on a 1 for 6 basis at \$0.06 per share to raise up to \$6.5 million (“Rights Issue”) with one attaching listed option (exercise price of \$0.12 and expiring 2 years) for every two new shares subscribed for under the Rights Issue.

The Rights Issue is offered to holders of the Company’s fully and, by reason of their terms, partly paid shares on 14 June 2019 (“Record Date”) with an Australian address (“Eligible Shareholders”), and is partially underwritten to \$1.5 million by CPS Capital Group Pty Ltd. Eligible shareholders can apply for shortfall in excess of their entitlement.

Funds raised will be used:

- Lithium raw materials including exploration on Youanmi & Medcalf
- Lithium chemicals including development of SiLeach® LieNA® and L-Max®
- Lithium batteries including VSPC pilot plant operations and DLG alliance
- Lithium battery re-cycling including Envirostream transaction
- Costs of the Rights Issue and working capital

The Rights Issue provides Eligible Shareholders an opportunity to take up new shares proportional to their shareholding or partly paid shareholding and avoid dilution.



The indicative timetable for the Rights Issue is as follows:

Ex date – Shares trade ex Entitlement (Ex Date) Rights trading commences on deferred settlement basis	13 June 2019
Record date to determine Entitlement (Record Date)	14 June 2019
Prospectus with Entitlement and Acceptance Form dispatched Offer opens for receipt of Applications	17 June 2019
Rights trading ends	21 June 2019
Closing date for acceptances	28 June 2019
Notify ASX of under-subscriptions	2 July 2019
Issue of New Shares Dispatch of shareholding statements	4 July 2019
Normal trading of New Shares expected to commence	5 July 2019

*The above timetable is indicative and may change, subject to the Corporations Act and Listing Rules.

A prospectus for the offer and a personalised entitlement and acceptance form will be sent to eligible holders of fully or partly paid shares in accordance with the above timetable. Shareholders should consider the prospectus in deciding whether to acquire the securities. Anybody wanting to acquire securities will need to complete the application form that will be in or will accompany the prospectus.

An Appendix 3B for the Rights Issue accompanies this announcement.

The Company has, in part consideration for partially underwriting the Rights Issue, agreed to issue 9 million options, with an exercise price of \$0.12 and expiring 2 years from issue) to CPS Capital Group or its nominees. The issue is made without shareholder approval and using the Company's existing 15% capability under Listing Rule 7.1

We request that the trading halt be lifted.

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About Lithium Australia NL

Lithium Australia aspires to 'close the loop' on the energy-metal cycle in an ethical and sustainable manner. To that end, it has amassed a portfolio of projects and alliances and developed innovative extraction processes to convert *all* lithium silicates (including mine waste) to lithium chemicals. From these chemicals, the Company plans to produce advanced components for the lithium-ion battery industry. The final step for Lithium Australia involves the recycling of spent batteries and e-waste. By uniting resources and the best available technology, the Company aims to establish a vertically integrated lithium processing business.

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