
LITHIUM AUSTRALIA NL

ABN 29 126 129 413

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2pm WST

DATE: 30 November 2017

PLACE: Level 1
675 Murray Street
West Perth WA 6005

This Notice of Annual General Meeting and accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary, Mr Barry Woodhouse on (08) 6145 0288.

TIME AND PLACE OF MEETING AND HOW TO VOTE

TIME AND PLACE

The Annual General Meeting will be held at **2pm WST on 30 November 2017** at Level 1, 675 Murray Street, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

ATTENDANCE AND VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10am WST on 28 November 2017.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING ONLINE

To vote online, go to www.advancedshare.com.au (and you will need your SRN or HIN to log in).

VOTING BY PROXY

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the Meeting in person or casting a direct vote.

A proxy need not be a Shareholder and may be an individual or a company. If you are entitled to cast two or more votes at the Meeting, you may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

To vote by proxy, please vote online or complete and sign the enclosed Proxy Form in accordance with the instructions set out on the form and either send the Proxy Form:

- i. by voting online at www.advancedshare.com.au;
- ii. by delivering it in person to Advanced Share Registry Limited, 110 Stirling Highway, Nedlands WA 6009;
- iii. by post, to Advanced Share Registry Limited, PO Box 1156, Nedlands WA 6909;
- iv. by facsimile to the Company's Share Registry on +61 8 9262 3723; or
- v. by email to admin@advancedshare.com.au in pdf form.

so that your vote is received not later than **2pm WST on 28 November 2017**.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Lithium Australia NL will be held at Level 1, 675 Murray Street, West Perth WA 6005 at 2pm WST on 30 November 2017.

The Explanatory Memorandum provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

AGENDA

Reports and Accounts

To receive and consider the 2017 Annual Report, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report thereon.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Remuneration Report for the financial year ended 30 June 2017.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above (the “voter”) may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRYAN DIXON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Bryan Dixon, being a Director who retires by rotation in accordance with the Constitution and, being willing and eligible for re-election, is hereby re-elected as a Director.”

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the number of Shares on issue (at the time of the issue) over a 12 month period, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the proposed issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL OF ISSUE OF 61,151,326 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 61,151,326 Shares to the persons and on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed and any associate of those persons. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL OF ISSUE OF 30,575,663 LITCE PARTLY PAID SHARES

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 30,575,663 LITCE Partly Paid Shares to the persons and on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed and any associate of those persons. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the

proxy form or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to that number of Shares, when multiplied by the issue price, to a value of \$5,000,000 at a price that is at least 90% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made; to the persons and otherwise on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed and any associate of those persons. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF 163,221 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 163,221 Shares to S3 Consortium Pty Ltd on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by S3 Consortium Pty Ltd and its associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF 468,750 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 468,750 Shares to Alix Resources Corp on the terms and conditions and in the manner set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Alix Resources Corp and its associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF 1,723,806 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 1,723,806 Shares to Tin International AG on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Tin International AG and its associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF 10,000,000 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 10,000,000 Shares to Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Acuity Capital Management Pty Ltd or its nominee and any associates of that entity. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF 946,507 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 946,507 Shares to the persons and on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who participated in the issue of securities. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF 5,000,000 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 5,000,000 Shares to Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Acuity Capital Investment Management Pty Ltd or its nominee and any associates of that entity. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF 10,000,000 SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 10,000,000 Shares to the persons on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who participated in the issue of securities. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 20 October 2017
BY ORDER OF THE BOARD

Barry Woodhouse
COMPANY SECRETARY
LITHIUM AUSTRALIA NL

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding how to vote on the Resolutions. The Directors recommend that Shareholders read this Explanatory Memorandum in full, together with the accompanying Notice.

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the 2017 Annual Report together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report thereon.

The Company will not provide a hard copy of 2017 Annual Report to Shareholders unless specifically requested to do so. The 2017 Annual Report is available on the Company's website at www.lithium-au.com .

1. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

1.1 General

The Corporations Act requires a resolution that the remuneration report be adopted and be put to the shareholders at a listed company's annual general meeting. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the 2017 Annual Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF BRYAN DIXON

Rule 73.1 of the Constitution requires that at every annual general meeting of the Company, one third of Directors, or if their number is not three or a multiple of three, then the nearest to but not more than one third, must retire from office and if eligible seek re-election in accordance with the Constitution.

A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Bryan Dixon retires and seeks re-election in accordance with ASX Listing Rule 14.4 and rule 73.1 of the Constitution. Details regarding Bryan Dixon are set out in the 2017 Annual Report.

The Directors, other than Bryan Dixon, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a **special resolution**. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$50m (as at 19 October 2017).

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: LIT) and Partly Paid Shares (ASX Code: LITCE).

Formula for calculating Additional 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(a x d) – e

Where:

a is the number of shares on issue 12 months before the date of issue or agreement:

- (a) *plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;*
- (b) *plus the number of partly paid shares that became fully paid in the 12 months;*
- (c) *plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% annual placement capacity without shareholder approval;*
- (d) *less the number of fully paid shares cancelled in the 12 months.*

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% annual placement capacity.

d is 10%.

e is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

3.3 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price at which Equity Securities may be issued**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid.

(c) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (variable "A" in ASX Listing Rule 7.1A.2) | Dilution | | | |
|---|--|---|---|---|
| | Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue) | Funds raised based on issue price of \$0.08 (50% decrease in current issue price) | Funds raised based on issue price of \$0.16 (Current issue price) | Funds raised based on issue price of \$0.24 (50% increase in current issue price) |
| 313,570,538 (Current) | 31,357,053 | \$2,508,564 | \$5,017,129 | \$7,525,693 |
| 470,355,800 (50% increase)* | 47,035,580 | \$3,762,846 | \$7,525,693 | \$11,288,539 |
| 627,141,066 (100% increase)* | 62,714,107 | \$5,017,129 | \$10,034,257 | \$15,051,386 |

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are as at the date of this Notice.
2. The issue price set out above is based on 75% of the 15 day weighted average volume using the closing price of the Shares on the ASX on 19 October 2017 (\$0.17).
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for:
 - (A) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition); and

- (B) continued exploration expenditure on the Company's exploration projects including the Greenbushes Project, the Electra Project, the Gascoyne Project, the Bynoe Project and the Far North Queensland Project; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy for issues under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company obtained approval under ASX Listing Rule 7.1A at its previous annual general meeting on 30 November 2016. In accordance with Listing Rule 7.3A.6, since 30 November 2016, the Company has issued 74,670,154 Equity Securities (58,420,160 Shares) which represents 23.81% of the total number of Equity Securities on issue on 19 October 2017. The Equity Securities issued during this time were as follows:

| Issue date | Equity Securities | Persons issued to or basis of issue | Price amount raised and use of funds or value of non-cash consideration |
|-----------------|-------------------------------|---|---|
| 1 December 2016 | 185,677 Shares | Shares issued to holders of \$0.25 Partly Paid Shares upon those Partly Paid Shares becoming fully paid | Funds of \$46,401 were raised from the \$0.25 Partly Paid Shares becoming fully paid and were used for general working capital purposes. |
| 1 December 2016 | 1,000,000 Shares | Issued to Managing Director on service hurdle reached | The Shares were issued at a deemed value of \$0.08 as approved by Shareholders in general meeting. No funds were raised. The current value is \$0.17 per share. |
| 2 December 2016 | 15,000,000 Performance Rights | Issued to Directors, Senior Managers and | The Performance Rights were issued at a deemed value of \$0.1545 per Performance |

