

23 October 2015

6051 LIT SRN

SHAREHOLDER NAME
SHAREHOLDER ADDRESS
SHAREHOLDER ADDRESS
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Dear Shareholder,

NOTIFICATION OF CALL ON PARTLY PAID SHARES

Sub-Register	ISSUER
HIN/SRN	2000XXXXXX
Number Of Partly Paid Shares Held	XXXXX
Amount Payable At \$0.01 Per Share	\$XXX.XX

Lithium Australia NL (**Company**) is seeking to raise at least \$366,680.01 by way of a call of \$0.01 per share on the quoted partly paid shares (**Call**). Call amounts are due and payable by 9 November 2015.

Forfeiture of Shares Resulting from Non-Payment of the Call

In the event of non-payment by that time and at that place the shares on which the Call is made, the shares may be forfeited or sold without forfeiture to enforce any lien of the Company over them as the Directors determine. Forfeited shares may be offered for sale by public auction within six (6) weeks after the Call becomes payable. The Company will give notice of any public auction in accordance with the Companies Act 2001 and the ASX Listing Rules.

Indicative Timetable

Event	Date
Company announces call date and amount	19 October 2015
Company gives draft documents to ASX	19 October 2015
The later of: • The Company sending call notices to all holders on whom the call is made. • The Company notifying ASX of extension of call date (if required)	23 October 2015
Last day for trading partly paid call unpaid shares	6 November 2015
Call due and payable – deferred settlement commences (LITCC paid up to \$0.021)	9 November 2015
Last day for Company to accept transfers of partly paid shares call unpaid	13 November 2015
*Issue date. Last day to enter the call paid on the *securities into the register	20 November 2015

Please note that the timetable is subject to change. The Company reserves the right to vary the timetable for the Call without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws.

METHOD OF PAYMENT				
You can make your payment utilising either cheque/bank draft or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.				
☐	Please enter cheque or bank draft details	Drawer	Bank	Branch
				Amount
				\$
OR				
☐	 Biller code: 212969 Ref No: 86988800615555	You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.		

NOTE: Cheques should be made payable to "Lithium Australia NL", crossed "NOT NEGOTIABLE" and forwarded to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909 to arrive no later than 5.00pm (WST) on **9 November 2015**.

Share Price Information

In accordance with the requirements of paragraph 4.1 of Appendix 6A of the ASX Listing Rules, the Company provides the following information:

Details	Date	Share Price
Market price of fully paid ordinary shares (LIT) in the Company (being the last trading day prior to the date of this notice)	22 October 2015	\$0.11
Market price of partly paid ordinary shares (LITCB) in the Company (being the last trading day prior to the date of this notice)	22 October 2015	\$0.066
During the three months immediately preceding the date of this notice, the highest market price of fully paid ordinary shares (LIT) in the Company	19 October 2015	\$0.13
During the three months immediately preceding the date of this notice, the highest market price of partly paid ordinary shares (LITCB) in the Company	16 October 2015	\$0.075
During the three months immediately preceding the date of this notice, the lowest market price of fully paid ordinary shares (LIT) in the Company	26 August 2015 2 September 2015	\$0.053
During the three months immediately preceding the date of this notice, the lowest market price of partly paid ordinary shares (LITCB) in the Company	1 September 2015	\$0.017

Financial Information

In accordance with the requirements of paragraph 4.1 of Appendix 6A of the listing rules, the Company provides the following information:

- The amount spent on exploration and administration since the date of the last audited financial statements, being 30 June 2015, is \$471,000; and
- The Company intends to use the funds to advance exploration on its lithium project interests as listed in the table below, costs of the issue and additional working capital.

It is proposed that the funds raised will be used to:

- Undertake geochemical surveys at two of the Company's Western Australian exploration projects;
- Investigate globally the occurrence of prospective lithium mica mineralisation;
- Advance the lithium potential of the Cinovec project in the Czech Republic; and
- Production of lithium carbonate for commercial evaluation.

