

11 June 2019

Dear Shareholder,

RENOUNCEABLE RIGHTS ISSUE – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 11 June 2019 Lithium Australia NL (**Company**) announced a renounceable pro rata offer of approximately 110 million fully paid ordinary shares (**New Shares**) at an issue price of \$0.06 per New Share, with 1 attaching option (exercise price \$0.12 expiring 2 years from issue) for every 2 New Share issued (**Rights Issue**).

The Rights Issue is offered to holders of the Company's fully and, by reason of their terms, partly paid shares held as at 7:00pm (EST) on 14 June 2019 (**Record Date**) with a registered address in Australia or New Zealand, on the basis of 1 New Share for every 6 fully or partly paid shares held, and will raise up to approximately \$6.5 million (before costs). The Rights Issue is partially underwritten by CPS Capital Group Pty Limited for \$1.5 million.

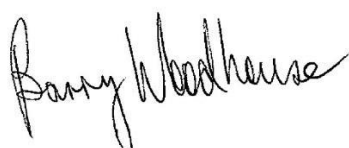
The Company has decided that it is impractical to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the Shares under the Rights Issue to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, no offer is being made to you and the offer document prepared by the Company in relation to the Rights Issue will not be sent to you. In accordance with the Listing Rules, the Company has appointed CPS Capital Group Pty Limited to sell Ineligible Shareholders' entitlements, and to account to them for the net proceeds of sale (if any).

This letter is neither an offer to issue new shares to you, nor an invitation for you to apply for new shares, and you do not have to take any further action in relation to the Rights Issue.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 8 6145 0288, or consult your stockbroker or professional adviser.

Yours faithfully

Barry Woodhouse
Company Secretary