
LITHIUM AUSTRALIA NL

ABN 29 126 129 413

NOTICE OF ANNUAL GENERAL MEETING

TIME: 12 noon WST

DATE: 30 November 2018

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 **12 noon WST on 30 November 2018** 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 12 noon WST on 28 November 2018.

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 **12 noon WST on 28 November 2018**.

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 12 noon WST on 30 November 2018.

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 2018 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 2018.”

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 – GEORGE BAUK

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

“That George Bauk, 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 in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Shares under this Resolution (except a benefit solely by reason of being a holder of Shares) and any associates of that person (or those persons). 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 person who is chairing the meeting 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 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 80% of the volume weighted 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 in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Shares under this Resolution (except a benefit solely by reason of being a holder of Shares) and any associates of that person (or those persons). 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 person who is chairing the meeting 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 – RATIFICATION OF PRIOR ISSUE OF 21,325,531 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 21,325,531 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 in favour of this Resolution by or on behalf of TIN International AG or any associates of TIN International AG. 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 person who is chairing the meeting 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 – RATIFICATION OF PRIOR ISSUE OF 1,500,000 PARTLY PAID 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 1,500,000 Partly Paid Shares to Cameron Mining 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 in favour of this Resolution by or on behalf of Cameron Mining Pty Ltd or any associates of Cameron Mining Pty Ltd. 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 person who is chairing the meeting 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 – APPROVAL OF DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

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 7.2 (Exception 9(b)) which is an exception to ASX Listing Rule 7.1 and for all other purposes, approval is given to adopt the Sacrifice Share Plan and to issue Shares under that plan on the terms and conditions and in the manner summarised in the Explanatory Memorandum."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any associates of such a Director. 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.

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:

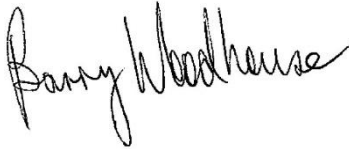
- (c) the voter is appointed as a proxy appointed by writing that specifies the way the proxy is to vote on the Resolution; and
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises 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.

8. RESOLUTION 8 – RE-INSERTION OF THE COMPANY’S PROPORTIONAL TAKEOVER PROVISIONS

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

“That the proportional takeover approval provisions contained in clause 163 of the Constitution, a copy of which is tabled at the Annual General Meeting, are re-inserted for a further period of three years commencing on the date of the Meeting for the purpose of section 648G of the Corporations Act.”

DATED: 24 October 2018
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 2018 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 2018 Annual Report to Shareholders unless specifically requested to do so. The 2018 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 2018 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 GEORGE BAUK

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.

George Bauk retires and seeks re-election in accordance with ASX Listing Rule 14.4 and rule 73.1 of the Constitution. Details regarding George Bauk are set out in the 2018 Annual Report.

The Directors, other than George Bauk, 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 \$44m (as at 23 October 2018).

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 \$0.05 (50% decrease in current issue price)	Funds raised based on issue price of \$0.10 (Current issue price)	Funds raised based on issue price of \$0.15 (50% increase in current issue price)
463,919,474 (Current)	46,391,947	2,551,557	5,103,114	7,654,671
695,879,211 (50% increase)*	69,587,921	3,827,336	7,654,671	11,482,007
927,838,948 (100% increase)*	92,783,895	5,103,114	10,206,228	15,309,343

*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 the closing price of the Shares on the ASX on 23 October 2018 (\$0.094).
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 either 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);

- (B) continued exploration expenditure on the Company's exploration projects including the Greenbushes Project, the German Projects including Sadisdorf, Eichigt and Hegelshohe, the Electra Project, the Gascoyne Project, the Bynoe Project and the Far North Queensland Project; and
- (C) continued development of energy metals; 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 2017. In accordance with Listing Rule 7.3A.6, since 30 November 2017, the Company has issued 157,415,716 Equity Securities (120,346,946 Shares) which represents 24.84% of the total number of Equity Securities on issue as at 15 October 2018. The Equity Securities issued during this time were as follows:

Issue date	Equity Securities	Persons issued to or basis of issue	Price/discount, amount raised and use of funds or value of non-cash consideration
12 February 2018	3,250,000 Shares	Private Investors	The Shares were issued for \$0.20 representing a 15% premium to the closing price on that date. The funds from this placement were used by the Company primarily for project development expenditure and general working capital purposes. The current value is \$0.094 per Share.

