Lithium Australia NL

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5 April 2016

ASX ANNOUNCEMENT

LITHIUM AUSTRALIA ADVISES SUMMARY OF IMPORTANT DATES FOR ITS BONUS ISSUE PROSPECTUS

LIT advises that it lodged a Bonus Issue Prospectus with the ASIC on Friday 1 April 2016. The Bonus Issue Prospectus is for a bonus issue to shareholders of partly paid shares (**New Partly Paid Shares** or **Bonus Shares**) to shareholders, on the basis of one (1) New Partly Paid Share for every two (2) fully paid ordinary shares held at the Record Date (as set out below) at an issue price of $0.25 per New Partly Paid Share, with each New Partly Paid Share deemed to be paid up to $0.0001 and unpaid $0.2499.

A number of shareholders has contacted the Company in regard to key dates as listed in the Prospectus. LIT advises that there has been a change to the Timetable in regards to the "Ex date" for the bonus offer, which will now be 26 April 2016. The record date for the bonus offer will remain 27 April 2016. Outlined below is the updated Timetable*.

Action	**Date**
Prospectus Lodged	1 April 2016
Prospectus Sent to Shareholders	8 April 2016
Ex Date (Date from which Shares commence trading without the entitlement to a Bonus Share)	26 April 2016
Record Date	27 April 2016
Issue of Bonus Shares	11 May 2016

* These dates are indicative only and may change without prior notice. As such the date that the Bonus Shares are issued may vary.

LITCC holders are encouraged to convert to ordinary fully paid shares to ensure complete participation in the Bonus Issue. In the event that LITCC holders do not convert to ordinary fully paid shares prior to the Record Date, LITCC shares carry the right to participate in the bonus issue of securities in the proportion which amounts paid (not credited) and payable (excluding amounts credited) which in this case is $0.02 of $0.05 or a 40% entitlement to the Bonus Shares.

Attached is an updated Appendix 3B.

Barry Woodhouse
Company Secretary
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Barry.Woodhouse@lithium-au.com

About Lithium Australia NL: LIT is a dedicated developer of disruptive lithium extraction technologies including the versatile Sileach™ process which is capable of recovering lithium from any silicate minerals. LIT has strategic alliances with a number of companies, potentially providing access to a diversified lithium mineral inventory globally.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Lithium Australia NL

ABN

29 126 129 413

We (the entity) give ASX the following information.

Part 1 - All issues
You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Partly paid contributing shares paid to $0.0001 each ($0.2499 unpaid)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	111,672,727
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Partly paid contributing shares paid to $0.0001 each ($0.2499 unpaid). For further details of the terms of the partly paid contributing shares please see section 7.1 of the Company's prospectus dated 1 April 2016.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No Shares rank equally when fully paid up
5	Issue price or consideration	Nil – the partly paid contributing shares will be issued as a bonus issue
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Bonus issue
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	-

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	-
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	
6f	Number of +securities issued under an exception in rule 7.2	111,672,727 partly paid contributing shares
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 4,081,154 Rule 7.1A – nil
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	11 May 2016

+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		212,076,619	Fully paid ordinary shares
		8,868,835	Partly paid shares, paid to $0.021 and unpaid $0.029

9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		126,372,727	Partly paid contributing shares paid to $0.0001 each ($0.2499 unpaid)
		2,400,000	$0.10 options exercisable on or before 1 July 2016
		8,200,000	$0.15 options exercisable on or before 1 July 2019
		8,200,000	$0.20 options exercisable on or before 1 July 2019
		9,200,000	$0.30 options exercisable on or before 1 July 2019
		10,340,000	Performance Rights as approved by shareholders on 15 July 2015
		3,000,000	Performance Rights as approved by shareholders on 30 November 2015

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	One (1) partly paid contributing share for every two (2) Shares held at the Record Date

+ See chapter 19 for defined terms.

14	+Class of +securities to which the offer relates	Partly paid contributing shares paid to $0.0001 each ($0.2499 unpaid)
15	+Record date to determine entitlements	27 April 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	Rounding up
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United Kingdom Hong Kong Republic of Vanuatu Republic of South Africa USA Federal Republic of Germany Republic of Chile
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	8 April 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	4 April 2016
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements *in full* through a broker?	
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	+Issue date	11 May 2016

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	

+ See chapter 19 for defined terms.

40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: "Barry Woodhouse" Date: 4 April 2016
Company Secretary

Print name: Barry Woodhouse

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	115,517,034
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	67,500,419 29,059,166
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	212,076,619

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	31,811,493
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	27,730,339
"C"	**27,730,339**
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	31,811,493
Subtract "C" *Note: number must be same as shown in Step 3*	27,730,339
Total ["A" x 0.15] – "C"	4,081,154 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	179,318,251
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	17,931,825
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	17,931,825
"E"	17,931,825

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	17,931,825
Subtract "E" *Note: number must be same as shown in Step 3*	17,931,825
Total ["A" x 0.10] – "E"	Nil *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.