20 September 2022

Appointment of Mr Simon Linge as CEO

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HIGHLIGHTS

- **Highly experienced industry executive, Mr Simon Linge, has been appointed CEO of Lithium Australia following an extensive global executive search**
- **Mr Linge brings significant senior executive experience, most recently with the Pact Group - leaders in the circular economy and plastic reuse and recycling**
- **Melbourne based, located at our Lithium battery recycling business, Envirostream**

Lithium Australia Limited (ASX: LIT) (**Lithium Australia** or the **Company**) is pleased to announce that Mr Simon Linge has been appointed Chief Executive Officer (**CEO**) of the Company. Mr Linge shall commence in the role of CEO on or before 1st January 2023. Mr Linge will be based in Melbourne alongside our Envirostream operations.

The Company engaged a top tier search firm to undertake a global executive search for potential CEO candidates, following the retirement of the Company's former Managing Director Mr Adrian Griffin, announced 31st May 2022.

Mr Linge is a proven and highly credentialed executive, who brings more than 25 years of global manufacturing, recycling and engineering services experience to the Company.

Mr Linge has a global perspective of manufacturing, recycling and the resources industry, having worked as EGM Contract Manufacturing for Pact Group Holdings Limited (**Pact**, ASX:PGH); Managing Director / CEO for Bradken Limited; 25 years of senior management experience within the Bluescope Group including President ASEAN for the Nippon Steel-Bluescope Steel JV; and BHP.

Immediately prior to joining Lithium Australia, Mr Linge was part of the Executive Leadership of Pact. Pact is a leader in the circular economy, particularly in minimising waste in plastic packaging through reuse and recycling. Pact has collaborated with Government and Industry to take the leading position in sustainability, minimising waste, recycled plastics, and in helping lead the plastic packaging stewardship in Australia. Mr Linge's previous roles included overseeing P&Ls with annual revenues over $1bn, large capital expenditure programs and large workforces.

Prior to joining Pact, Mr Linge was MD & CEO of Bradken Limited. Bradken is a global manufacturer of designed alloyed steel components, principally suppling a wide range of market segments with a principal focus on mining, where it is a leader in wear resistant solutions to the global resources industry. Bradken has a strong focus on safety, sustainability and innovation, including providing digitalised solutions to customers. Bradken is wholly owned by Hitachi Construction Machinery.

Comment from Chairman George Bauk

"The Lithium Australia Board is very pleased to confirm Simon as the Company's new CEO. This appointment follows a global search for the right leader for the Company's current stage of operations and longer term strategy, and we are confident we have found that with Simon.

"Simon has the experience, knowledge, passion and energy to drive Lithium Australia forward in both the continued pursuit of our battery recycling efforts within Envirostream, and in driving LIT towards becoming a LFP cathode powder producer through VSPC.

"Simon has overseen significant businesses globally, led large teams and progressed business strategies to successful outcomes. We look forward to his commencement and performance at Lithium Australia."

Comment from Incoming CEO Simon Linge

"I am delighted to join the Lithium Australia team and help lead the business through its next phase of development and realise its innate potential. Throughout the recruitment process I was impressed with the quality of the Board, the Executive Team as well as the range of technologies, IP and capabilities throughout LIT.

As the world accelerates its transition to electrification, the demand for the materials to not only manufacture batteries but to sustainably recycle batteries will only increase. LIT is now perfectly positioned to play its part in the battery circular economy. LIT has successfully built its capabilities over a number of years as the leading certified battery recycler in Australia, with the Envirostream business, and is positioned to achieve commercial production of LFP cathode powder.

I look forward to working with the LIT team to realise the potential for LIT shareholders."

The material terms of Mr Linge's executive employment agreement is included at Appendix A.

Authorised for release by the Board.

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Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

About Lithium Australia

Lithium Australia (ASX:LIT) is at the forefront of advanced materials development to ensure an ethical and sustainable future for the global battery industry. Lithium Australia is achieving this via its business divisions:

Envirostream (100%-owned LIT subsidiary): Envirostream, which is leading Australia's battery recycling industry, is at the cutting edge of delivering safe and innovative management solutions to one of the Australian waste industry's biggest (and getting bigger) challenges – battery disposal.

Its state-of-the-art Victorian-based battery processing facilities are providing a sustainable solution by collecting, sorting and processing critical battery metals from all types of spent batteries to power the batteries of tomorrow.