| | | | |
|------------------|------------------------------|--|---|
| | | Employees to provide incentive | Right and a current value of \$0.02 per Performance Right. |
| 23 December 2016 | 1,250,000 Performance Rights | Issued to Employee to provide incentive | The Performance Rights were issued at a deemed value of \$0.135 per Performance Right and a current value of \$0.0017 per Performance Right. |
| 20 January 2017 | 1,496,774 Shares | Directors & Senior Management | The Shares were issued at an average of \$0.1717 as per Director & Senior Management Fee & Remuneration Sacrifice Share Plan. The current value is \$0.17 per share. |
| 28 April 2017 | 24,137,497 Shares | Shares issued pursuant to Bidder's Statement in relation to the offer to acquire all ordinary shares in Lepidico Ltd | The Shares were issued at a deemed value of \$0.16 pursuant to Bidder's Statement in relation to the offer to acquire all ordinary shares in Lepidico Ltd. The current value is \$0.17 per share. |
| 28 April 2017 | 163,221 Shares | Shares issued to service provider for services rendered | No funds were raised from the issue of fully paid shares but the issue satisfied an invoice totalling \$30,000 at a value of \$0.1838 per share. The current value is \$0.17 per share. |
| 28 April 2017 | 468,750 Shares | Issue of Shares to Alix Resources Corporation as part consideration for the Electra Project | Shares issued at \$0.13 to as part consideration for the Electra Project. The current value is \$0.17 per share. |
| 25 May 2017 | 1,723,806 Shares | Issue of Shares to Tin International AG as part consideration for the Sadisdorf Project | The Shares were issued for \$0.1240 as part consideration for the Sadisdorf Project. The current value is \$0.17 per share. |
| 29 May 2017 | 85,197 Shares | Shares issued pursuant to Bidder's Statement in relation to the offer to acquire all ordinary shares in Lepidico Ltd | The Shares were issued at a deemed value of \$0.16 pursuant to Bidder's Statement in relation to the offer to acquire all ordinary shares in Lepidico Ltd. The current value is \$0.17 per share. |
| 29 June 2017 | 46,032 Shares | Shares issued pursuant to Bidder's Statement in relation to the offer to acquire all ordinary shares in Lepidico Ltd | The Shares were issued at a deemed value of \$0.16 pursuant to Bidder's Statement in relation to the offer to acquire all ordinary shares in Lepidico Ltd. The current value is \$0.17 per share. |
| 28 July 2017 | 2,473,901 Shares | Directors & Senior Management | The Shares were issued at an average of \$0.1240 as per Director & Senior Management Fee & Remuneration Sacrifice Share Plan. The current value is \$0.17 per share. |
| 28 July 2017 | 10,000,000 Shares | Collateral Shares | The Shares were issued for nil consideration as collateral for the Controlled Placement Agreement. The current value is \$0.17 per share. |
| 16 October 2017 | 692,792 Shares | Directors & Senior Management | The Shares were issued at an average of \$0.1239 as per Director & Senior Management Fee & Remuneration Sacrifice Share Plan. The current value is \$0.17 per share. |
| 16 October 2017 | 946,507 Shares | Shares issued to service provider for services rendered | No funds were raised from the issue of fully paid shares but the issue satisfied invoices totalling \$120,025 at a value of \$0.1269 per share. The current value is \$0.17 per share. |

| | | | | |
|------------|---------|-------------------|-------------------|--|
| 16 2017 | October | 5,000,000 Shares | Collateral Shares | The Shares were issued for nil consideration as collateral for the Controlled Placement Agreement. The current value is \$0.17 per share. |
| 16 2017 | October | 10,000,000 Shares | Private Investors | The Shares were issued for \$0.14. No funds from this placement have yet to be spent however funds will be used by the Company primarily for project development expenditure and general working capital purposes. |

Item 1 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

The Company did utilise the 10% Placement Capacity during the prior year.