12 February 2018	606,874 Shares	Shares issued to service provider for services rendered	No funds were raised from the issue of Shares but the issue satisfied invoices totalling \$118,487 at a value of \$0.1952 per share representing a 15% premium to the closing price on that date. The current value is \$0.094 per Share.
12 February 2018	1,091,365 Shares	Directors & Senior Management	The Shares were issued at an average of \$0.1952 per share representing a 15% premium to the closing price on that date as per Director & Senior Management Fee & Remuneration Sacrifice Share Plan. The current value is \$0.094 per Share.
28 February 2018	61,133,540 Shares	Shares issued pursuant to a Prospectus in relation to the offer to acquire all ordinary shares in VSPC Ltd	The Shares were issued at a deemed value of \$0.16 representing a 0% discount to the closing price on that date, pursuant to a Prospectus in relation to the offer to acquire all ordinary shares in VSPC Ltd (formerly known as Very Small Particle Company Ltd). The current value is \$0.094 per Share.
28 February 2018	30,566,770 Partly Paid Shares	Partly Paid Shares issued pursuant to a Prospectus in relation to the offer to acquire all ordinary shares in VSPC Ltd	The Partly Paid Shares were issued at a deemed value of \$0.028 representing a 0% discount to the closing price on that date, pursuant to a Prospectus in relation to the offer to acquire all ordinary shares in VSPC Ltd (formerly known as Very Small Particle Company Ltd). The current value is \$0.016 per Partly Paid Share.
19 April 2018	701,426 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 1 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$100,000 at a value of \$0.1462 per Share representing a 0.44% premium to the closing price on that date. The current value is \$0.094 per Share.
19 April 2018	1,453 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 1 as per the Unsecured Convertible Note Deed as approved by shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest listed in a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$197.26 at a value of \$0.1462 per Share representing a 0.44% premium to the closing price on that date. The current value is \$0.094 per Share.
19 April 2018	165,653 Shares	Issue of Shares to Anova Metals Australia Pty Ltd as part consideration for the Moolyella Project	The Shares were issued for \$0.1509 representing a 8% premium to the closing price on that date as part consideration for the Moolyella Project. The current value is \$0.094 per Share.
24 April 2018	2,134,870 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 2 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$300,000 at a value of \$0.1405 per Share representing a 0.35% premium to the closing price on that date. The current value is \$0.094 per Share.
24 April 2018	5,560 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 2 as per the Unsecured Convertible Note Deed as approved by	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$197.26 at a value of \$0.1360 per Share representing a 3% discount to the closing price on that date. The current value is \$0.094 per Share.

