Lithium Australia NL

ACN: 126 129 413
ASX: LIT

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17 May 2016

6051 LIT SRN

SHAREHOLDER NAME
SHAREHOLDER ADDRESS
SHAREHOLDER ADDRESS
FREMANTLE WA 6959

Sub-Register	ISSUER
HIN/SRN	2000XXXXXX
Number Of Partly Paid Shares Held	XXXXX
Amount Payable At $0.02 Per Share	$XXX.XX

Dear Shareholder,

NOTIFICATION OF CALL ON PARTLY PAID SHARES

Lithium Australia NL (**Company**) is seeking to raise at least $3,277.25 by way of a call of $0.02 per share on the quoted partly paid shares (**Call**). Call amounts are due and payable by 31 May 2016.

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	17 May 2016
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)	17 May 2016
Last day for trading partly paid call unpaid shares	30 May 2016
Call due and payable – deferred settlement commences (LITCC paid up to $0.021)	31 May 2016
Last day for Company to accept transfers of partly paid shares call unpaid	3 June 2016
+Issue date. Last day to enter the call paid on the +securities into the register	10 June 2016

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.

Methods of Payment

NOTE: Cheques should be made payable to "**Lithium Australia NL"**, crossed **"NOT NEGOTIABLE"** and forwarded to the Company to arrive no later than 5.00pm (AEST) on **10 June 2016**.

Bank details are listed below for electronic transfers.

Bank:	**National Australia Bank**
BIC / Swift Code:	**NATAAU3303M**
Account Name:	**Lithium Australia NL Application Account**
BSB No:	**086-006**
Account no.:	**94-706-7769**
Beneficiary Details:	**Lithium Australia NL Suite 3, 23 Belgravia St, Belmont, WA 6104**

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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)	17 May 2016	$0.25
Market price of partly paid ordinary shares (LITCC) in the Company (being the last trading day prior to the date of this notice)	17 May 2016	$0.25
During the three months immediately preceding the date of this notice, the highest market price of fully paid ordinary shares (LIT) in the Company	20 April 2016	$0.38
During the three months immediately preceding the date of this notice, the highest market price of partly paid ordinary shares (LITCC) in the Company	22 April 2016	$0.26
During the three months immediately preceding the date of this notice, the lowest market price of fully paid ordinary shares (LIT) in the Company	18 February 2016	$0.13
During the three months immediately preceding the date of this notice, the lowest market price of partly paid ordinary shares (LITCC) in the Company	15 February 2016 to 22 February 2016	$0.10

Financial Information

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

a) The amount spent on exploration and administration since the date of the last audited financial statements, being 30 June 2016, is $349,000; and
b) The Company intends to use the funds to advance exploration on its lithium project interests as listed below, costs of the issue and additional working capital.

Geological Information

Pilbara – The Pilgangoora Lithium Hotspot

The Pilbara region, where LIT has MoU's with Pilbara Minerals Limited (ASX: PLS) and Venus Metals Corporation Limited (ASX: VMC) is likely to produce a range of lithium minerals in the future. This will include low-grade spodumene, micas, and clays, which in the past may have been sub economic. All of these materials can be processed with the Sileach™ process. The broader objective of the partnerships is to determine if the potential exists for sufficient feedstock to feed a Pilbara lithium processing facility.

Electra JV (Sonora, Mexico)

The Electra project is a farmin and JV in which LIT can earn up to 65% of the project from its partner, TSX Venture listed Alix Resources Corporation (TSX-V: AIX) (Alix). The Sileach™ process, together with other processes will be tested on this project when materials are available.

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Lepidolite Hill (Western Australia)
Lepidolite Hill is part of the Coolgardie Rare Metals Venture (LIT 80% and Focus Minerals [ASX: FML] 20%) and has been the subject of intensive metallurgical testing by LIT. The Sileach™ process is currently being evaluated on material from this deposit in anticipation of much improved leach times, potentially providing for reduced plant size and capital costs for deposits of this type.

Greenbushes (LIT 80%)
In October 2015, the Company applied for several exploration licences in and around Greenbushes from where approximately 40% of world supply of lithium is sourced. This area covers a 50km structural trend which is highly prospective for lithium pegmatites. Subsequent to March 2016 Quarter end, LIT advised ASX that the first exploration licence had been granted and exploration work commenced.

The area covered by E70/4778 is very prospective for lithium mineralization, as are the other LIT application areas, within which numerous pegmatites have been identified.

Ravensthorpe (LIT 100%)
LIT holds exploration licence E74/0543 with an area of 70km^2 and covering a 20km long structural trend which is highly prospective for lithium pegmatites. The corridor extends southwest from the Mt Cattlin lithium and tantalum hard rock operations of Galaxy Resources Limited and General Mining which are currently being commissioned. The project is well supported by established transport routes, nearby infrastructure and services at Ravensthorpe. The large, deep water port of Esperance is 185km east of Ravensthorpe.

Recent fieldwork at LIT's Ravensthorpe Lithium Project has resulted in the discovery of several additional lithium pegmatites. It is now established that there are at least 12 lithium pegmatites present giving the project significant economic potential.

It is proposed that the funds raised will be used to continue exploration and to conduct a pilot plant test in regard to its Sileach™ process currently estimated at $1,000,000 in the short term.

Directors' Disclosure
The Directors of the Company do not hold any LITCC.

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"

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Adrian Griffin
Managing Director
Lithium Australia NL