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

4. RESOLUTION 4 – APPROVAL FOR ISSUE OF SHARES FOR ACQUISITION OF VSPC

4.1 Background

On 31 August 2017, the Company announced that it proposed to acquire a minimum of 75% of the shares in the Very Small Particle Company Ltd (**VSPC**), subject to due diligence and any required regulatory approvals for consideration of up to 61,151,326 Shares and up to 30,575,663 LITC Partly Paid Shares. This acquisition remains subject to due diligence, Board approval and binding legal documents being entered into by the Company.

Resolution 4 seeks Shareholder approval for the issue and allotment of up to 61,151,326 Shares for the purpose of completing the acquisition of VSPC (**Acquisition**).

The effect of Resolution 4 will be to allow the Directors to issue the Shares pursuant to the Acquisition during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

4.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4 to allow Shareholders to assess the proposed Placement for the future issue of up to 61,151,326 Shares:

- (a) *The maximum number of securities the entity is to issue (if known) or the formula for calculating the number of securities the entity is to issue*
- Up to 61,151,326 Shares.
- (b) *The date by which the entity will issue the securities.*
- The Shares will be issued by no later than 3 months after the date of this Meeting (or such later date as may be approved by ASX).
- (c) *The issue price of the securities*
- Nil, as the Shares are being issued as consideration for the acquisition of shares in VSPC.
- (d) *The names of the persons to whom the entity will issue the securities (if known) or the basis upon which those persons will be identified or selected*
- The allottees in respect of Resolution 4 are identified as VSPC shareholders as at the date that the transaction is completed, and will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. The allottees will not be related parties of the Company or their associates.
- (e) *The terms of the securities*
- The Shares to be issued will rank pari passu with the existing fully paid ordinary Shares of the Company.
- (f) *The intended use of the funds raised*
- No funds will be raised by the issue of Shares the subject of Resolution 4, as the Shares will be issued as consideration for the acquisition of VSPC.
- (g) *The issue date or a statement that the issue will occur progressively*
- The Shares will be issued progressively.

4.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 4. The Board recommends Shareholders vote in favour of Resolution 4 as it provides the Company with the ability to complete the proposed VSPC acquisition.

5. RESOLUTION 5 – APPROVAL FOR ISSUE OF 30,575,664 LITCE PARTLY PAID SHARES

5.1 Background

Resolution 5 seeks Shareholder approval for the issue and allotment of up to 30,575,663 LITCE Partly Paid Shares (**Acquisition**).

The effect of Resolution 5 will be to allow the Directors to issue the LITCE Partly Paid Shares pursuant to the Acquisition during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

5.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5 to allow Shareholders to assess the proposed Acquisition for the future issue up to 30,575,663 LITCE Partly Paid Shares;

- (a) *The maximum number of securities the entity is to issue (if known) or the formula for calculating the number of securities the entity is to issue*

Up to 30,575,663 LITCE Partly Paid Shares.

- (b) *The date by which the entity will issue the securities.*

The LITCE Partly Paid Shares will be issued by no later than 3 months after the date of this Meeting (or such later date as may be approved by ASX).

- (c) *The issue price of the securities*

Nil. The LITCE Partly Paid Shares were issued for no consideration as they were issued to shareholders of VSPC in consideration for the purchase of the company.

- (d) *The names of the persons to whom the entity will issue the securities (if known) or the basis upon which those persons will be identified or selected*

The allottees in respect of Resolution 5 are identified as VSPC shareholders as at the date that the transaction is completed, and will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. The allottees will not be related parties of the Company or their associates.

- (e) *The terms of the securities*

The LITCE Partly Paid Shares are partly paid contributing shares in the capital of the Company, paid to AUD\$0.0001 each (AUD\$0.2499 unpaid) issued on the same terms and conditions as those currently on issue in that class.

- (f) *The intended use of the funds raised*

No funds will be raised from the issue LITCE Partly Paid Shares as they will be issued for no consideration. If the unpaid balance of the LITCE Partly Paid Shares is paid up, the funds received will be used for project development, process development, working capital and general corporate purposes.

