



Drill Permitting Under Way - Spodumenberget Lithium Prospect, Sweden

CORPORATE DIRECTORY

Non-Executive Chair
John Fitzgerald

President & CEO
David J Frances

Executive Technical Director
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Non-Executive Director
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FAST FACTS

Issued Capital:	370.4m
Options Issued:	31.1m
Market Cap:	\$15.5m
Cash:	\$13.8m

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– For Immediate Release –

Highlights:

- **Permitting process under way to drill Spodumenberget, one of the projects in Novo Lítio's (NLI) Swedish lithium portfolio**
- **Drilling to target area of high grade results from earlier surface sampling, including 2.77% Li₂O from spodumene-bearing pegmatites¹**
- **Swedish projects to complement NLI's main-focus core Portuguese assets and its strategy to be a sustainable supplier of lithium carbonate/hydroxide to the European markets**

NOVO LÍTIO LTD ("Novo Lítio", "NLI" or "the Company") (ASX: NLI, FRANKFURT: ORM), is pleased to inform shareholders that following the completion of targeting work, the permitting process for an initial drill programme at Spodumenberget, one of NLI's Swedish lithium projects, is underway.

Surface sampling at Spodumenberget has previously yielded high-grade lithium values, including 2.77% Li₂O, from spodumene-bearing rock chip samples. Mapping has shown the presence of pegmatite outcrops over a strike length of 340m, and up to 100m wide, with surrounding areas masked by glacial cover. This area will be tested by four initial drill holes, to ascertain whether any mineralised pegmatites of significant width are present at depth. Pending approval from local stakeholders, landowners and authorities, NLI expects to commence drilling in late 2017.

Novo Lítio CEO David Frances commented: *"Keeping with our goal to supply lithium from Europe for Europe, exploration work on our Portuguese and Swedish tenement portfolios continues to move forward, while we progress legal proceedings to enforce our rights over the Sepeda Lithium Project. Spodumenberget has exhibited encouraging high-grade lithium mineralisation at surface, so we are keen to test our exploration models with some first-pass drill holes. We look forward to keeping our shareholders informed of further developments."*

¹ NLI ASX announcement 28/07/2017

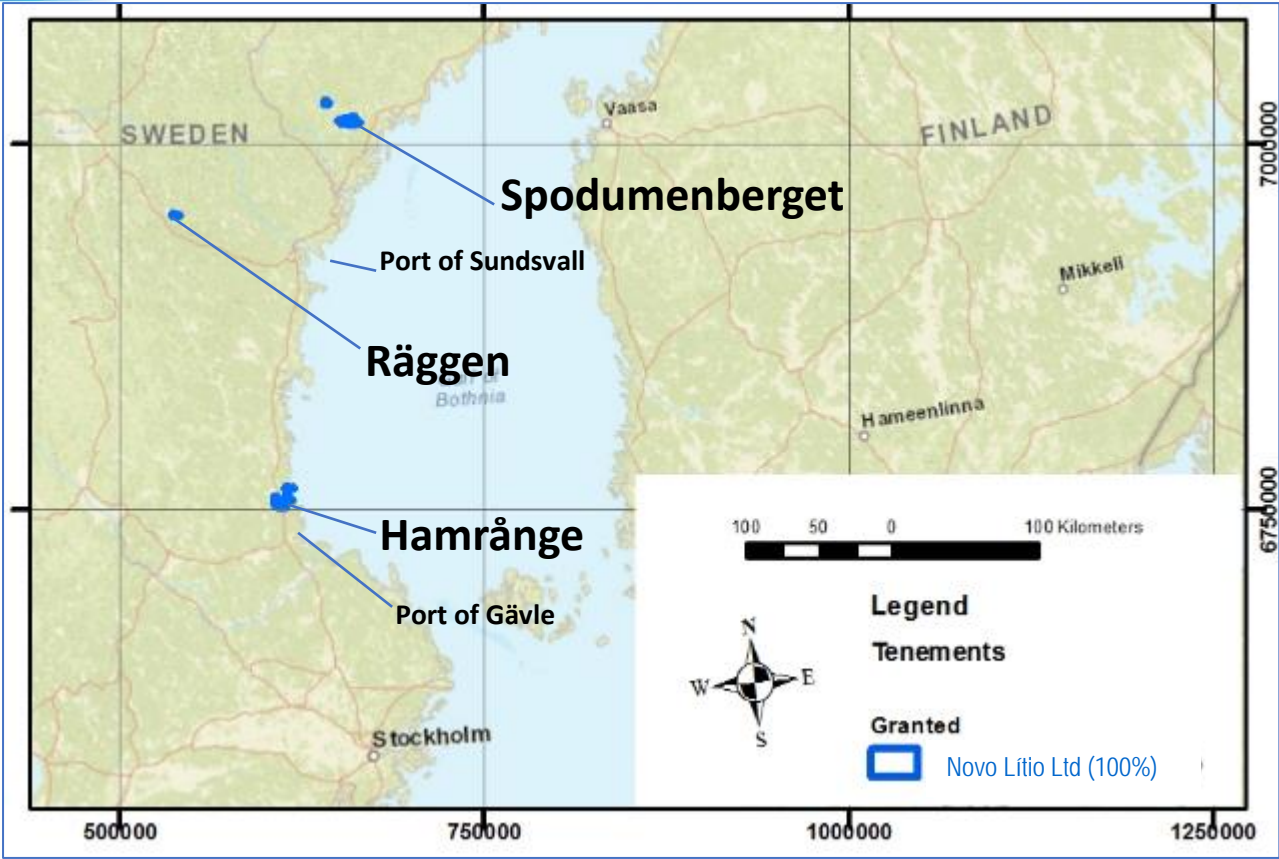


Figure 1: Location of Novo Lítio's lithium projects in Sweden.



Figure 2: Pegmatite outcrop at Spodumenberget

Novo Lítio - Sweden

NLI's Spodumenberget prospect is located in central Sweden, in the locality of Örnköldsvik, in Västernorrland County. Historical reconnaissance work from the 1980s by Luossavaara-Kiirunavaara Aktiebolag (LKAB) indicated surface lithium results² of up to 0.788% Li, equivalent to 1.69% Li₂O, related to spodumene-bearing pegmatite mineralisation over a large area³. Cassiterite and columbite were also noted. These observations have now been confirmed by the work carried out by GeoVista AB. In addition, the Company has gained a large portfolio of tenements in the Hamråde region of Gävle Municipality in Gävleborg County, and in the Räggen region of the Bräcke Municipality, Jämtland County, in Central Northern Sweden. Both areas contain mapped LCT-type pegmatites prospective for lithium mineralisation, and will be assessed in the coming months.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Francis Wedin, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Wedin is a full-time employee of NLI and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Wedin consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears. All material assumptions and technical parameters underpinning the JORC 2012 reporting tables in the relevant market announcements referenced in this text continue to apply and have not materially changed.

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David J Frances
President & CEO

² Report no. S85-06. LKAB Exploration Reports, available from Geological Survey of Sweden. Uppföljande prospektering i området mellan Näsåker och Örnköldsvik, Västernorrlands län, 1985

³ Report no. S85-28. LKAB Exploration Reports, available from Geological Survey of Sweden. Rare element pegmatites in Västernorrland, Sweden. 1985