

Lithium Australia^{NL}

ACN 126 129 413

2 June 2021

Dear Optionholder,

NOTICE OF EXPIRY OF LITO OPTIONS

The 04 July 2021 expiry date for LITO options is approaching and the Company would like to remind option holders that LITO options **NOT** exercised by 02 July 2021 **will automatically lapse**.

Please find below information required to be provided to you in accordance with the ASX Listing Rules.

Number of shares to be issued on exercise of options	One fully paid ordinary share (ASX:LIT) per option that is exercised
Exercise price	\$0.12 per option (\$3.67M if all options are exercised)
Due date for payment	02 July 2021
Consequence of non-payment	Options will lapse
Date quotation of LITO on ASX will end	28 June 2021 (at end of trade)
Quotation of shares commences on a deferred settlement basis	29 June 2021
Last day for LIT to update its register of members and to lodge Appendix 2A	16 July 2021
Latest market price for LIT (2 June 2021)	\$0.115
3 Month LIT low price	\$0.105 on 7 April 2021
3 Month LIT high price	\$0.14 on 3 March 2021
Underwriting	No underwriting in place

If you wish to exercise your options, you may do so in whole or in part.

Your enclosed option exercise form includes your personalised BPAY details.

The total exercise price for the options which you are exercising can be paid by BPAY, or by cheque, and the completed option exercise form must be forwarded to Advanced Share Registry Services, by either:

mail (together with the cheque if the payment is by cheque) to **PO Box 1156, Nedlands, Western Australia 6909**; or

email to **admin@advancedshare.com.au**,

and must be received by no later than 02 July 2021.

Yours faithfully
LITHIUM AUSTRALIA NL

Barry Woodhouse
Company Secretary

LITHIUM AUSTRALIA NL
A C N 126 129 413
INCORPORATED IN WESTERN AUSTRALIA
APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

LITO

Contact Telephone Number _____

The registered holder(s) of the Options hereby exercise my/our Option for: _____
In figures In words

Ordinary Fully Paid Shares and enclose application money of \$0.12 per share \$ _____
(amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Signature Of Option holder(s) (All joint holders must sign)	Companies Only Executed in accordance with the Company's Constitution and the Corporations Law.
X _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> Signature Date </div>	X _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> Sole Director and Sole Secretary Date </div>
X _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> Signature Date </div>	X _____ X _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> Director Date Secretary Date </div>
X _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> Signature Date </div>	X _____ X _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"> Director Date Director Date </div>
<p>Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry. The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.</p>	

Terms and Conditions

- (a) Each Option entitles the holder to be issued one Share.
- (b) The exercise price of the Options is \$0.12 each.
- (c) The expiry date of an Option is 4 July 2021, which is 2 years from issue.
- (d) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (e) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (f) The holder of an Option may not exercise less than 4,167 Options at any one time unless the holder has less than 4,167 Options in which event the Holder must exercise all of the Options together.
- (g) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (h) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (i) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
 - (i) the exercise price of the Option; or
 - (ii) period of exercise of the Option; or
 - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (j) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (k) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (l) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

METHOD OF ACCEPTANCE

<input type="checkbox"/>	Please enter cheque, bank draft or money order details	Drawer	Bank	Branch	Amount
					\$
Cheques should be made payable to "LITHIUM AUSTRALIA NL" and crossed "NOT NEGOTIABLE" and drawn on an Australian Bank and posted to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.					
OR					
<input type="checkbox"/>		You can pay by BPAY. If you choose to pay by BPAY, please return the completed and signed form to us via post to the above-mentioned address or by email to admin@advancedshare.com.au .			

NOTE: OPTIONS NOT EXERCISED BY 4 JULY 2021 AUTOMATICALLY EXPIRE.