- (g) *The issue date or a statement that the issue will occur progressively*

The LITCE Partly Paid Shares will be issued progressively.

5.3 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 5. The Board recommends Shareholders vote in favour of Resolution 5 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

6. RESOLUTION 6 – APPROVAL FOR ISSUE OF SHARES

6.1 Background

Resolution 6 seeks Shareholder approval for the issue and allotment of up to that number of Shares that, when multiplied by the issue price, will raise up to \$5,000,000 on the terms set out below (**Placement**).

The effect of Resolution 6 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

6.3 ASX Listing Rule Disclosure Requirements

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6 to allow Shareholders to assess the proposed Placement for the future issue of Shares which, when multiplied by the issue price equals \$5,000,000;

- (a) *The maximum number of securities the entity is to issue (if known) or the formula for calculating the number of securities the entity is to issue*

The number of Shares to be issued will be determined by calculating the number of Shares that, when multiplied by the issue price (being a price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made), will raise up to \$5,000,000.

Set out below is a calculation of the number of shares that could be issued based on the Company's share price of \$0.16 as at 20 October 2017, a price which is 50% above \$0.16 (\$0.24) and a price which is 50% below \$0.16 (\$0.08).

| Shares issued based on issue price of \$0.08 (50% decrease in current issue price) | Shares issued based on issue price of \$0.16 (Current issue price) | Shares issued based on issue price of \$0.24 (50% increase in current issue price) |
|---|---|---|
| 62,500,000 | 31,250,000 | 20,833,333 |

- (b) *The date by which the entity will issue the securities.*

The Shares will be issued by no later than 3 months after the date of this Meeting (or such later date as may be approved by ASX).

- (c) *The issue price of the securities*

The issue price of the Shares will be at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made.

- (d) *The names of the persons to whom the entity will issue the securities (if known) or the basis upon which those persons will be identified or selected*

The allottees in respect of Resolution 6 are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. The allottees will not be related parties of the Company or their associates.

- (e) *The terms of the securities*

The Shares to be issued will rank pari passu with the existing fully paid ordinary Shares of the Company.

- (f) *The intended use of the funds raised*

The Company intends to use the funds raised by the issue of Shares the subject of Resolution 6, for general working capital purposes, current and potential projects, business development purposes, acquisition of new projects and consultancy fees.

- (g) *The issue date or a statement that the issue will occur progressively*

The Shares will be issued progressively.

6.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 6. The Board recommends Shareholders vote in favour of Resolution 6 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval and will enable the Company to fund its ongoing commitments.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF 163,221 SHARES

7.1 Background

On 28 April 2017 the Company satisfied an invoice to S3 Consortium Pty Ltd for services rendered to the Company by the issue of Shares.

The Company issued 163,221 Shares without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

7.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that the approval of holders of the Company's ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the Company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining Shareholder approval.

7.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) *The number of securities issued*

163,221 Shares were issued.

- (b) *The price at which the securities were issued*

\$0.1838 per Share.

- (c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

- (d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

The Shares were issued to S3 Consortium Pty Ltd who is not a related party of the Company.

- (e) *The use (or intended use) of the funds raised*

No funds raised from this issue of the Shares as they were issued in lieu of cash as payment of an invoice for services rendered to the Company.

7.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 9. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 9 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF 468,750 SHARES

As announced by the Company on 19 April 2016, the Company has entered into a joint venture with Alix Resources Corp (TSX: AIX) in relation to the Electra Project in Mexico which contemplated various earn-in hurdles. The earn-in hurdles were varied by letter agreement dated 21 March 2017. As part of the consideration for phase 1, stage 3 of the earn-in into that joint venture agreement, the Company issued 468,750 Shares to Alix Resources Corp, which took place on 28 April 2017. This was one of the requirements to increase LIT's interest in the Electra Project to 54%. Taking majority control of the Alix Joint Venture was announced to the market on 16 October 2017.