		Shareholders on 30 April 2018	
1 May 2018	8,484,849 Options with an exercise price of \$0.1938 and an expiry date of 1 May 2021	Options issued to Arena Investors, LP pursuant to the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Options but were issued as first tranche options pursuant to the Unsecured Convertible Note Deed. The current value is \$0.044 per Option based on a Black Scholes valuation.
3 May 2018	1,500,000 Shares	Issue of Shares to TR Nominees Pty Ltd pursuant to the acquisition of VSPC Ltd for services provided	No funds were raised from the issue of Shares but the issue satisfied a fee payable in relation to the acquisition of VSPC Ltd for a deemed price of \$0.14 per Share representing a 0% discount to the closing price on that date. The current value is \$0.094 per Share.
3 May 2018	5,000,000 Partly Paid Shares	Issue of Partly Paid Shares to TR Nominees Pty Ltd pursuant to the acquisition of VSPC Ltd for services provided	No funds were raised from the issue of Partly Paid Shares but the issue satisfied a fee payable in relation to the acquisition of VSPC Ltd issued at a deemed value of \$0.02 representing a 0% discount to the closing price on that date. The current value is \$0.016 per Partly Paid Share.
3 May 2018	618 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 3 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$86.84 at a value of \$0.1405 per Share representing a 0.36% premium to the closing price on that date. The current value is \$0.094 per Share.
7 May 2018	2,218,935 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 3 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$300,000 at a value of \$0.1352 per Share representing a 0.15% discount to the closing price on that date. The current value is \$0.094 per Share.
7 May 2018	7,697 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 3 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest listed in a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$969.86 at a value of \$0.1260 per Share representing a 6.66% discount to the closing price on that date. The current value is \$0.094 per Share.
8 May 2018	7,200,000 Performance Rights	Performance Rights as described in the Notice of Meeting Explanatory Memorandum dated 27 March 2018 and as approved at the Company's General Meeting held on 30 April 2018	No funds were raised from the issue of Performance Rights. Based on the current value of \$0.094 per Share, the current value is \$0.028 per Performance Right based on the probability of achieving the performance hurdles.
17 May 2018	1,525,555 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 4 as per the Unsecured Convertible Note Deed as approved by	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$200,000 at a value of \$0.1311 per Share representing a 0.85%

		Shareholders on 30 April 2018	premium to the closing price on that date. The current value is \$0.094 per Share.
17 May 2018	6,229 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 4 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$756.16 at a value of \$0.1214 per Share representing a 6.6% discount to the closing price on that date. The current value is \$0.094 per Share.
23 May 2018	1,532,564 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 5 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$200,000 at a value of \$0.1305 per Share representing a 0.38% premium to the closing price on that date. The current value is \$0.094 per Share.
23 May 2018	6,699 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 5 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied payable pursuant to the Unsecured Convertible Note Deed totalling \$821.92 at a value of \$0.1227 per Share representing a 5.6% discount to the closing price on that date. The current value is \$0.094 per Share.
23 May 2018	15,167,602 Options with an exercise price of \$0.1756 and an expiry date of 23 May 2021	Options issued to Arena Investors, LP pursuant to the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Options which were issued as second tranche options pursuant to the Unsecured Convertible Note Deed. The current value is \$0.046 per Option based on a Black Scholes valuation.
31 May 2018	1,667,130 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 6 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$200,000 at a value of \$0.1200 per Share representing a 4.2% discount to the closing price on that date. The current value is \$0.094 per Share.
31 May 2018	8,203 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 6 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$898.63 at a value of \$0.1096 per Share representing a 12.3% discount to the closing price on that date. The current value is \$0.094 per Share.
14 June 2018	2,591,420 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 7 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$300,000 at a value of \$0.1158 per Share representing a 0.7% premium to the closing price on that date. The current value is \$0.094 per Share.
14 June 2018	13,586 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 7 as per the Unsecured Convertible Note Deed	No funds were raised from the issue of Shares but the issue satisfied interest listed in a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$1,578.08 at a value of \$0.1162 per Share

