

Commencement of Legal Proceedings re Sepeda Project

– For Immediate Release –

Novo Lítio Ltd (“Novo Lítio”, “NLI” or “the Company”) (ASX: NLI, FRANKFURT: ORM), advises that further to its announcement of 21 July 2017, the Company has commenced legal proceedings in the courts of Portugal against the vendors of the Sepeda project, Lusorecursos Lda. and its sister company Lusorecursos Arg. Lda. (together “Lusorecursos”), seeking an order of the Court that Lusorecursos apply for Ministerial consent to the grant of the tenement applications and sale of the tenements comprising the Sepeda project.

To date, discussions with Lusorecursos for completion of the sale of the Sepeda project tenements have not reached a satisfactory outcome.

The relevant tenements and interests the subject of the proceedings are:

(a) granted exploration licence MNPP04612 (the core Sepeda project tenement), held by Lusorecursos Lda.;

(b) exploration licence applications MNPPP0393, MNPPP0394, MNPPP0395 made by Lusorecursos Lda.; and

(c) exploration licence applications MNPPP0274, MNPPP0275, MNPPP0396, made by Lusorecursos Arg. Lda.

The Company maintains that it has a binding agreement to acquire from Lusorecursos 100% of the granted licence and the exploration licence applications on the grant of the applications, and that under the agreement Lusorecursos is required to seek Ministerial consent for the grant and transfer of the licences.

The Company maintains it is entitled to acquire these tenements by the payment of:

(a) 10,625 Euro on the grant and transfer of each tenement;

(b) 250,000 Euro on the definition within the tenements of a 5 million tonne JORC compliant lithium resource at 1.2% Li₂O (or greater); and

(c) 750,000 Euro on the definition within the tenements of 15 million tonne JORC compliant lithium resource at 1.2% Li₂O (or greater).

Payment of 10,000 Euro (paid on the successful re-application for exploration licence applications MNPPP0274, MNPPP0275, MNPPP0395) has previously been paid to Lusorecursos pursuant to the terms of the agreement.

The Company anticipates that the application for the Court order may be determined within three months. Following the initial application, it is possible that further legal proceedings may need to be commenced in order for the Company to enforce its rights.

Pending the outcome of proceedings, the Company continues to have access to the Sepeda project area and is continuing with exploration activities on the Sepeda project.

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CORPORATE DIRECTORY

Non-Executive Chair
John Fitzgerald

President & CEO
David J Frances

Executive Technical Director
Francis Wedin

Non-Executive Director
Dudley J Kingsnorth

FAST FACTS

Issued Capital:	370.4m
Options Issued:	31.1m
Market Cap:	\$18.5m
Cash:	\$14.4m

CONTACT DETAILS

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