

Closing the loop on the energy metal life cycle



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COMPETENT PERSON'S STATEMENT

The information in this report that relates to reporting of Exploration Results is based on and fairly represents information and supporting documentation prepared by Adrian Griffin, a member of the Australasian Institute of Mining and Metallurgy. Mr Griffin is a shareholder in, and managing director of, LIT and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Griffin consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

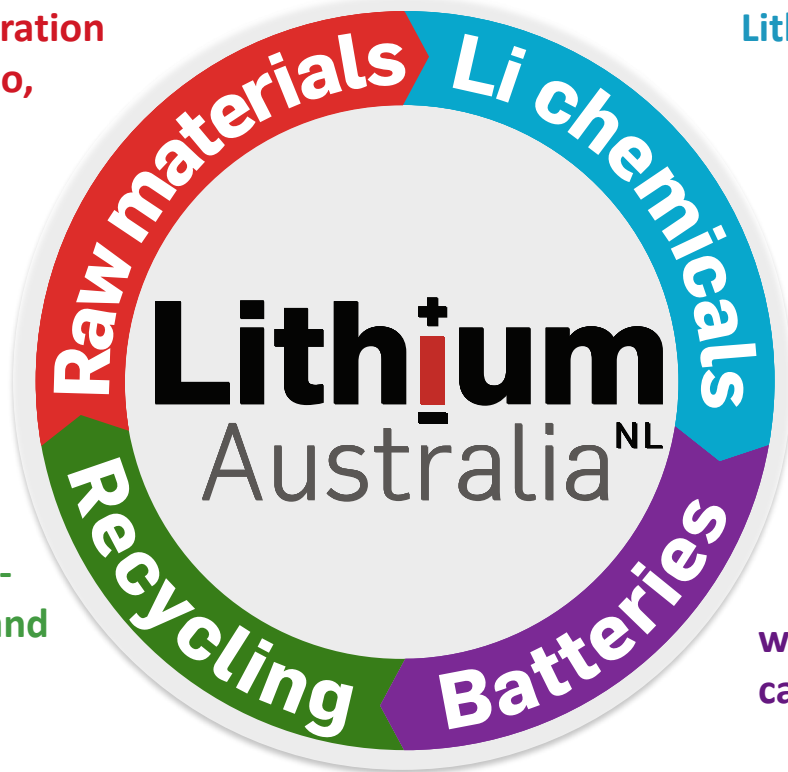
Lithium Australia's business divisions

Global resource and exploration portfolio (Australia, Mexico, Alaska, Europe, Africa)

Lithium from hard rock sources without roasting. Low-energy, by-product credits

Recovery of all metals to re-birth battery components and improve sustainability

Advanced cathode powders without lithium hydroxide or carbonate pre-cursors



Global footprint

The only vertically integrated lithium company



Lithium chemicals



- Focus on sustainability – capitalize on the waste of others
- Processing all lithium minerals with low energy footprint
 - SiLeach® for lithium micas and phosphates
 - LieNA® for spodumene, petalite
- Superior control of water balance
- Potential for direct extraction from brines

Lithium chemicals



Generation 1 SiLeach[®] plant, ANSTO, Sydney



Generation 3 scheduled for construction in 2019

The LieNA[®] opportunity



- Conventional converters require relatively coarse spodumene feed
- Mineral dressing to recover spodumene produces abundant fines below the critical feed size required for converters resulting in discharge to tailings
- LieNA[®] **REQUIRES** fine feed so is ideally suited to recovering lithium value from tailings of conventional spodumene producers
- WA spodumene concentrate production will eclipse 5Mtpa notionally making around 2-3 Mtpa of spodumene fines available for LieNA[®]. This is sufficient material to produce up to twice current global consumption of lithium chemicals

Batteries – VSPC Limited



Assets include the R&D Facility, Brisbane, Queensland

- Electrochemical testing laboratory
- Onsite material characterisation
- Onsite cell making and testing
- IP – 3 patent families



The Australian market



- The world's largest market for domestic storage
 - 40,000 subsidised units in South Australia
 - Federal government grants likely to be available
 - 25,000 remote storage facilities for Western Australia
- Mine site and off-grid power opportunities
- Utility load levelling
- Renewable energy storage
- Access to the “island nations”

Capturing the opportunity



- Lithium Australia DLG (50%LIT and 50% DLG) formed to service the Australian market
- VSPC cathode powder to be introduced as a critical component of DLG cells
- Australian pack and module production to be introduced
- Lithium Australia DLG to develop domestic supply chain
- Focus on customer convenience and guaranteed on-time delivery
- Australia to be the test case for the launch into the Asia/Pacific region