		as approved by Shareholders on 30 April 2018	representing a 1.0% premium to the closing price on that date. The current value is \$0.094 per Share.
25 June 2018	4,706,621 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 8 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$500,000 at a value of \$0.1062 per Share representing a 1.1% premium to the closing price on that date. The current value is \$0.094 per Share.
25 June 2018	30,016 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 8 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$2,958.90 at a value of \$0.0986 per Share representing a 6.1% discount to the closing price on that date. The current value is \$0.094 per Share.
26 July 2018	7,000,000 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 9 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of fully paid shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$700,000 at a value of \$0.1000 per Share representing a 23% discount to the closing price on that date. The current value is \$0.094 per Share.
26 July 2018	43,681 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 9 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$5,293.15 at a value of \$0.1212 per Share representing a 6.7% discount to the closing price on that date. The current value is \$0.094 per Share.
10 Sep 2018	2,500,000 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 10 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$250,000 at a value of \$0.1000 per Share representing a 1% premium to the closing price on that date. The current value is \$0.094 per Share.
10 Sep 2018	27,609 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 10 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$2,493.15 at a value of \$0.0903 per Share representing an 8.8% discount to the closing price on that date. The current value is \$0.094 per Share.
12 Sep 2018	21,325,531 Shares	Issue of Shares to TIN International AG as part consideration for the Sadisdorf and Hegelshohe Projects	The Shares were issued for \$0.1108 as part consideration for the Sadisdorf Project representing a 12% premium to the closing price on that date. The current value is \$0.094 per Share.
12 Sep 2018	1,500,000 Partly Paid Shares	Issue of Partly Paid Shares to Cameron Mining Pty Ltd as part consideration for the	The Shares were issued for \$0.024 as part consideration for the acquisition of a WA mineral tenement representing a 50% premium to the closing price on that date. The current value is \$0.016 per Share.

		acquisition of a WA mineral tenement	
19 Sep 2018	4,500,000 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 11 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied a conversion notice issued pursuant to the Unsecured Convertible Note Deed totalling \$450,000 at a value of \$0.1000 per Share representing a 4.8% discount to the closing price on that date. The current value is \$0.094 per Share.
19 Sep 2018	46,101 Shares	Shares issued to Arena Investors, LP pursuant to conversion notice 11 as per the Unsecured Convertible Note Deed as approved by Shareholders on 30 April 2018	No funds were raised from the issue of Shares but the issue satisfied interest payable pursuant to the Unsecured Convertible Note Deed totalling \$4,757.62 at a value of \$0.1032 per Share representing a 1.7% discount to the closing price on that date. The current value is \$0.094 per Share.

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

4.1 Background

Resolution 4 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 4 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.

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.

4.3 ASX Listing Rule Disclosure Requirements

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 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 volume weighted average market price of the Shares traded on the ASX 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 \$0.10 as at 15 October 2018, a price which is 50% above \$0.10 (\$0.165) and a price which is 50% below \$0.10 (\$0.05).

Shares issued based on issue price of \$0.05 (50% decrease in current issue price)	Shares issued based on issue price of \$0.10 (Current issue price)	Shares issued based on issue price of \$0.15 (50% increase in current issue price)
100,000,000	50,000,000	33,333,333

- (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 volume weighted average market price of the Shares traded on the ASX 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 4 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 4, 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.

4.4 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 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.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF 21,325,531 SHARES

As announced by the Company on 28 February 2017, the Company 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 and approved by Shareholders on 30 November 2017.

As announced by the Company on 11 June 2018, the Company agreed to acquire the remaining 50% of the Saxony and Hegelshohe Projects from Tin International AG. As part of the consideration for the acquisition, the Company agreed to issue 21,325,531 Shares to Tin International AG, which took place on 11 September 2018. The Company issued the 21,325,531 Shares without prior Shareholder approval under the Company's 10% annual placement capacity under ASX Listing Rule 7.1A.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

5.1 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 21,325,531 Shares issued under the Company's 15% share issue capacity under ASX Listing Rule 7.1A.

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.

5.2 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 5:

(a) *The number of securities issued*

21,325,531 Shares were issued.

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

The Shares were issued at a deemed issue price \$0.1108 to Tin International AG in consideration for the acquisition of the remaining share of the Saxony and Hegelshohe Projects.

(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 as consideration for the acquisition of the remaining share of the Saxony and Hegelshohe Projects.

5.3 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 5. 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 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.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF 1,500,000 PARTLY PAID SHARES

On 13 September 2018 the Company purchased a mineral tenement from Cameron Mining Pty Ltd with consideration being satisfied by the issue of 1,500,000 Partly Paid Shares, which were issued by the Company without prior Shareholder approval out of its 15% annual capacity under ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 and for all other purposes of the issue of those Shares.

