

Lithium Australia NL

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Lithium Australia secures \$6.3 million in funding from The Lind Partners

Lithium Australia NL (ASX:LIT) has executed a convertible security and share purchase funding agreement with The Lind Partners for an investment of up to A\$6.3 million.

The agreement is with The Lind Global Macro Fund, an entity managed by The Lind Partners who have been long-time supporters of Lithium Australia and its aim of creating a circular battery economy.

An initial investment of A\$3 million will fund battery sales, battery recycling growth and working capital and this is expected to be provided within seven days.

This initial funding will be provided by way of a secured convertible security and a \$100,000 share placement, the proceeds of which will be used to fund the following:

- Growth of the Soluna Australia battery business;
- · Commercialisation of the company's cathode business, owned by its subsidiary VSPC Ltd:
- Growth of the company's battery recycling business, owned by its subsidiary Envirostream Australia Pty Ltd; and
- Costs of the funding, as well as general working capital.

The funding agreement includes provisions that allow for the conversion of securities outstanding to the investor into fully paid ordinary shares in the capital of Lithium Australia, optional cash payments by the company or early repayment, subject to Lind's buyback conversion rights for up to 30% of the outstanding face value.

Funding agreement to improve balance sheet

LIT's managing director Adrian Griffin said: "During 2019, Lithium Australia has made a significant transition towards what is a more diversified, revenueproducing business in one of the world's fastest-growing sectors - batteries and battery minerals.

"This funding agreement will improve the company's balance sheet, allowing us to grow our business in ways that are environmentally responsible and sustainable.

"The Lind Partners has been a long-time supporter of Lithium Australia and its directors, and we are pleased to continue our relationship with Jeff Easton and The Lind Partners."

Key aspects of agreement

Price: 0.055 \$43.24 m Market Cap: 1 Year Share Price Graph 0.08 0.06 0.04 0.02 eptember 2019 March 2020 September 20

Share Information

Code: LIT Listing: **ASX** 52 week High Low 0.089 0.032

Sector: **Battery Metals** Website: www.lithium-au.com

Company Synopsis:

Lithium Australia NL (ASX:LIT) aspires to close the loop on the energy-metal cycle. Its disruptive technologies are designed to furnish the lithium battery industry.

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The funding agreement is underpinned by the ability to draw up to \$6.3 million in a number of tranches from the investor.

Terms of the funding agreement allow Lithium Australia to carry out additional private placements of equity or engage in other financing transactions.

Lind will initially advance \$3 million to the company in two parts:

- LIT will issue a zero-interest redeemable secured convertible security
 with a face value amount of \$3.3 million for an advance of \$2.9 million.
 The difference between the amount advanced and the face value
 repayable reflects the financing charges associated with this facility and
 is inclusive of interest. Lithium Australia has the right to buy back the
 Convertible Security at any time with no pre-payment premium subject
 to Lind's buyback conversion rights for up to 30% of the outstanding
 face value
- The investor will also subscribe for shares for up to \$3.4 million over 12 months by way of pre-payments ranging from \$100,000 to \$300,000 per month for 12 months, which can be extended for an additional 12 months by agreement between the parties. Simultaneous to funding the convertible security, the investor will pre-pay the first tranche in the amount of \$100,000

Evolution to diversified battery company

Lind's managing director Jeff Easton said: "We have been following Lithium Australia since 2013.

"In that time, we have seen Lithium Australia evolve from an explorer to a diversified battery and battery minerals company with three distinct complementary business units with excellent commercial potential.

"We are thrilled to invest in Lithium Australia and its management team to support the strategic plan of expanding operations into a diversified battery Company."



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