With battery recycling partnerships alongside some of Australia's leading brands (including Bunnings, Officeworks and Battery World), Envirostream benefits from the Australian government-backed battery recycling scheme which is providing rebates across collection, sorting, and processing of batteries. These combined provide the platform for national expansion.

VSPC (100%-owned LIT subsidiary): With over 20 years' experience, VSPC develops leading-edge materials for e-mobility and energy storage applications and, ultimately, a zero-carbon economy. Its patents cover the production of advanced powders for next generation lithium-ion batteries, especially lithium ferro phosphate ('LFP').

Currently, demand for LFP represents more than half the global market for lithium-ion battery materials. The Company is one of only a few entities outside of China with the technical expertise to manufacture LFP powder of the highest quality to meet those burgeoning market pressures.

VSPC is now on a clear path to production. With a Research & Development (R&D) facility (pilot plant) located in Queensland, a Definitive Feasibility Study ('DFS') for an initial 10,000tpa LFP manufacturing facility is well underway, and with customer offtake discussions advancing in parallel, VSPC is positioning for its first commercial footprint.

Appendix A – Material Terms of CEO employment agreement

Commencement Date: 1 January 2023 at the latest.

Term: Appointment on an ongoing basis unless terminated.

Fixed Remuneration: $400,000 per annum plus superannuation capped at the maximum super contribution base (Base Salary)

Short-Term Incentive (STI): Up to 25% of Base Salary per annum payable in cash (pro-rated for first year based on days employed), subject to the satisfaction of short-term key performance indicators to be set by the Board at its discretion.

Long-Term Incentive (LTI): Offer of 36,500,000 Performance Rights pursuant to the Company's shareholder approved Securities Incentive Plan (Plan). The Performance Rights are subject to the following:

- Performance Rights that have not been converted by 4th anniversary of commencement of employment will expire.
- Performance Conditions required to be met by 3rd anniversary of commencement of employment.
- Performance and vesting conditions are as follows:
  - Hurdle 1 – 4,000,000 of the Performance Rights are subject to satisfaction of Performance Condition 1, being the LIT share price being sustained at or above $0.10 VWAP over a consecutive 20-day period (trading days) during the Performance Period, and shall vest subject to the employee remaining in employment for 12 continuous months of employment from the date of satisfaction of Performance Condition 1;
  - Hurdle 2 – 5,000,000 of the Performance Rights are subject to satisfaction of Performance Condition 2, being the LIT share price being sustained at or above $0.15 VWAP over a consecutive 20-day period (trading days) during the Performance Period, and shall vest subject to the employee remaining in employment for 12 continuous months of employment from the date of satisfaction of Performance Condition 2;
  - Hurdle 3 – 6,500,000 of the Performance Rights are subject to satisfaction of Performance Condition 3, being the LIT share price being sustained at or above $0.20 VWAP over a consecutive 20-day period (trading days) during the Performance Period, and shall vest subject to the employee remaining in employment for 12 continuous months of employment from the date of satisfaction of Performance Condition 3;
  - Hurdle 4 – 9,000,000 of the Performance Rights are subject to satisfaction of Performance Condition 4, being the LIT share price being sustained at or above $0.25 VWAP over a consecutive 20-day period (trading days) during the Performance Period, and shall vest subject to the employee remaining in employment for 12 continuous months of employment from the date of satisfaction of Performance Condition 4;

- Hurdle 5 - 6,000,000 of the Performance Rights are subject to satisfaction of Performance Condition 5, being Envirostream being operating cash flow positive for a rolling 6 month period during the Performance Period, and shall vest subject to the employee remaining in employment for 12 continuous months of employment from the date of satisfaction of Performance Condition 5; and
- Hurdle 6 – 6,000,000 of the Performance Rights are subject to satisfaction of Performance Condition 6, being Final Investment Decision at VSPC during the Performance Period, and shall vest subject to the employee remaining in employment for 12 continuous months of employment from the date of satisfaction of Performance Condition 6.

Termination Provisions: Either party may terminate the agreement with six month's written notice. The Company may also summarily terminate the agreement without notice in certain circumstances including serious misconduct.

Other terms: The employment contract includes standard terms covering confidentiality, intellectual property, and non-compete clause.