6.1 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.

6.2 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 6:

(a) *The number of securities issued*

1,500,000 Partly Paid Shares were issued.

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

The Partly Paid Shares were issued for to Cameron Mining Pty Ltd in consideration for the purchase of a tenement.

(c) *The terms of the securities*

The Partly Paid Shares issued were all partly paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Partly Paid Shares (i.e. paid to \$0.0001 and unpaid to \$0.2499).

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

Cameron Mining Pty Ltd, 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 Partly Paid Shares as they were as consideration for the purchase of a tenement.

6.3 Directors' recommendation

None of the Directors have a material personal interest in the subject matter of Resolution 6. 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 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.

7. RESOLUTION 7 – APPROVAL OF DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

7.1 Background to Resolution 7

Resolution 7 seeks Shareholder approval for the adoption of the Lithium Australia Fee and Remuneration Sacrifice Share Plan (**Sacrifice Share Plan**).

The objective of the Sacrifice Share Plan is to encourage the alignment of interests of key employees, Directors and other eligible personnel with those of Shareholders by encouraging Share ownership.

A summary of the terms and conditions of the Sacrifice Share Plan is set out in Schedule 1 to this Notice of Meeting.

In addition, a copy of the Sacrifice Share Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Sacrifice Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have queries or concerns.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that subject to certain exceptions 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.

7.3 ASX Listing Rule 7.2 (Exception 9(b))

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue Shares under the Sacrifice Share Plan to

eligible persons over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

No Shares have been issued under the Sacrifice Share Plan as it is a new employee incentive scheme and has not previously been approved by Shareholders.

The Company notes that the Sacrifice Share Plan effectively replaces the Director and Senior Management Fee and Remuneration Sacrifice Share Plan that was last approved by Shareholders on 26 August 2013 (**Previous Plan**), noting that the Previous Plan was limited to Directors and Senior Managers.

Prior Shareholder approval is also required under Listing Rule 10.14 before any Director or related party of the Company can participate in the Sacrifice Share Plan.

Subject to the ASIC relief, the maximum amount of an Eligible Person's fees or remuneration that can be sacrificed for Shares is no greater than 30% of the annual fees or remuneration for the 12 month period and with respect to Executive Directors, an annual aggregate of \$90,000 (excluding superannuation) (at the relevant 5-day VWAP), with that amount to be divided amongst all of the Executive Directors entitled to participate on an equal basis. By way of example, if the aggregate of \$90,000 was issued to Executive Directors, at the current Share price of \$0.105 per Share, a total of 857,143 Shares would be issued.

If an offer of Shares is proposed to be made under the Sacrifice Share Plan in reliance on ASIC Class Order 14/1000 or any similar instrument of ASIC relief, the Company must not offer Shares if, at the time of the offer, the number of Shares the subject of an offer would exceed the cap (currently 5% over a 3 year period) under ASIC Class Order 14/1000 (or any similar instrument of ASIC relief, if applicable).

Pursuant to the Listing Rules, Shareholders must re-approve the Sacrifice Share Plan and all unissued Shares issuable pursuant thereto every 3 years.

8. RESOLUTION 8 – RE-INSERTION OF THE COMPANY'S PROPORTIONAL TAKEOVER PROVISIONS

8.1 Background

Previously, the Constitution contained provisions dealing with proportional takeover bids for Shares in accordance with the Corporations Act. The provisions, which are contained in clause 163 of the Constitution, are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act the proportional takeover provisions expire three years from their adoption or, if renewed, from the date of renewal. The Company has not renewed its proportional takeover provisions since 23 November 2012 and accordingly clause 163 of the Constitution ceased to apply on 23 November 2015.

If re-inserted, the proposed proportional takeover provisions will continue to apply on the same terms as the provisions which currently exist in the Constitution immediately prior to the date of the meeting and will have effect for a period of three years, commencing on 30 November 2018.

