

ASX ANNOUNCEMENT



9 September 2020

Lithium Australia share purchase plan raises \$4.5 million

HIGHLIGHTS

- **Share Purchase Plan raises \$4.5 million.**
- **Envirostream Australia Pty Ltd ('Envirostream') business plan accelerated.**
- **Outstanding balance on convertible note from the Lind Macro Fund LP ('Lind') to be repaid.**

ACN: 126 129 413
ASX: LIT

Level 1
675 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

Phone +61 (0) 8 6145 0288
Fax +61 (0) 8 9475 0847

info@lithium-au.com
lithium-au.com

SPP raises more than double the initial \$2 million target

Lithium Australia NL (ASX: LIT, 'the Company') is pleased to advise that its Share Purchase Plan ('SPP'), launched on 12 August 2020, closed on 7 September 2020 with applications for \$4.5 million. An Appendix 2A will follow this announcement.

Use of funds

As advised for the SPP launch, monies raised will be used to:

- commercialise the battery recycling business of Company subsidiary Envirostream;
- facilitate Envirostream's marketing and its battery collection network;
- cover the marketing costs of Company subsidiary Soluna Australia Pty Ltd, which sells renewable-energy battery storage systems, and
- provide the Company with additional working capital.

Pay-down of convertible note

The board considers existing shareholders will benefit from the pay-down of the current Lind convertible note, to be effected by the issue of a buy-back notice. The funds required will be covered by contributions in excess of the initial \$2 million target. The Company is very appreciative of the support provided to it by Jeff Easton and his team at Lind. The final amount to be repaid will depend upon the terms and conditions of the convertible note, which include certain rights accruing to the noteholder when a buyback notice is received.

Comment from Lithium Australia MD Adrian Griffin

"We are very pleased that our shareholders backed the Company's vision of sustainability in the energy metals space. The additional funds raised will allow all debt to be retired, improving the Company's balance sheet and accelerating the expansion of Envirostream, our battery recycling subsidiary. This comes on the back of the Australian Consumer and Competition Commission approving a national battery stewardship scheme to encourage battery recycling, which will provide greater opportunities for Envirostream."

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Authorised for release by the Board.

Adrian Griffin

Managing Director

Mobile +61 (0) 418 927 658

Adrian.Griffin@lithium-au.com

Barry Woodhouse

CFO and Company Secretary

Mobile +61 (0) 438 674 259

Barry.Woodhouse@lithium-au.com

About Lithium Australia NL

Lithium Australia aims to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy. The recycling of old lithium-ion batteries to new is intrinsic to this plan. While rationalising its portfolio of lithium projects/alliances, the Company continues with R&D on its proprietary extraction processes for the conversion of *all* lithium silicates (including mine waste), and of unused fines from spodumene processing, to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling.

Media contacts

Adrian Griffin, Lithium Australia NL

08 6145 0288 | +61 (0) 418 927 658

Kevin Skinner, Field Public Relations

08 8234 9555 | +61 (0) 414 822 631

