

21 March 2017

ASX ANNOUNCEMENT

Lithium Australia Update on BlackEarth Minerals NL IPO Activities

Highlights:

- Lithium Australia NL's (ASX: LIT) subsidiary, BlackEarth Minerals NL has acquired the exploration rights to Capricorn Metals Ltd (ASX: CMM) Madagascar graphite assets
- The tenements cover approximately 175km² encompassing 2 project areas (Maniry & Ianapera) which are at an advanced evaluation stage.
- The project areas lie in close proximity to Energizer Resources Inc's (TSX: EGZ) feasibility stage Molo Graphite Project.
- BlackEarth Minerals NL is fully funded to complete ASX listing requirements (1H 2017)

Acquisition

BlackEarth Minerals NL ("BlackEarth") has acquired the tenements from Capricorn Minerals Ltd to explore and develop the Ianapera and Maniry graphite projects located in southern Madagascar, 180km south east of Toliara, the port and administrative centre for the region. Due diligence by independent geologists describe the Project as highly prospective for large-scale, high-quality graphite deposits.



Figure 1: Project Location

The Ianapera Project is considered to have the potential to host a series of large-scale graphite deposits. Both the Maniry and Ianapera projects have been the focus of quality exploration that may allow a quick transition to resource evaluation.

For personal use only

The mineralisation at both prospects is outcropping which can be tested with relatively shallow drilling and trenching to quickly delineate resources. Metallurgical test work will be carried out as a priority to further understand the quality of the graphite mineralisation, however the preliminary petrographic work is encouraging as is the understanding of the Molo deposit characteristics owned by EGZ that is located in the same geological setting. Access to the sites is reasonable and local professional and operating experience is readily available.

The two projects which were acquired for a total of A\$150,000 plus 2 million shares in BlackEarth, compliment the highly prospective and under-explored BlackEarth graphite tenement holdings in Western Australia.

BlackEarth has recently finalised its board and management structure. The Board of BlackEarth will consist of:

- **Phil Hearse - Chairman**
Phil is a highly-regarded mining professional with over 40 years in the resources industry. He is currently the Managing Director of mining services group, Battery Limits. Over the last 10 years, he has held significant roles in the development of a number of projects globally including numerous graphite projects located in both Australia and East Africa.
- **Tom Revy - Managing Director**
Tom is a current or former senior executive with listed resources entities including Ferrum Crescent, Energo subsidiary KCM Mining, WorleyParsons, JB Were & Son, GRD Minproc, Empire Resources and CopperMoly. His operational, process design and commissioning, business development and corporate management career spans over 30 years on projects in Papua New Guinea, Australia, the Americas, Africa and China.
- **George Bauk - Non-Executive Director**
George has more than 25 years' mining industry experience including particular expertise in critical metals. Regarded for his strategic management, business planning, establishment of high-performing teams and capital-raising skills, he has held senior operational and corporate positions with WMC Resources, Arafura Resources and Indago Resources (formerly Western Metals). Since 2010, Mr Bauk has also been Managing Director and CEO of Northern Minerals Limited, overseeing that company's heavy rare earth project in northern Australia. He is currently the Chairman of Lithium Australia NL.

The Company is currently completing all technical, financial and regulatory requirements ahead of its Initial Public Offering in 1H 2017. Lithium Australia shareholders will retain exposure to the graphite assets and will be offered shares as part of the Initial Public Offering (IPO).

Adrian Griffin

Managing Director

Mobile +61 (0) 418 927 658

Adrian.Griffin@lithium-au.com

About Lithium Australia

Lithium Australia NL is a dedicated developer of disruptive lithium extraction technologies, and 100% owner of the Sileach™ process for the recovery of lithium from silicates. LIT has strategic alliances with a number of companies, potentially providing access to a diversified lithium mineral inventory. LIT aspires to create the union between resources and the best available technology and to establish a global lithium processing business.

MEDIA CONTACT:

Adrian Griffin Lithium Australia NL 08 6145 0288 | 0418 927 658

Kevin Skinner Field Public Relations 08 8234 9555 | 0414 822 631