The Corporations Act requires that the following information be provided with a notice proposing the re-insertion of the proportional takeover provisions.

8.2 Effect

A proportional takeover bid is one where an offer is made to each shareholder for a proportion of that shareholder's shares.

With the proportional takeover provision in the constitution, in the event of a proportional takeover bid being made, the directors must hold a meeting of the shareholders of the class of shares being bid for to consider whether or not to approve the bid. A resolution approving the bid must be voted on by the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. (The bidder and its associates are not allowed to vote on the resolution).

If no such resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Constitution.

The proportional takeover provisions do not apply to full takeover bids and will only apply until 30 November 2021, unless renewed by Shareholders.

8.3 Reasons

Without the proportional takeover approval provisions being included in the Constitution, a proportional takeover bid may enable control of the Company to pass without Shareholders having the opportunity to sell all their Shares to the bidder. Shareholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their Shares.

The proposed proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

8.4 Advantages and disadvantages

Advantages

Re-insertion of the proportional takeover provisions provides Shareholders:

- the right to decide whether a proportional takeover bid should proceed;
- protection from being locked in as a minority Shareholder;
- increased bargaining power; and
- the view of majority of Shareholders which may assist individual Shareholders to decide whether to accept or reject an offer under a proportional takeover bid.

Disadvantages

Re-insertion of the proportional takeover provisions may:

- discourage proportional takeover bids;
- reduce Shareholders' opportunities to sell Shares at a premium;
- restrict the ability of individual Shareholders to deal with their Shares as they see fit; and
- reduce the likelihood of a proportional takeover bid succeeding.

The Board considers that the potential advantages for Shareholders of the proportional takeover approval provisions outweigh the potential disadvantages.

8.5 Present Acquisition Proposals

As at the date of this Notice, no Director is aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

8.6 Review of Proportional Takeover Provisions

The Corporations Act requires that shareholders be given a statement which retrospectively examines the advantages and disadvantages, for directors and shareholders, of the proportional takeover provisions proposed to be re-inserted.

Such a statement follows.

While proportional takeover provisions have been in effect under the Company's constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which the advantages or disadvantages of the existing proportional takeover provisions (that is, clause 163 of the Constitution) could be reviewed for the directors and shareholders of the Company.

The Directors are not aware of any potential takeover bid that was discouraged by clause 163 of the Constitution.

8.7 Potential Advantages and Disadvantages

As well as retrospective review of the provisions proposed to be re-inserted, the Corporations Act requires that shareholders be given a statement of the potential future advantages and disadvantages of the provisions.

The Directors consider that the proposed re-insertion of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed proportional takeover provisions for Shareholders are:

- (a) They give Shareholders their say in determining by majority vote whether a proportional takeover bid should proceed;
- (b) They may assist Shareholders avoid being locked in as a relatively powerless minority;
- (c) They increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced; and
- (d) Knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer;

Some potential disadvantages to shareholders of the company are:

- (a) They are a hurdle to, and may therefore discourage, the making of proportional takeover bids in respect of the Company;
- (b) This hurdle may depress the share price or deny Shareholders an opportunity of selling their Shares at a premium; and
- (c) It may reduce the likelihood of a proportional takeover being successful.

However, the Directors do not perceive those or any other possible disadvantages as justification for not re-inserting the proportional takeover provisions for a further three years.

