

ASX ANNOUNCEMENT

19 August 2015

COMPANY DETAILS

LITHIUM AUSTRALIA NL

ABN: 29 126 129 413

ASX CODE: LIT & LITCB

PRINCIPAL AND REGISTERED OFFICE

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Belmont WA 6104

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POSTAL ADDRESS

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CORPORATE INFORMATION

(19 August 2015)
134M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

George Bauk
(Non-Executive Chairman)
Adrian Griffin
(Managing Director)
Bryan Dixon
(Non-Executive Director)

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Lithium Australia doubles footprint of key acreage in the Eastern Goldfields of Western Australia

HIGHLIGHTS

- Exploration licence granted for prospective lithium area 60km northeast of Southern Cross
- Doubling of Seabrook Rare Metals Venture footprint
- Includes recently relinquished acreage
- Will provide access to new pegmatite targets
- New Seabrook survey work already underway
- Plant trials continue success at Lepidolite Hill
- LIT awaits issue of exploration licence at Greenbushes

SEABROOK TENEMENT EXPANSION

A lithium prospective exploration area about midway between Perth and Kalgoorlie in Western Australia, has been formally granted to Lithium Australia NL ("LIT").

The area granted is considerably larger than the ground applied for last October by LIT (ASX announcement 20 October 2015) and now doubles the acreage of the Seabrook Rare Metals Venture (80% LIT and 20% Tungsten Mining NL [ASX:TGN]).

The approval by the Western Australian Department of Mines and Petroleum over Exploration Licence 77/2279 (Figure 1) now includes further prospective ground which has been the subject of relinquishments subsequent to the original application. The newly granted exploration licence covers lithium pegmatites along strike from recently established, prospective geochemical anomalies and tungsten skarns (ASX announcement 25 June 2015 and marked "1" in Figure 1).

Lithium Australia has already commenced reconnaissance geochemical surveys over the area hosting the pegmatites (marked "2" on Figure 1). The geochemistry will be used not only to identify the most prospective pegmatites, but also determine whether the anomalies and previously identified tungsten mineralisation are related. The geochemical profiling of the outcropping pegmatites will augment continuing geochemical surveys undertaken since the initial anomalies were reported in June 2015.

The new licence is located close to the Transcontinental railway line. The project forms part of Lithium Australia's expanding and extensive interests in this broader Yilgarn Craton footprint, with updates of these assets and work programs, as follows:

Lepidolite Hill (LIT 80%)

LIT announced successful continuous production of high-purity lithium carbonate from Lepidolite Hill on 12 August 2015. The material recovered from the test run will be used for third party evaluation as part of LIT's campaign to develop marketing strategies for lithium chemicals produced from lithium micas. Lepidolite Hill is part of the Coolgardie Rare Metals Venture (80% LIT and 20% Focus Minerals Limited [ASX:FML]).

Geochemical sampling has been undertaken in the vicinity of the pegmatite swarms in conjunction with remote sensing interpretation and geological mapping. LIT will test the geochemical profiling with drilling, the timing of which is yet to be determined.

Ravensthorpe (LIT 100%)

LIT is reviewing this project area. Sampling, mapping and geochemical programs are planned for Ravensthorpe in the December 2015 quarter. The location of Ravensthorpe is shown in Figure 2.

Greenbushes (LIT 80%)

The Greenbushes project (Figure 2) is subject of an exploration licence application lodged in January 2015. The area covers a pegmatite swarm covering a length of 50km, from Bridgetown to Donnybrook, in the southwest of Western Australia. The licence application abuts the mining lease held by Talison Lithium which hosts the world's largest lithium mine, 200km south of Perth and is also focused on pegmatites and producing approximately one-third of world output.

LIT's application is for a large area that extends 50km from Donnybrook to Bridgetown along the structural corridor that hosts the Greenbushes deposit. The application ground covers pegmatite swarms at :

- Brookhampton;
- Kirup (Mullalyup);
- Koala Road;
- Greenbushes South; and
- others which in places abut the Greenbushes production areas.

Lithium Australia's Managing Director, Mr Adrian Griffin:

"The exploration significance of lithium micas in Western Australia is underpinned by the recent outstanding mini-plant processing results achieved from Lepidolite Hill. The hydrometallurgical process is stable, controllable and predictable. The application of the process, for which Lithium Australia has exclusivity in Western Australia, is capable of turning geological curiosities into lithium chemicals. This provides Lithium Australia with a significant competitive advantage, and the expansion of the Seabrook Rare Metals Venture is part of that advantage."

