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ASX ANNOUNCEMENT

LITHIUM AUSTRALIA EXPANDS ITS GREENBUSHES INTEREST TO 100% IN WESTERN AUSTRALIA, ABUTTING THE WORLD'S LARGEST LITHIUM MINE

HIGHLIGHTS

- Lithium Australia consolidates its holding adjacent to the world's largest lithium mine
- LIT now 100% owner of Greenbushes Project which abuts the Talison Lithium owned mine
- Licences granted now provide access to much of the target structural trend from Donnybrook to Bridgetown

CONSOLIDATION OF GREENBUSHES INTERESTS

Granted exploration tenure along the Donnybrook-Bridgetown Shear, host to the world's most productive lithium province (see Figure 1 and Table 1) and the Talison owned Greenbushes lithium pegmatite mine.

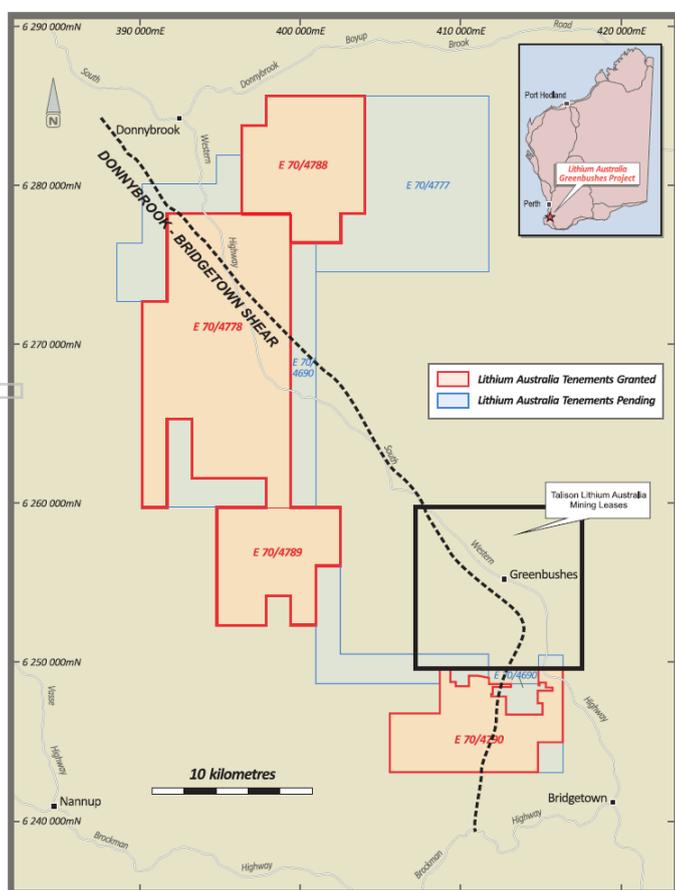


Figure 1 Lithium Australia's 100% owned tenure adjacent to the world's largest lithium mine at Greenbushes, in Western Australia.

The Greenbushes area 200km south of Perth, in Western Australia, hosts the world's largest lithium mine which currently produces about 40% of global lithium supply. The area contains abundant pegmatites the emplacement of which appear to be structurally controlled along the Donnybrook – Bridgetown Shear and subsidiary structural sites many of which also contain pegmatites.

Lithium Australia confirms that it now holds a **100% equity** in the Greenbushes project and advanced exploration techniques, including the use of Laser Induced Breakdown Spectroscopy, in which LIT is a world leader (ASX announcement 10 Nov 2016) will be used to target sites for further evaluation.

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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	100%	14558
E70/4788	1/07/2016	Lithium Australia NL	100%	6002
E70/4789	1/07/2016	Lithium Australia NL	100%	14846
E70/4790	1/07/2016	Lithium Australia NL	100%	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 and utilizing LIBS. 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.

Terms of the agreement are the payment of \$50,000 and the issue of 283,039 shares. An Appendix 3B will be lodged shortly.

The Managing Director of Lithium Australia, Mr Adrian Griffin:

"While Lithium Australia is building a portfolio of lithium exploration and development projects across Australia, there is no doubt the southwest region of Western Australia is not just highly prospective but has a long and proven record in lithium mining. To therefore secure such a large tenement package in close proximity to known mined reserves and resources, as well as regional mining infrastructure and expertise, certainly reflects the intensity of our business strategy to evolve over the near-term as both project developer and leading lithium processing technologist. The geological structure of our expanded Greenbushes holding is ideal for the application of our unique exploration technologies and methods."

Adrian Griffin

Managing Director

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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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