The Company issued the 468,750 Shares without prior Shareholder approval under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

8.1 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those ASX Listing Rules if shareholders subsequently ratify it and the issue did not breach ASX Listing Rule 7.1. Accordingly, the Company is seeking shareholder ratification for the issue of 468,750 Shares issued under the Company's 15% share issue capacity under ASX Listing Rule 7.1.

The effect of such ratification is to restore the Company's discretionary power to issue further equity securities up to 15% of the number of ordinary shares on issue under ASX Listing Rule 7.1 if required, at the beginning of the relevant 12 month period without obtaining Shareholder approval.

8.2 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

(a) *The number of securities issued*

468,750 Shares were issued.

(b) *The price at which the securities were issued*

The Shares were issued for no consideration as they were issued to Alix Resources Corp in consideration for an increased stake in the Electra Project joint venture agreement.

(c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

Alix Resources Corp, which is not a related party of the Company.

(e) *The use (or intended use) of the funds raised*

No funds were raised from the issue of the Shares as they were issued for no consideration.

8.3 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 10. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 10 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF 1,723,806

As announced by the Company on 28 February 2017, the Company has entered into a joint venture with Tin International AG in relation to the Saxony Project in Germany which contemplated various earn-in hurdles. As part of the consideration for entering that Saxony Farm-In, Incorporated Joint Venture and Shareholder Agreement, the Company agreed to issue 1,723,806 Shares to Tin International AG, which took place on 25 May 2017.

The Company issued the 1,723,806 Shares without prior Shareholder approval under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

9.1 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those ASX Listing Rules if shareholders subsequently ratify it and the issue did not breach ASX Listing Rule 7.1. Accordingly, the Company is seeking shareholder ratification for the issue of 1,723,806 Shares issued under the Company's 15% share issue capacity under ASX Listing Rule 7.1.

The effect of such ratification is to restore the Company's discretionary power to issue further equity securities up to 15% of the number of ordinary shares on issue under ASX Listing Rule 7.1 if required, at the beginning of the relevant 12 month period without obtaining Shareholder approval.

9.2 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 11:

(a) *The number of securities issued*

1,723,806 Shares were issued.

(b) *The price at which the securities were issued*

The Shares were issued for no consideration as they were issued to Tin International AG in consideration for entering the Saxony Farm-In, Incorporated Joint Venture and Shareholder Agreement.

(c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

TIN International AG, which is not a related party of the Company.

(e) *The use (or intended use) of the funds raised*

No funds were raised from the issue of the Shares as they were issued for no consideration.

9.3 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 11. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 11 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

10. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF 10,000,000 COLLATERAL SHARES

As advised to the market on 31 July 2017, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust (**Acuity Capital**). The CPA provides LIT with up to \$5 million of standby equity capital over the coming 29 month period. Importantly, LIT retains full control of all aspects the placement process: having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on LIT to utilise the CPA and LIT may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on LIT raising capital through other methods. If LIT does decide to utilise the CPA, LIT is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by LIT and a 10% discount to a Value Weighted Average Price (**VWAP**) over a period of LIT's choosing (again at the sole discretion of LIT).

As collateral for the CPA, LIT has agreed to place 10,000,000 Shares from its Listing Rule 7.1 capacity, at nil consideration to Acuity Capital (**Collateral Shares**) but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to Shareholder approval).

The Company issued the 10,000,000 Shares without prior Shareholder approval under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

10.1 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those ASX Listing Rules if shareholders subsequently ratify it and the issue did not breach ASX Listing Rule 7.1. Accordingly, the Company is seeking shareholder ratification for the issue of 10,000,000 Shares issued under the Company's 15% share issue capacity under ASX Listing Rule 7.1.

The effect of such ratification is to restore the Company's discretionary power to issue further equity securities up to 15% of the number of ordinary shares on issue under ASX Listing Rule 7.1 if required, at the beginning of the relevant 12 month period without obtaining Shareholder approval.