LIT announced on 25 June 2015 that it had achieved notable success in detecting buried pegmatites of the LCT (lithium, caesium, tantalum) class at its Seabrook project near Southern Cross in WA. It is this class of pegmatites that have the potential to host lithium micas which are the focus of the Company's exploration in WA.

The new technique will be employed to delineate LCT pegmatites in the Cocanarup field near Ravensthorpe in WA on tenements held 100% by LIT. An amount of \$70,000 has been allocated to cover the costs of the detailed survey.

LIT has an agreement with Pilbara Minerals Limited (ASX: PLS) which is developing the Pilgangoora project located 150 km, southeast of Port Hedland. Lithium at Pilgangoora is contained both in silicate (spodumene) and lithium rich micas. LIT is proposing to spend an amount of \$60,000 on detailed geochemistry of selected areas of the deposit with the aim of delineating zones enriched in lithium mica.

The Company remains committed to the global search for LCT style pegmatites and other prospective lithium mica hosts. LIT is currently developing geological models to guide the identification of favourable host terranes and to apply the knowledge in the global search for deposits of a tonnage and grade that satisfies broad economic parameters as established by the Company. An amount of \$75,000 has been allotted for the task.

LIT together with partner European Metals Holdings Limited (ASX: EMH) are progressing towards formalising the joint venture between the two companies focused on exploiting disruptive lithium processing technology to recover lithium from the Cinovec deposit located in the northwest of the Czech Republic. Funds will be used to finalise the joint venture and to contribute to the operation of a mini-plant in Perth. The mini-plant will use bulk samples of Cinovec mineralisation to produce lithium carbonate for market evaluation.

Project	Estimated Expenditure (\$)
Ravensthorpe Geochemistry	70,000
Pilgangoora Geochemistry	60,000
Global opportunities quest	75,000
Cinovec Lithium Joint Venture	125,000
Total	330,000

Geological Data

The Cocanarup pegmatite field was explored intermittently since 1900 when it was discovered along with the nearby and more significant Catlin Creek pegmatite. In the early 1980's the occurrence was explored by a consortium comprising Amax Australia Limited, Chevron Exploration Corp and Noranda Australia Limited. Field mapping and rock chip sampling identified three separate pegmatite occurrences containing the lithium micas lepidolite and zinnwaldite. The group drilled several reverse circulation drill holes into the pegmatites targeting columbite-tantalite mineralisation which appeared to be localised and lack continuity. More recent work in the late 1990's has focused on the potential for ceramic quality feldspar with no attention directed at the potential of the lithium mica mineralisation.

PLS advised that it had advanced the Pilgangoora tantalum-lithium deposit which contains JORC compliant Indicated and Inferred Mineral Resources. PLS announced an update to this project on 24 September 2015, 1 and 13 October 2015.

Cinovec is a very large greisen (altered granite) style deposit that contains tin and other minerals as well as abundant lithium mica in the form of zinnwaldite which typically contains about 3% LiO₂. EMH is currently evaluating the deposit using an extensive historical exploration database and new drilling in critical areas of the deposit.

EMH announced a drill program update on 06 October 2015. The current EMH drill program has been planned to allow conversion of resources from the Inferred to Indicated category and provide material for metallurgical testing.

LIT refers to the Competent Persons statement in the EMH announcement dated 6 October 2015 and confirms that it is not aware of any new information or data that materially affects that information and that all material assumptions underpinning the resource estimates continue to apply and have not materially changed.

The exploration programs have been reviewed and recommended to the directors of LIT by Mr Lindsay Cahill. Mr Cahill is a consultant geologist and member of the Australian Institute of Geoscientists.

Directors' Disclosure

The Directors of the Company intend to pay the Call on part of their holding as follows:

Director	Partly Paid Shareholding	Value of Call
Adrian Griffin	1,832,976	\$18,329.76
Bryan Dixon	514,472	\$5,144.72
George Bauk	400,000	\$4,000.00

If you have any questions about the Call that are not answered by the ASX releases, you should consult your accountant, stockbroker, lawyer or other professional adviser before deciding to invest.

Yours faithfully



Adrian Griffin
Managing Director
Lithium Australia NL