

ASX ANNOUNCEMENT



24 December 2019

Lithium Australia – raw materials update

SUMMARY

- **Rehabilitation at Ravensthorpe ongoing.**
- **Seabrook Rare Metals Venture expired.**
- **Coolgardie Rare Metals Venture – discussions continue.**

Lithium Australia NL (ASX: LIT, 'the Company') continues to rationalise its holdings of raw materials, including those in Western Australia, the Northern Territory, Queensland, South Australia, Germany and Mexico.

At present, Lithium Australia's preferred supply model involves sourcing lithium minerals from mine-waste streams (historical dumps and tailings) or as discharge from currently operating mines; however, other supply opportunities are also being evaluated.

Lithium micas, often associated with tin, tantalum and tungsten, as well as certain types of clay minerals, are prime targets for the Company, as is the fine spodumene discharged as waste during the production of lithium concentrates.

Ravensthorpe rehabilitation – Western Australia

Rehabilitation at Ravensthorpe continues. The Company is pleased with progress at Deep Purple, the subject of recent inspections by the Western Australian Department of Mines, Industry, Regulation and Safety ('DMIRS') and is preparing for further rehabilitation work at Horseshoe, subject to approval of the updated rehabilitation plan by DMIRS.

Seabrook Rare Metals Venture – Western Australia

By November 2019, the 5-year term of the Seabrook Rare Metals Venture had expired. Consequently, the arrangement with Tungsten Mining NL has come to an end. Lithium Australia held an equitable interest being one of two tenement holders. However no interest was earned in any tenure held by Tungsten.

The Seabrook project did give Lithium Australia the opportunity to calibrate and test laser-induced breakdown spectroscopy ('LIBS') as a practical, field-portable assay technique for lithium. Indeed, the R&D programme undertaken at Seabrook generated procedures/protocols that have been successfully employed for real-time drill control on the Company's Electra Project in Mexico, as well as applications for other projects, including metallurgical process control.

Coolgardie Rare Metals Venture ('CRMV') – Western Australia

Throughout 2019, Lithium Australia continued its R&D into identifying appropriate sources of waste lepidolite at its Lepidolite Hill project. It further developed its knowledge of Lepidolite Hill through the use of deep-ground penetrating radar. Once targets were identified with this non-invasive programme, sampling was undertaken using LIBS.

ACN: 126 129 413

ASX: LIT

Level 1

675 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

Phone +61 (0) 8 6145 0288

Fax +61 (0) 8 9475 0847

info@lithium-au.com

lithium-au.com





ASX ANNOUNCEMENT

Final validation of the LIBS programme – the subject of a Department of Mines Exploration Incentive Scheme (EIS) grant – was achieved by processing duplicate samples using conventional assay techniques.

Despite Lithium Australia meeting all the conditions required to convert the CRMV to an 80:20 joint venture ('JV'), the JV counterparty does not acknowledge that work undertaken by the Company meets the requirements of the agreement. As the Company does not consider Lepidolite Hill a core asset, at this stage no further work is planned there. However, completion of formalities with the JV partner is continuing.

ACN: 126 129 413
ASX: LIT
Level 1
675 Murray St
West Perth WA 6005
PO Box 1088
West Perth WA 6872
Phone +61 (0) 8 6145 0288
Fax +61 (0) 8 9475 0847
info@lithium-au.com
lithium-au.com

Metal Hawk IPO update – Emu Lake project, Western Australia

Recently, Lithium Australia was advised of the extension of the Metal Hawk Limited ('MHK') IPO timetable. As advised on 20 November 2019, subject to a successful ASX listing MHK will issue Lithium Australia with 300,000 MHK shares at a deemed issue price of \$0.20 for the purchase of the Emu Lake project.

Greenbushes project – Western Australia

Of particular interest to Lithium Australia is its significant holding adjacent to and in the vicinity of Greenbushes mine, the world's largest lithium mine, operated by Talison Lithium Pty Ltd (51% Tianqi and 49% Albemarle). Lithium Australia's Greenbushes project comprising those tenements covers areas containing numerous pegmatites. The Company seeks a partner in its bid to advance exploration in the area.

Medcalf lithium prospect, Lake Johnston project – Western Australia

The Company believes drilling to test this target is warranted and is seeking approvals from the appropriate authorities.

Dudley project – Kangaroo Island, South Australia

Studies of prospective pegmatites at Dudley have revealed significant potential for high-purity kaolin and halloysite, as well as gem-quality tourmaline. The Company is seeking expressions of interest in a commercial transaction such as a sale, joint venture, farmin, sublease or any other such transaction that will provide benefit to Lithium Australia shareholders.

Bynoe project – Northern Territory

In Bynoe, Lithium Australia holds a tenement considered strategic, as it is situated proximal to the Finnis project of Core Lithium Ltd. The Company is currently negotiating with prospective partners to further exploration in this area.

Queensland projects

Lithium Australia, which also holds strategic tenements in far north Queensland, is relinquishing its least prospective areas there and seeking partners to continue exploration on the remaining tenure.



ASX ANNOUNCEMENT

Electra project – Mexico

Lithium Australia is seeking partners for its 54% interest in this lithium clay project, which flanks the Sanora lithium clay deposit of Bacanora Minerals plc, recognised as one of the largest deposits of its type worldwide. Extensive mineralisation has been identified within the Electra project area.

ACN: 126 129 413
ASX: LIT

Level 1
675 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

Phone +61 (0) 8 6145 0288
Fax +61 (0) 8 9475 0847

info@lithium-au.com
lithium-au.com

Sadisdorf lithium project – Germany

The Company's ongoing pre-feasibility study ('PFS') over [the Sadisdorf lithium project](#) is investigating the viability of producing cathode materials for lithium-ion batteries from that location. The PFS will include further resource modelling, sampling and SiLeach® processing.

Authorised for release by the Board.

Barry Woodhouse

CFO and Company Secretary

Mobile +61 (0) 438 674 259

Barry.Woodhouse@lithium-au.com

Adrian Griffin

Managing Director

Mobile +61 (0) 418 927 658

Adrian.Griffin@lithium-au.com

About Lithium Australia NL

Lithium Australia aims to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy. The recycling of old lithium-ion batteries to new is intrinsic to this plan. While rationalising its portfolio of lithium projects/alliances, the Company continues with R&D on its proprietary extraction processes for the conversion of *all* lithium silicates (including mine waste), and of unused fines from spodumene processing, to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy-storage systems locally. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling.

Media contacts

Adrian Griffin, Lithium Australia NL

08 6145 0288 | +61 (0) 418 927 658

Kevin Skinner, Field Public Relations

08 8234 9555 | +61 (0) 414 822 631

Competent Person's Statement – lithium Mineral Resources, Australia

The information in this report that relates to Australian Exploration Results, together with any related assessments and interpretations, is based on information compiled by Mr Adrian Griffin on behalf of Lithium Australia. Mr Griffin is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration, and to the activities undertaken, to qualify as a

ASX ANNOUNCEMENT



Competent Person, as defined in the *JORC Code 2012*. Mr Griffin consents to the inclusion in the report of the matters based on the information in the form and context in which they appear. Lithium Australia is not aware of any new information or data that materially affects that which is contained herein.

ACN: 126 129 413

ASX: LIT

Level 1

675 Murray St
West Perth WA 6005

PO Box 1088
West Perth WA 6872

Phone +61 (0) 8 6145 0288

Fax +61 (0) 8 9475 0847

info@lithium-au.com

lithium-au.com

