Lithium Australia NL

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1 April 2016

Dear Option holder

Offer of Shares under Bonus Offer Issue

As announced on 1 April 2016, Lithium Australia NL ("**LIT**" or "**the Company**") is making bonus offer ("**Bonus Offer**") on the basis of one (1) New Partly Paid Share for every two (2) Shares held at the Record Date 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 to $0.2499.

Based on the number of Shares currently on issue as at the date of the Bonus Offer and assuming no options are exercised before the Record Date, up to approximately 111,672,727 New Partly Paid Shares will be issued pursuant to the Bonus Offer.

The Bonus Offer will be made to all Shareholders whose registered addresses are in Australia or New Zealand and who are recorded as Shareholders as at 5:00pm (WST) on the Record Date.

A prospectus for the Bonus Offer ("**Prospectus**") was lodged with ASX on 1 April 2016 and is available on the ASX website and on the Company's website www.lithium-au.com

The terms and conditions of the LIT options ("**Existing Options**") you currently hold do not entitle you to participate in the Bonus Offer unless you exercise your Existing Options and are entered on LIT's register of Shareholders by **5.00 pm (WST) on the Record Date**.

To exercise all or a portion of your Existing Options and thereby participate in the Bonus Offer, you should complete a Notice of Exercise of Options and lodge it with LIT, together with your payment for the exercise price of the Existing Options you wish to exercise. You do not need to exercise all of your Existing Options to become an eligible Shareholder.

To ensure that your shares are issued and registered by 5.00 pm (WST) on the Record Date, your Notice of Exercise of Options and together with your payment for the exercise of your Existing Options must be received by LIT no later than 26 April 2016.

If you do not wish to participate in the Bonus Offer in respect of your Existing Options you do not need to take any action.

Before deciding whether to exercise any or all of your Existing Options, you should read the Prospectus in its entirety and consult with your professional adviser. If you require further information, please contact the Company Secretary on +61-8 6145 0288.

Yours sincerely
LITHIUM AUSTRALIA NL

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