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ASX ANNOUNCEMENT

LITHIUM AUSTRALIA DOUBLES FOOTPRINT IN WESTERN AUSTRALIA'S PROSPECTIVE GREENBUSHES AREA

HIGHLIGHTS

- Lithium Australia expands holding adjacent to the world's largest lithium mine
- Granted tenure abuts the producing Talison Lithium
- The exploration licence granted in April 2016 is augmented by a further 3 licences
- Licences granted in July 2016 now provide access to much of the target structural trend from Donnybrook to Bridgetown

EXPANSION OF GREENBUSHES INTERESTS

The recent grant of three exploration licences more than doubles the area covered by Lithium Australia (ASX:LIT) in the world's most productive lithium province (see Figure 1 and Table 1).

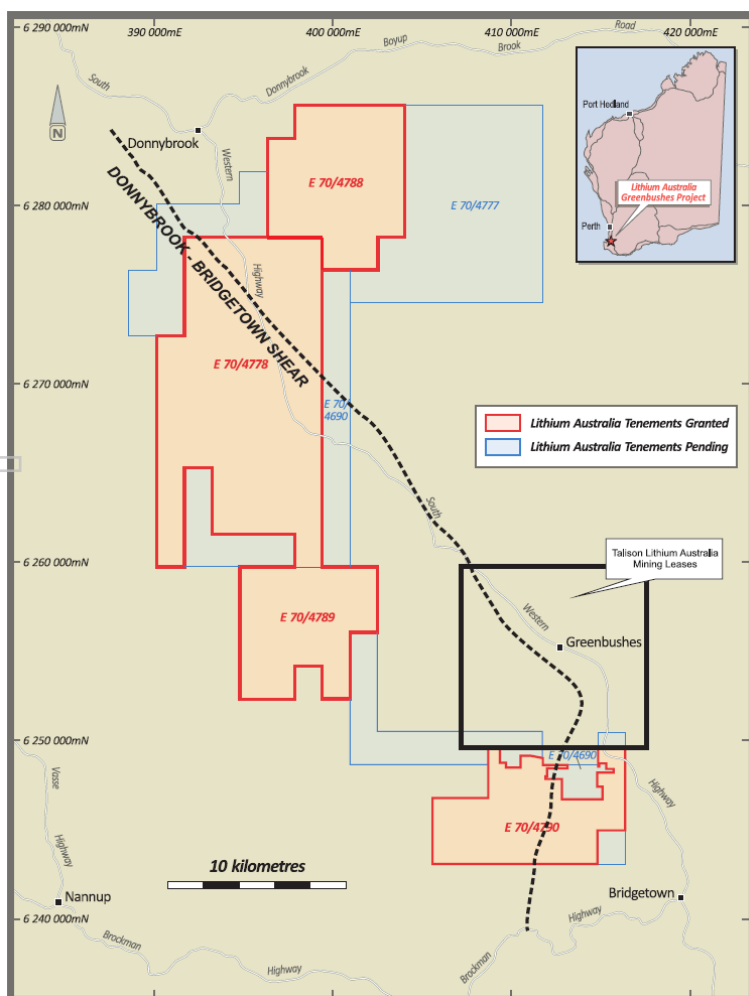


Figure 1 Lithium Australia tenements in the Greenbushes area.

Greenbushes hosts the world's largest lithium mine which currently produces about 40% of global lithium supply from pegmatites, mined approximately 200km south of Perth, in Western Australia.

The area hosts abundant pegmatites the emplacement of which appears to be structurally controlled.

A number of major structural features occur within the area, including the Donnybrook – Bridgetown Shear within which the Greenbushes pegmatite is located. Numerous subsidiary structures have been identified in the area, some of which are also associated with the emplacement of pegmatites.

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Lithium Australia holds an 80% equity in the Greenbushes project. The remaining 20% is free-carried to the point at which a decision is made to undertake a feasibility study.

A considerable area remains subject of Lithium Australia exploration licence applications and details of granted tenements are shown in Table 1.

Licence	Date Granted	Applicant	Interest	Area (Ha)
E70/4778	19/04/2016	Lithium Australia NL	80%	14558
E70/4788	1/07/2016	Lithium Australia NL	80%	6002
E70/4789	1/07/2016	Lithium Australia NL	80%	14846
E70/4790	1/07/2016	Lithium Australia NL	80%	4912

Table 1. Details of lithium Australia's granted tenure in the Greenbushes area.

Initial phases of exploration (already commenced) will employ non-invasive technologies to model the chemical evolution of the intrusive rocks forming part of the pegmatite complex. Lithium Australia is a leader in the development and implementation of such technologies, which have been very effective in detecting lithium pegmatites below cover within other Lithium Australia projects. The geochemical profiles will also help delineate the more prospective structural trends for further examination.

The Managing Director of Lithium Australia, Mr Adrian Griffin said:

"The grant of the three new licences will enable Lithium Australia to gain a much more complete picture of the geological systems that have created the world's largest known lithium pegmatite. The potential of the area is outstanding and we will use our experience to evaluate that potential in an effort to unlock the latent value of the area."

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About Lithium Australia NL

LIT is a dedicated developer of disruptive lithium extraction technologies including the versatile Sileach™ process which is capable of recovering lithium from any silicate minerals. LIT has strategic alliances with a number of companies, potentially providing access to a diversified lithium mineral inventory globally.

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