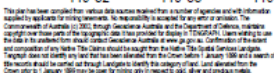


Figure 1 Shows the Seabrook Rare Metals Venture tenements (shaded and E77/2035 in the south). The most prospective areas lie close to a major crustal lineament (heavy dotted line). Prospective geochemical anomalies (1 above) were located in June 2015 and lie along strike from lithium pegmatites (2 above).

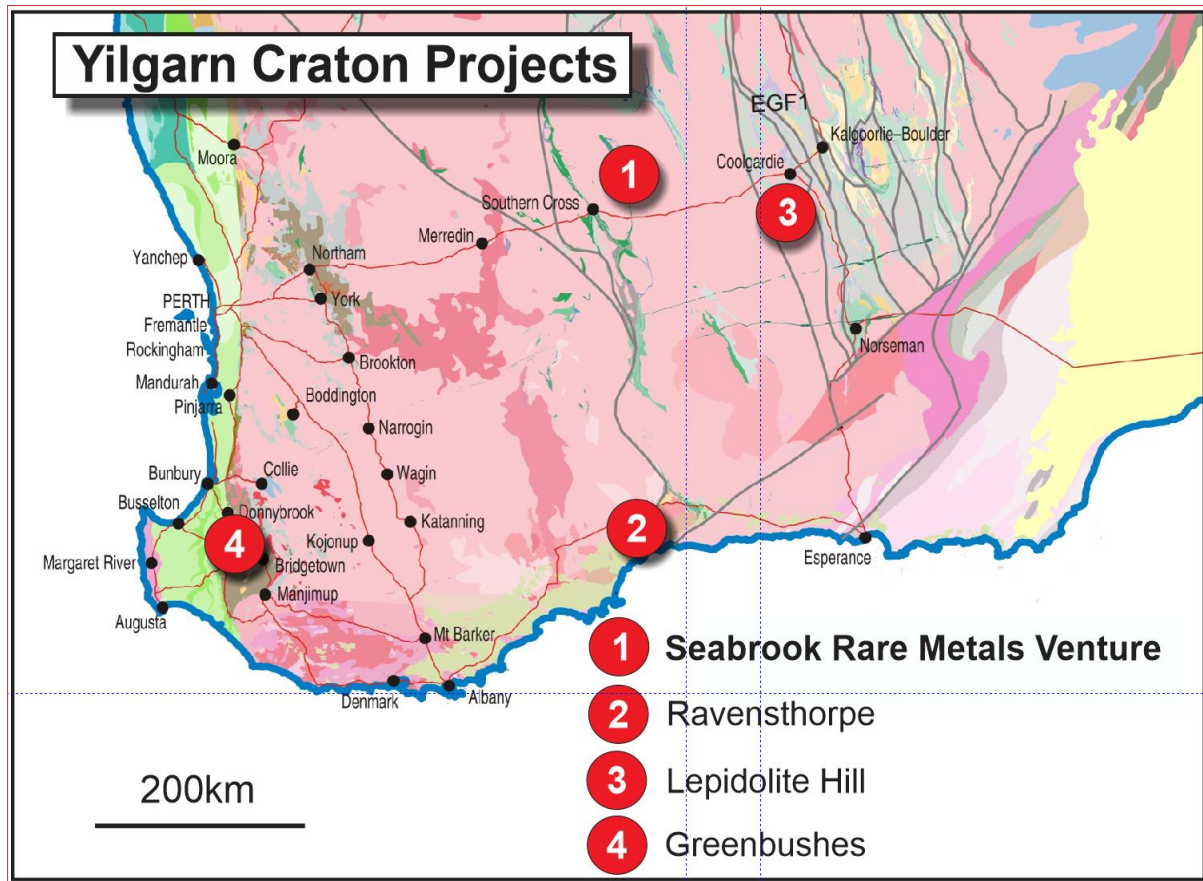


Figure 2 - The Yilgarn Craton Projects

Adrian Griffin
Managing Director

ABOUT LITHIUM AUSTRALIA

Lithium Australia (LIT) has a technical alliance with Strategic Metallurgy Pty Ltd to commercialise disruptive lithium extraction technology based on the recovery of lithium from micas; minerals not generally used as a source of lithium chemicals. LIT has a non-binding Heads of Agreement with European Metals Holdings Limited to process lithium mineralisation at Cinovec in the Czech Republic on a 50/50 JV basis. Cinovec contains abundant lithium micas and is one of the world's largest hard-rock lithium occurrences. In addition, LIT has strategic alliances with Pilbara Minerals Limited, Focus Minerals Limited and Tungsten Mining NL, to investigate lithium and rare metals in prospective locations of Western Australia close to well-developed infrastructure. LIT also has lithium exploration assets near Greenbushes and Ravensthorpe in Western Australia. LIT is also evaluating other European opportunities.

MEDIA CONTACT:

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