

10 March 2016

ASX ANNOUNCEMENT

Lithium Australia advances its 100% owned Sileach™ process with approved Program of Works for Lepidolite Hill

Highlights

- Lithium Australia NL (ASX: LIT) has expedited the Program of Works for the extraction of a trial sample for pilot testing of Lepidolite Hill lithium micas
- Testing will advance the versatile, 100% owned Sileach™ process towards commercialization
- Pilot testing of the Sileach™ process will be undertaken in an independent laboratory
- Independent laboratory to provide pilot plant equipment reducing capital requirement
- The program will not only advance Sileach™ process development but also the Coolgardie Rare Metals Venture, established with Focus Minerals Limited (ASX:FML) in September 2014

Sileach™ process commercialization

The Sileach™ process has been developed by LIT as an alternative to roasting silicates for the recovery of lithium. The process is:

- Energy efficient;
- Undertaken at atmospheric pressure; and
- Very versatile (applicable to all silicates).

The Sileach™ process offers a real alternative for hard rock lithium producers, in particular those producing spodumene. The process can produce lithium carbonate, hydroxide, or higher-level lithium chemicals.

When integrated with primary hard-rock lithium production, the application of the Sileach™ process will provide the opportunity for lithium producers to bypass third party refiners, which are presently the bottleneck in the lithium production chain.

Program acceleration

LIT is accelerating the commercialization of the Sileach™ process. An integral part of the commercialization process is pilot testing. To provide the first plant feed LIT will recover high-grade ore from Lepidolite Hill, near Coolgardie in Western Australia (Figure 1). The Western Australian Department of Mines and Petroleum has approved the Program of Works to recover up to 1,500 tonnes of Lepidolite ore. LIT has entered into discussions with mining contractor to recover the test parcels

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Independent testing

LIT has commenced sighter tests at the preferred independent laboratory that has been selected to undertake the work.

Lithium Australia Managing Director, Mr Adrian Griffin:

“LIT is full steam ahead in establishing its pilot plant run to advance its 100% owned Sileach process. LIT is preparing feed from a number of sources in Australia, Europe and North America for testing, and has selected an independent laboratory to ensure the production of unbiased results.

LIT is pleased with the rapid response it received with its PoW application and we welcome the WA Department of Mines and Petroleum support.”

Adrian Griffin

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About Lithium Australia NL:

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

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Figure 1 showing the location of the Coolgardie Rare Metals Joint Venture subject of the Joint venture between LIT and Focus Minerals and location for the trial sampling program.

COMPETENT PERSONS STATEMENT

Competent Persons Statement:

The information contained in the report that relates to Exploration Results of projects owned by Lithium Australia NL and is based on information compiled or reviewed by Mr. Adrian Griffin, who is an employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Griffin has given consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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