



**18 February 2016**

## **ASX ANNOUNCEMENT**

### **LITHIUM AUSTRALIA AND VENUS METALS JOIN FORCES IN THE PILGANGOORA AREA TO TEST LITHIUM CARBONATE AND LITHIUM HYDROXIDE POTENTIAL IN THE PILBARA**

#### **HIGHLIGHTS:**

- **MoU to evaluate Pilbara's potential to produce battery grade lithium carbonate and hydroxide**
- **Focus on proving up commercial feedstock volumes and technologies sufficient for an initial local processing facility**
- **Key area of attention is Venus' Pilgangoora project near Port Hedland**
- **Lithium Australia to contribute access to its exclusive lithium silicate processing technology allowing low energy recovery of lithium from host spodumene and micas**
- **Is 2<sup>nd</sup> Pilbara lithium move by LIT following November 2014 MoU with Pilbara Minerals to test for lithium mica potential on PLS's nearby Pilgangoora project area**

#### **SUMMARY**

Lithium Australia NL (ASX: LIT) and Venus Metals Corporation Ltd (ASX: VMC) have executed a Memorandum of Understanding (MoU) to initially test the commercial lithium potential of Venus' holdings in the Pilbara region of Western Australia.

The area of focus will be Venus' Pilgangoora project, southeast of Port Hedland.

The broader objective of the partnership will be to determine if the potential exists for sufficient feedstock to feed a Pilbara lithium processing facility to produce high grade lithium carbonate and/or hydroxide for use in advanced hi-tech applications including lithium ion batteries.

The centrepiece to the MoU will be a test program to review the commercial lithium potential of ground held by Venus (Figure 1) with a view to exploiting mineralisation dominated by the lithium micas (lepidolite and zinnwaldite), spodumene and clay minerals.

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## TEST PROGRAM AND TERMS OF AGREEMENT

The terms of the MOU require that Lithium Australia produce a report outlining the ways in which the combined expertise of Venus and Lithium Australia can be optimised.

In particular, Lithium Australia will provide a plan for cogeneration of revenue from both lithium micas and spodumene, where spodumene occurs in association with the other minerals, using Lithium Australia's exclusive licence for mica and its intellectual property for spodumene.

Lithium Australia will pay a fee for exclusive access to the Venus ground and will sole fund exploration over the project tenements in the first year following tenement grant. Venus will retain 100% ownership of its Pilgangoora tenements.

The test work program by Lithium Australia will include field inspections, data and observations across the project area and in the laboratory to confirm the suitability of the lithium mica, spodumene and clay materials within the MOU area as a source for battery grade lithium carbonate and lithium hydroxide.

Such outcomes could help establish a base commercial case for a local lithium processing plant in the Pilbara.

## BACKGROUND

Lithium Australia's significant advances in the development of lithium extraction technologies created the opportunity to work with Venus to expand Lithium Australia's footprint in the Pilgangoora area – an emerging "lithium hot spot" in Western Australia's well established Pilbara mining district.

The area covered by Venus' tenement applications contains many known pegmatites and has the potential to add significant quantities of lithium silicates (including lithium mica and spodumene) to the regional inventory.

Lithium Australia considers access to this potential is a strategic element of the Company's plan to establish a processing facility for lithium silicates in Western Australia using ground-breaking, low-energy processing technologies to recover lithium as carbonate or hydroxide as feed for the battery industry.

### **Lithium Australia Managing Director, Mr Adrian Griffin:**

*"We have been established in the Pilbara area for a long time, having maintained a similar ongoing program with Pilbara Minerals since 2014. Our past work has uncovered previously unrecognised lithium potential there and our modelling strongly suggests the potential for further lithium occurrences on the Venus Metals ground. This comes on the back of recent discoveries by Lithium Australia of abundant lithium mica at Ravensthorpe on WA's southern coastline."*

*"The potential of the Pilgangoora hot spot is enormous as can be seen by the success of Pilbara Minerals in establishing there a world-class spodumene inventory. We believe a combination of access to feedstock, and the development of processing technologies, may well be the convergence required for establishing a lithium chemical industry in the Pilbara, and to feed the world's emerging battery factories."*

"We are keen to work with Venus Metals which has recognised the potential benefits of Lithium Australia's value-adding strategy; and has established a significant footprint in and around the Pilgangoora."

