

23 May 2023

Unmarketable Parcel Sale Facility

Lithium Australia Limited (ASX: LIT) (**Lithium Australia**, or the **Company**) is pleased to advise that it has established an Unmarketable Parcel Sale Facility (**Facility**) for shareholders who hold less than \$500 worth of fully paid ordinary shares in the Company (**Shares**) (**Unmarketable Parcel**).

Based on the price of Shares at the close of trading on Monday, 22 May 2023 (**Record Date**) of \$0.035, a holding of less than 14,286 Shares constitutes an Unmarketable Parcel.

The Company is offering the Facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. Lithium Australia will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholders).

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

In accordance with the Company's Constitution (**Constitution**) and the ASX Listing Rules, the attached letter and share retention form (**Retention Form**) will be sent to all shareholders who hold an Unmarketable Parcel on the Record Date.

Shareholders who hold an Unmarketable Parcel and wish to retain their Shares must "opt-out" of the Facility by returning their duly completed Retention Form to the Company's share registry, Advanced Share Registry in accordance with the instructions on the Retention Form, by no later than 5:00pm (AWST) on Friday, 7 July 2023 (**Closing Time**). Any shareholder who holds an Unmarketable Parcel and does not return a duly completed Retention Form by the Closing Time will have their Shares sold through the Facility.

Lithium Australia has appointed CPS Capital Group Pty Ltd (**CPS**) to sell the Shares under the Facility, and the proceeds from the sale of the Shares will be remitted to participating shareholders as soon as practicable following settlement of all Shares sold through the Facility.

The key dates in relation to the Facility are set out below:

Event	Dates
Record Date for establishing holders of Unmarketable Parcels	Monday, 22 May 2023
ASX announcement regarding Unmarketable Parcel Sale Facility	Tuesday, 23 May 2023
Letter and Retention Form despatched to shareholders holding an Unmarketable Parcel	Thursday, 25 May 2023
Closing Time for receipt of completed Retention Forms	Friday, 7 July 2023

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Lithium Australia reserves the right to change any of the dates referred to in this announcement or the enclosed letter and Retention Form, or to vary, cancel or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX. The Company has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under Clause 2.6 of the Constitution and rule 15.13 of the ASX Listing Rules.

The Company does not provide any recommendation or advice as to whether shareholders holding an Unmarketable Parcel should sell or retain their Shares.

If you have any questions about the operation of the Facility, please contact the Company on +61 8 6145 0288 or via email at info@lithium-au.com.

This capital management initiative will aid to facilitate a reduction in share registry costs and assist Eligible Shareholders who may otherwise face difficulties in selling or disposing of their shares.

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 Limited (ASX: LIT) (**'Lithium Australia'**, or **'the Company'**) delivers customer focused solutions for the lithium-ion circular battery materials industry that will accelerate global electrification. We will do this through lithium-ion battery recycling at Envirostream, development of leading-edge cathode active materials for e-mobility and energy storage applications at VSPC, and through the development of other novel technology solutions, such as the lithium extractive processing technology LieNA®.

Our values ground our thinking and approach. Our people's capabilities are at the heart of our success. They are focussed on creating a safe and inclusive work environment, working with a people centred approach to build meaningful partnerships, and actively respecting and trusting one another. All with the aim to deliver creative technology solutions to improve sustainability and help decarbonise the world.

Envirostream (100%-owned LIT subsidiary): Recycling of end of life ('EOL') batteries via Envirostream underpins the Company's ESG credentials. Envirostream, which is leading Australia's battery recycling industry, is well-positioned to take advantage of the expected significant increase in volumes of spent batteries available for recycling, particularly as a result of vehicle electrification and Australia's national battery stewardship scheme.

VSPC (100%-owned LIT subsidiary): The production of LFP cathode powder for lithium-ion batteries ('LIBs') via VSPC represents a significant commercial opportunity. An accelerated strategy is being developed to increase production capacity of LFP and lithium manganese ferro phosphate ('LMFP'), both of which are subject to strong industry support for offtake development.

LieNA® (100%-owned LIT technology): The LieNA® processing technology allows a unique method of refining fine or low-grade spodumene to produce high-purity lithium chemicals. With an expected increase in lithium chemicals demand and an industry focus on improving sustainability of lithium chemical production worldwide, the company is now seeking potential partners to commercialise the opportunity.

25 May 2023

Dear Shareholder,

Lithium Australia Limited (ASX: LIT) (Lithium Australia, or the Company) – Sale of Unmarketable Parcels of Shares

Lithium Australia is pleased to advise that the Company has established an Unmarketable Parcel Sale Facility (**Facility**) for holders of parcels of fully paid ordinary shares in the Company (**Shares**) with a market value of less than \$500 as at the close of trading on Monday, 22 May 2023 (**Record Date**) (**Unmarketable Parcel**).

Based on the price of Shares on the close of trading on the Record Date of \$0.035, a holding of less than 14,286 Shares constitutes an Unmarketable Parcel.

Lithium Australia appreciates that Unmarketable Parcels can be difficult or expensive to sell, so the Company is offering the Facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. The Company will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholders).