Vertical integration of the supply chain - the ultimate consumer advantage



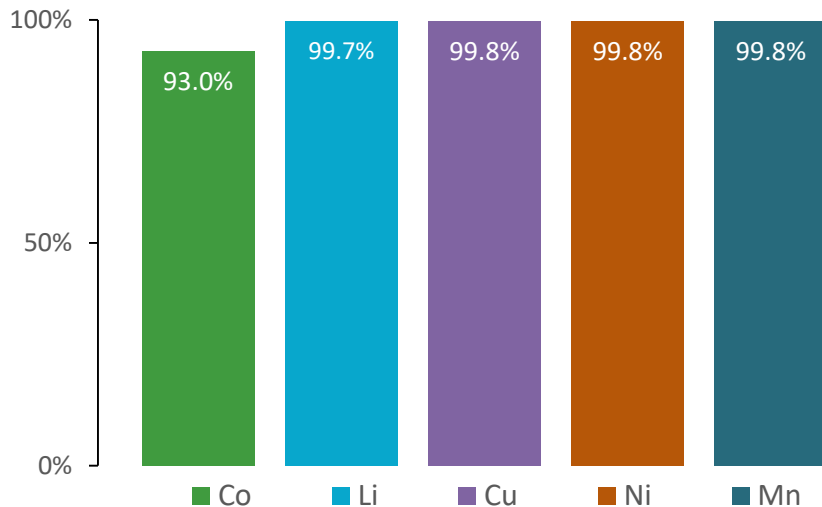
- Vertical integration reduces consumer pricing
 - Fewer points in the production cycle for profit taking
 - Guaranteed and quality controlled supply
 - Optimised supply/demand match
 - Lower global inventory and working capital costs
- Lithium Australia provides the consumer advantage and the market exposure to a vertically integrated supply chain

Recycling



- Only 9% of LIBs are recycled
- Conventional processes focus on the recovery of Co – no Li recovered
- LIT's process recovers all metal
- Recycled metals can be used to re-birth cathodes and provide ethical and sustainable supply

Oxidative pre-treatment and sulphuric acid leach



Laboratory metal recoveries from spent lithium-ion batteries.

Recycling



- Expanding interest in Envirostream Australia from 10% to 18%
- Strategic partnerships with Korean and US recyclers
- Establishment of national battery collection network
- Potential to re-birth cathode materials using VSPC technology
- First mover advantage to create domestic monopoly and restrict exports of LIB material by competitors

Development plan – 2019

- Lithium Australia is seeking a partner to capitalise on the Australian opportunity and to develop its cathode powder business
- VSPC cathode powder production in China
- Package VSPC powder with Chinese cell production
- Delivery of cells, modules, and packs into the Australian market
- Constructing and operation of Generation 3 SiLeach[®] pilot plant
- Commitment to LieNA[®] development program
- Sadisdorf project to pre-feasibility with SiLeach[®] and VSPC technology
- Global resource evaluation – expansion of resource base

Lithium Australia – corporate snapshot

ASX-listed: ticker LIT, LITCE



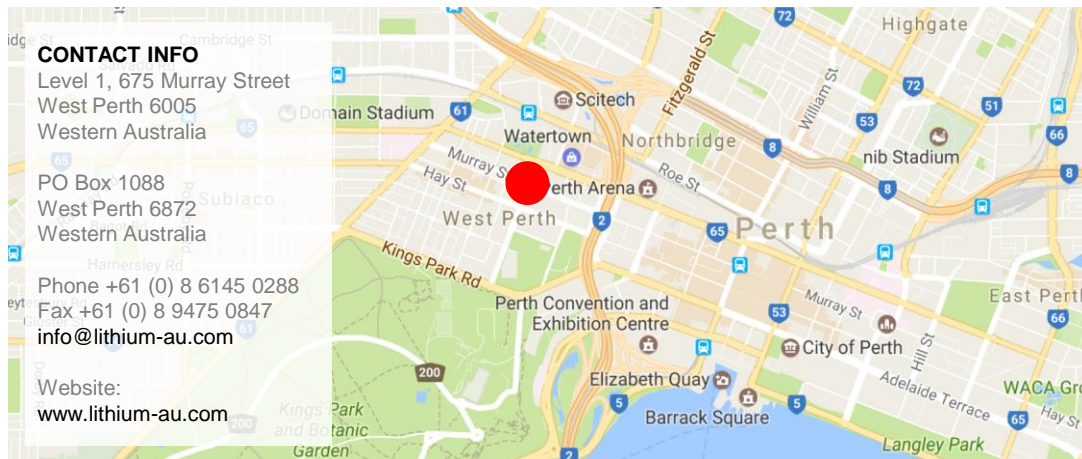
George Bauk
(non-executive chairman)
Expert in specialty metals, particularly rare earths – project management, marketing and financing.



Adrian Griffin
(managing director)
Exploration, production, mine management and processing technology.



Bryan Dixon
(non-executive director)
Corporate, finance and mine development.



Price (AU\$) as at 09/05/2019	0.08
Market capitalisation (AU\$)	38 M
Shares outstanding (LIT)	466 M
Partly paid shares (LITCE)	170 M
Cash position at 31/03/19 (AU\$)	9.13 M
Debt position at 31/03/19 (AU\$)	5.0 M

Top 10 holders at 09 April 2019	24.83%
JP Morgan Nominees	5.51
Acuity Capital Investment Mgmt	3.22
TIN International AG	3.05
Citicorp Nominees Pty Ltd	2.54
HSBC	2.33
BNP Paribas	2.25
Adrian Griffin	1.85
Parkway Minerals NL	1.48
Neil Griffin	1.47
MCN Investments Pty Ltd	1.13

www.lithium-au.com

Investing in the future



Adrian Griffin
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