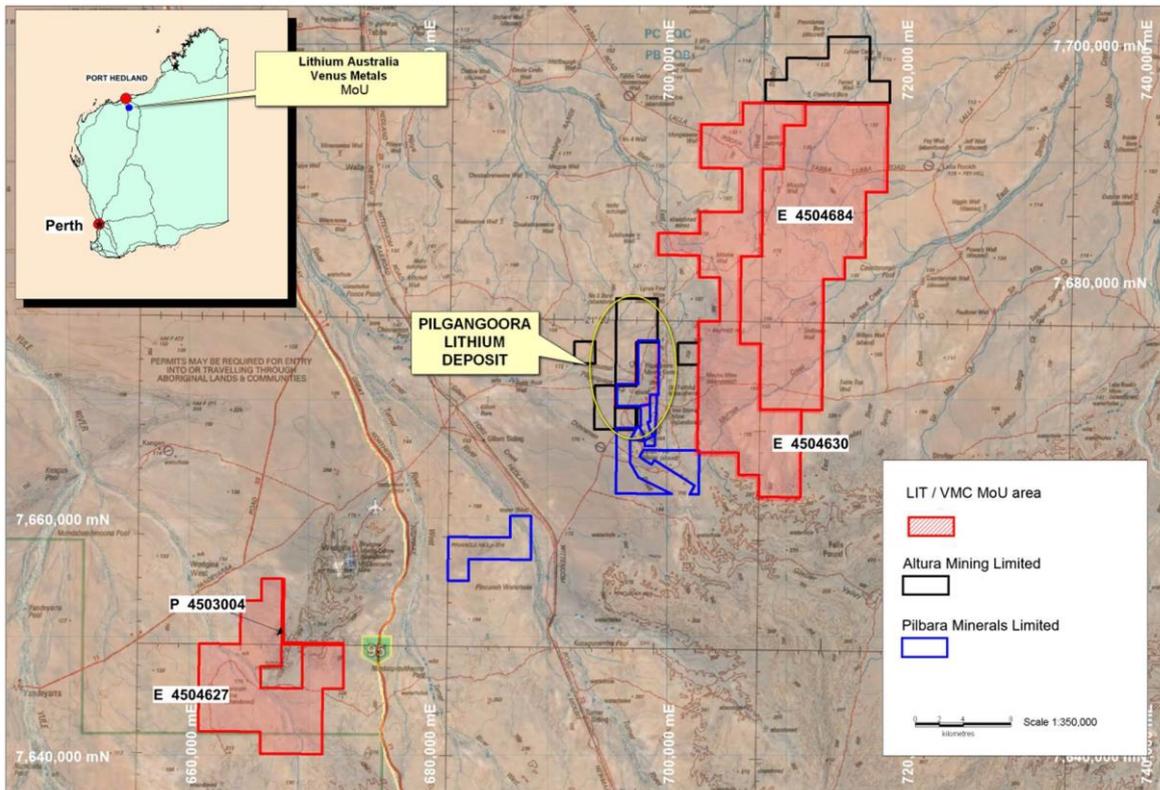


Figure 1 Lithium Australia and Venus Metals Corporation Project

#### **About Lithium Australia NL:**

Lithium Australia is a dedicated developer of disruptive lithium extraction technologies. It has strategic alliances with a number of companies, potentially providing access to a diversified lithium mineral inventory on three continents.

#### **Adrian Griffin**

Managing Director

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#### **Competent Person Statement**

*Mr Griffin is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity being reported to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

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