10.2 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 12:

(a) *The number of securities issued*

10,000,000 Shares were issued.

(b) *The price at which the securities were issued*

The Shares were issued for no consideration as they were issued to Acuity Capital as Collateral Shares.

(c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust, which is not a related party of the Company.

(e) *The use (or intended use) of the funds raised*

No funds were raised from the issue of the Shares as they were issued for no consideration.

10.3 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 12. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 2 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE OF 946,507 SHARES

11.1 Background

On 16 October 2017 the Company satisfied invoices from several suppliers by the issue of Shares.

The Company issued 946,507 Shares without prior Shareholder approval out of its 15% annual placement capacity, as the Shares were issued as payment of invoices for services rendered to the Company.

Resolution 13 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

11.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that the approval of holders of the Company's ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the Company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining Shareholder approval.

11.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 13:

(a) *The number of securities issued*

946,507 Shares.

(b) *The price at which the securities were issued*

\$0.1239 per Share.

(c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

The Shares were issued to:

| <u>Allottee</u> | <u>Shares</u> |
|---------------------------------------|---------------|
| Orbit Drilling Pty Ltd | 318,881 |
| Innovative Funding Technology Pty Ltd | 280,483 |
| Euroswiss Capital Partners Inc. | 77,912 |
| RM Research Pty Ltd | 269,231 |

These parties are service providers who provided services to the Company and are not related parties of the Company; and

- (e) *The use (or intended use) of the funds raised*
No funds raised from this issue of the Shares as they were issued as payment of invoices for services rendered to the Company by each of the allottees.

11.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 13. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 13 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE OF 5,000,000 COLLATERAL SHARES

12.1 Background

As advised to the market on 31 July 2017, the Company entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital. The CPA provides LIT with up to \$5 million of standby equity capital over the coming 29 month period. Importantly, LIT retains full control of all aspects the placement process: having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements on LIT to utilise the CPA and LIT may terminate the CPA at any time, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on LIT raising capital through other methods. If LIT does decide to utilise the CPA, LIT is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by LIT and a 10% discount to a Value Weighted Average Price (**VWAP**) over a period of LIT's choosing (again at the sole discretion of LIT).

As collateral for the CPA, LIT has agreed to place 5,000,000 Shares from its ASX Listing Rule 7.1 capacity, at nil consideration to Acuity Capital (**Collateral Shares**) but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to Shareholder approval).

The Company issued the 5,000,000 Shares without prior Shareholder approval under the Company's 15% annual placement capacity under ASX Listing Rule 7.1. The Company now has a total of 15,000,000 Shares issued as Collateral Shares.

Resolution 14 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Collateral Shares.

12.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those ASX Listing Rules if shareholders subsequently ratify it and the issue did not breach ASX Listing Rule 7.1. Accordingly, the Company is seeking shareholder ratification for the issue of 5,000,000 Shares issued under the Company's 15% share issue capacity under ASX Listing Rule 7.1.

The effect of such ratification is to restore the Company's discretionary power to issue further equity securities up to 15% of the number of ordinary shares on issue under ASX Listing Rule 7.1 if required, at the beginning of the relevant 12 month period without obtaining Shareholder approval.

12.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 14:

(a) *The number of securities issued*

5,000,000 Shares were issued.

(b) *The price at which the securities were issued*

The Shares were issued for no consideration as they were issued as Collateral Shares pursuant to the Controlled Placement Agreement with Acuity Capital.

(c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust, which is not a related party of the Company.

(e) *The use (or intended use) of the funds raised*

No funds were raised from the issue of the Shares as they were issued for no consideration.

12.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 14. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 14 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

13. RESOLUTION 13 – RATIFICATION OF PRIOR ISSUE OF 10,000,000 SHARES

13.1 Background

As advised to the market on 16 October 2017, the Company raised \$1,400,000 from sophisticated investors.