8.8 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

Schedule 1 – Summary of Sacrifice Share Plan

The key terms of the Sacrifice Share Plan are summarised as follows:

1. **Eligibility:** Participants in the Sacrifice Share Plan may be directors, full-time and part-time employees or certain casual employees or contractors of the Company or any of its subsidiaries or a person for whom the Company's offer to issue that person Shares under the Sacrifice Share Plan rules remains entirely conditional and does not take effect until that person becomes one of the above personnel (each an **Eligible Person**).
2. **Purpose:**
The purpose of the Sacrifice Share Plan is to:
 - (a) encourage the alignment of the interests of Eligible Persons with those of Shareholders by encouraging Share ownership by Eligible Persons;
 - (b) attract skilled and experienced employees and provide them with the motivation to make the Company and its subsidiaries more successful; and
 - (c) preserve the Company's cash reserves.
3. **Administration of Sacrifice Share Plan:** The Board is responsible for the operation of the Sacrifice Share Plan and has a broad discretion to determine which Eligible Persons (or their permitted nominees) will be offered Shares under the Sacrifice Share Plan, the terms of offer and the administration, interpretation, amendment and termination of the Incentive Plan (among other powers).
4. **Participation in the Sacrifice Share Plan:** An Eligible Person that is invited by the Board to participate in the Sacrifice Share Plan can acquire Shares in lieu of part of their fees or remuneration for a period of 12 months. The participant's entitlement to Shares will accrue on a monthly basis and the number of Shares to be issued will be determined at the end of each month based on the amount sacrificed divided by the volume weighted average price of Shares trading on the ASX over the five (5) Trading Days immediately preceding the end of month.
5. **Minimum and maximum participation:** Subject to the ASIC relief, the maximum amount of an Eligible Person's fees or remuneration that can be sacrificed for Shares is no greater than 30% of the annual fees or remuneration for the 12 month period and with respect to Executive Directors, an annual aggregate of \$90,000 (excluding superannuation), with that amount to be divided amongst all of the Executive Directors entitled to participate on an equal basis.
6. **Consideration for Shares:** Shares will be issued for consideration comprising the fees that have been sacrificed in lieu of Shares, but no further monetary or other consideration will be payable in respect of the issue of a Share.
7. **ASIC relief:** If an offer of Shares is proposed to be made in reliance on ASIC Class Order 14/1000 or any similar instrument of ASIC relief, the Company must not offer Shares if, at the time of the offer, the number of Shares the subject of an offer would exceed the cap (currently 5% over a 3 year period) under ASIC Class Order 14/1000 (or any similar instrument of ASIC relief, if applicable).
8. **Ceasing to be an Eligible Person:** If a participant ceases to be an Eligible Person then, the participant will be issued a number of Shares or an amount in cash calculated on the fees sacrificed up to the date on which the participant ceased to be an Eligible person.

9. **Restrictions:** Unless the board determines otherwise, a Participant must not transfer, assign, sell or in any way encumber any right to be issued Shares under the Sacrifice Share Plan. The Board at its sole discretion may impose a holding lock on the Shares from the date of issue. The holding lock may be applied for a period not exceeding 2 years from the date the Shares were issued.
10. **Quotation on ASX:** The Company must, within the time frame required by the Listing Rules apply for the quotation of Shares.
11. **Rights attaching to Shares:** Each Share issued under the Sacrifice Share Plan shall be issued on the same terms and conditions as the Company's issued Shares and it will rank equally with the then issued Shares of the Company.

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.

2018 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 2018, which can be downloaded from the Company's website at www.lithium-au.com.

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 share in the capital of the Company, paid to \$0.0001 and unpaid to \$0.2499.

Previous Plan means the Rules of the Director and Senior Management Remuneration Sacrifice Share Plan, approved by Shareholders on 26 August 2013.

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 2018 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.

Sacrifice Share Plan means the Lithium Australia Fee and Remuneration Sacrifice Share Plan

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 12 noon WST on 30 November 2018, 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 Resolutions 1 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 7 are 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 (Non-Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – George Bauk	<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 issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of 21,325,531 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of prior issue of 1,500,000 Partly Paid Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Director and Senior Management Fee and Remuneration Sacrifice Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Re-insertion of the Company's Proportional Takeover Provisions	<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	Member 2	Member 3
<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>
Sole Director/Company Secretary	Director	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 **12 noon WST on 28 November 2018**.

Proxy forms received later than this time will be invalid.