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

The Company has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under Clause 2.6 of the Company's Constitution (**Constitution**) and rule 15.13 of the ASX Listing Rules.

WHY AM I RECEIVING THIS LETTER?

Our records indicate that you held an Unmarketable Parcel of Shares based on the price of Shares of \$0.035 as at close of trade on the Record Date. Unless you advise the Company by 5:00pm (AWST) on Friday, 7 July 2023 (**Closing Time**) that you do **NOT** wish to sell your Shares, the Company intends to sell your Shares through the Facility in accordance with Clause 2.6 of the Constitution and rule 15.13 of the ASX Listing Rules.

To advise the Company that you do **NOT** wish to sell your Shares, you must complete the share retention form (**Retention Form**) enclosed with this letter, and return it to the Company's share registry, Advanced Share Registry, in accordance with the instructions on the Retention Form, prior to the Closing Time.

If, at the Closing Time, the value of your Shares has increased such that you no longer have an Unmarketable Parcel (e.g. due to an increase in the market price of Shares or the number of Shares you hold), your Shares will **NOT** be sold.

If you have multiple holdings of Shares which, if aggregated, would not constitute an Unmarketable Parcel, you may contact Advanced Share Registry on +61 8 9389 8033 between the hours of

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9:00am and 4:00pm (AWST) Monday to Friday to amalgamate your holdings. In these circumstances, your Shares will not be sold.

Please also note that pursuant to Clause 2.6 of the Constitution and rule 15.13.5 of the ASX Listing Rules, the Company will not sell your Shares in the event that a third party announces a takeover offer for the Company.

In accordance with its continuous disclosure obligations, the Company may release information to the ASX which may affect your decision as to whether you wish to sell or retain your Shares. If such information is released, it will be published on the ASX website (www.asx.com.au, ASX code: LIT) and on the Company's website (lithium-au.com).

You should be aware that the fact that your holding of Shares is described in this letter as an "unmarketable parcel" does not mean that you cannot sell your Shares at any time. The use of the term "unmarketable parcel" in this letter is to identify the value of Shares which are eligible for sale through the Facility.

WHAT DO I NEED TO DO?

As a holder of an Unmarketable Parcel as at the Record Date, your options are described below:

1. Sell your Unmarketable Parcel

If you **WISH TO SELL** your Shares through the Facility, you should **TAKE NO ACTION**. By refraining from taking any action, you will be deemed to have irrevocably appointed the Company as your agent to:

- (a) sell, or procure the sale of, all of your Shares at a price to be determined, without any costs being incurred by you; and
- (b) deal with the proceeds of the sale as set out in this letter (for more information about the payment of the sale proceeds through Advanced Share Registry, please refer to Question 9 of the enclosed Information Sheet).

The Company has appointed CPS Capital Group Pty Ltd to facilitate the sale of the Unmarketable Parcels. Payment for your Shares will be remitted to you as soon as practicable, following settlement of the sale of all Shares sold through the Facility.

2. Retain your Unmarketable Parcel

If you **DO NOT WISH TO SELL** your Unmarketable Parcel, you **MUST OPT-OUT** of the Facility by completing and returning the enclosed Retention Form in accordance with the instructions on the Retention Form so that it is received by Advanced Share Registry prior to the Closing Time.

KEY DATES

Event	Dates
Record Date for establishing holders of Unmarketable Parcels	Monday, 22 May 2023

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ASX ANNOUNCEMENT



ASX announcement regarding Unmarketable Parcel Sale Facility	Tuesday, 23 May 2023
Letter and Retention Form despatched to shareholders holding an Unmarketable Parcel	Thursday, 25 May 2023
Closing Time for receipt of completed Retention Forms	Friday, 7 July 2023

Lithium Australia reserves the right to change any of the dates referred to in this letter or the enclosed Information Sheet or Retention Form, or to vary, cancel or delay the Facility or the sale of your Shares at any time before your Shares are sold, by making an announcement to ASX.

The Company does not provide any recommendation or advice as to whether you should sell or retain your Shares.

Enclosed is an Information Sheet to answer questions that you may have with respect to the sale of Unmarketable Parcels. This letter is important. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.

If you have any other questions about the operation of the Facility, please contact the Company on +61 8 6145 0288 or via email at info@lithium-au.com.

Yours sincerely,

Catherine Grant-Edwards
Company Secretary

Lithium Australia Limited

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INFORMATION SHEET
UNMARKETABLE PARCEL SALE FACILITY

1. What is an unmarketable parcel?

An Unmarketable Parcel is a holding of fully paid ordinary shares (**Shares**) in Lithium Australia Limited (**Company**) that is valued at less than \$500. Based on the closing price of Shares on Monday, 22 May 2023 (**Record Date**) of \$0.035, this is equivalent to a holding of less than 14,286 Shares.

2. Why has the Facility been established?

The Company has decided to establish an Unmarketable Parcel Sale Facility (**Facility**) to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The sale of Unmarketable Parcels through the Facility will also enable the Company to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

3. Why have I received this letter?

You have received this letter because our records indicate that you held an Unmarketable Parcel of Shares based on the price of Shares of \$0.035 as at close of trade on the Record Date.