The Company issued the 10,000,000 Shares without prior Shareholder approval under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 15 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

13.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions (none of which is relevant here)) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of those ASX Listing Rules if shareholders subsequently ratify it and the issue did not breach ASX Listing Rule 7.1. Accordingly, the Company is seeking shareholder ratification for the issue of 10,000,000 Shares issued under the Company's 15% share issue capacity under ASX Listing Rule 7.1.

The effect of such ratification is to restore the Company's discretionary power to issue further equity securities up to 15% of the number of ordinary shares on issue under ASX Listing Rule 7.1 if required, at the beginning of the relevant 12 month period without obtaining Shareholder approval.

13.3 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 15:

(a) *The number of securities issued*

10,000,000 Shares were issued.

(b) *The price at which the securities were issued*

\$0.14 per Share.

(c) *The terms of the securities*

The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(d) *The names of the persons to whom the entity issued the securities or the basis on which those persons were determined*

Sophisticated investors, who are not related parties of the Company.

(e) *The use (or intended use) of the funds raised*

Funds of \$1,400,000 were raised from the issue of the Shares as they were issued for no consideration. The funds received will be used for project development, process development, working capital and general corporate purposes.

13.4 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 15. The Board believes that the ratification of the issue of the Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 15 as it provides the Company with the flexibility to issue, subject to the limits under the ASX Listing Rules, further securities during the next 12 months without Shareholder approval.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 3 of this Notice.

2017 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the financial year ended 30 June 2017, which can be downloaded from the Company's website at www.lithium-au.com.

Acuity Capital means Acuity Capital Investment Management Pty Ltd ATF Acuity Capital Holdings Trust.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791) and the market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time except to the extent of any express written waiver by ASX.

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Closely Related Party is defined in respect of a member of Key Management Personnel as:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by regulations that may be made for this purpose.

Company, LIT or **Lithium Australia** means Lithium Australia NL (ABN 29 126 129 413).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under it, each as amended from time to time.

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities has the meaning given by the ASX Listing Rules and includes a Share, a Partly Paid Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as such.

Explanatory Memorandum means this explanatory memorandum which accompanies and forms part of the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice means the notice of meeting accompanying this Explanatory Memorandum.

Option means an option to acquire a Share.

Partly Paid Share means a partly paid ordinary share in the capital of the Company.

Proxy Form means the proxy form accompanying this Explanatory Memorandum.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2017 Annual Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

(a) a day other than:

(i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and

(ii) any other day which ASX declares and publishes is not a trading day; and

(b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

WST means Western Standard Time.

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

**PROXY FORM
LITHIUM AUSTRALIA NL
ABN 29 126 129 413**

ANNUAL GENERAL MEETING

I/We
of
appoint being a member of Lithium Australia NL entitled to attend and vote at the Annual General Meeting, hereby

Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at Level 1, 675 Murray Street, Perth WA at 10:00am WST on Monday, 30 November 2017, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

| | | FOR | AGAINST | ABSTAIN |
|---------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Bryan Dixon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Approval for additional placement capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval of the Issue of 61,151,326 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval of the Issue of 30,575,663 LITCE Partly Paid Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval of the Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Ratification of prior issue of 163,221 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Ratification of prior issue of 468,750 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 | Ratification of prior issue of 1,723,806 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 | Ratification of prior issue of 10,000,000 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11 | Ratification of prior issue of 946,507 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 | Ratification of prior issue of 5,000,000 Collateral Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13 | Ratification of prior issue of 10,000,000 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ **Date:** _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

E-mail Address: _____ **Consent for contact by e-mail** YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form :
 - (a) by post, to Lithium Australia NL, PO Box 1088, West Perth WA 6872
 - (b) by facsimile, to the Company on facsimile number (08) 9475 0847; or
 - (c) by email, to the Company at info@lithium-au.com

so that it is received not later than **2:00pm WST on Tuesday 28 November 2017.**

Proxy forms received later than this time will be invalid.