4. What do I need to do to sell my Shares?

If you wish to sell your Shares you should **TAKE NO ACTION**.

Your Shares will be sold through the Facility unless a duly completed Retention Form in respect of your Shares is received by the Company's Share Registry (Advanced Share Registry) before 5:00pm (AWST) on Friday, 7 July 2023 (**Closing Time**) in accordance with the instructions on the Retention Form. A Retention Form is enclosed with this letter.

5. What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to sell your Shares, you **MUST OPT-OUT** of the Facility by completing and returning the enclosed Retention Form to the address provided in the Retention Form so that it is received by Advanced Share Registry prior to the Closing Time. If Advanced Share Registry has not received your Retention Form by the Closing Time, your Shares will be sold through the Facility.

Alternatively, you can purchase more Shares on-market so that you hold at least \$500 worth of Shares as at the Closing Time. See Question 12 below for further information.

6. How will my shares be sold under the Facility?

Your Shares will be sold by the appointed broker, CPS Capital Group Pty Ltd, on the Australian Securities Exchange (**ASX**).

7. What price will I receive for Shares sold through the Facility?

The Shares will be sold on-market at the prevailing market price for Shares on the ASX (ASX code: 'LIT') or in any other way determined by the Directors at or around the Closing Time. If, at the Closing Time, the value of your Shares has increased so that you no longer have an Unmarketable Parcel (for

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example, due to an increase in the price of Shares or in the number of Shares you hold) your Shares will not be sold.

You will not have control over the time or price at which your Shares are sold, and the price you receive may not reflect the price of Shares appearing in the media or quoted by the ASX on any given day, nor be the best price for Shares available on the day your Shares are sold.

8. Do I need to pay anything if I participate in the Facility?

The Company will pay all costs and expenses arising in connection with the Facility.

Any tax payable, or other tax consequences from the sale, will be your responsibility.

9. When will I receive the proceeds for the Shares sold?

Payment will be remitted to you following settlement of all Shares sold under the Facility as soon as reasonably practicable. If your direct credit details or address requires updating, you can amend your details online by visiting www.advancedshare.com.au or by contacting Advanced Share Registry on +61 8 9389 8033 between the hours of 9:00am and 4:00pm (AWST) Monday to Friday. Payment will be made in Australian dollars.

10. What are the advantages and disadvantages of participating in the Facility?

You may consider the following consequences of participating in the Facility to be advantageous to you:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses in connection with the sale of your Shares;
- utilising a cost-effective way of disposing of an Unmarketable Parcel; and
- the sale price of your Shares being determined by reference to the prevailing market price of Shares or in any other way determined by the Directors.

You may consider the following consequences of participating in the Facility to be disadvantageous to you:

- no longer holding any Shares in the Company (unless you subsequently buy more Shares);
- possible capital gains tax being payable; and
- the price of the Company's Shares subsequently rising following the sale of your Shares (although there is no way of predicting whether this would actually occur).

11. What if the price of Shares changes between the Record Date and the Closing Time?

If the market price of Shares increases between the Record Date and the Closing Time, such that at the Closing Time the value of your Shares is equal to or greater than \$500, your Shares will not be sold through the Facility.

12. If I buy more Shares in the Company, will I retain my holding?

The Company will not sell your Shares if you increase your holding to a marketable parcel, being a holding of Shares with a market value of at least \$500 based on the price of Shares as at the Closing Time. Please note that any additional Shares acquired must be registered by the Closing Time, under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Retention Form.

13. What if I hold multiple Unmarketable Parcels of Shares?

If you hold multiple Unmarketable Parcels of Shares, you must complete and return a Retention Form for each separate Unmarketable Parcel that you wish to retain.

Alternatively, you may aggregate your multiple holdings to avoid them being sold. To do this, please contact Advanced Share Registry on +61 8 9389 8033 between the hours of 9:00am and 4:00pm (AWST) Monday to Friday.

If you wish to sell your Unmarketable Parcels, you should take no action.

14. What if my holding of Shares in the Company is a CHESS Holding?

If your Shares remain in a CHESS Holding, the Company may move those Shares to an Issued Sponsored Holding and the Shares will then be sold under the Facility.

15. Does the Company have the authority to establish the Facility?

The Company has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under Clause 2.6 of the Constitution and rule 15.13 of the ASX Listing Rules.

16. Where can I obtain further information?

If you have any other questions about the operation of the Facility, please contact the Company on +61 8 6145 0288 or via email at info@lithium-au.com.

17. What if I am unsure of what to do?

If you are in doubt about what to do, you should consult a financial, legal or taxation adviser. This Information Sheet does not constitute advice, nor is it a recommendation to sell, buy or hold Shares.

18. Important notes

The Company reserves the right to change any of the dates referred to in this letter or the enclosed Information Sheet or Retention Form, or to vary, cancel or delay the Facility or the sale of your Shares at any time before your Shares are sold, by making an announcement to ASX.

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