

31 March 2016

ASX ANNOUNCEMENT

LITHIUM AUSTRALIA WITHDRAWS FROM NON-BINDING MoU WITH EMH

The Board of Lithium Australia advises the market of its withdrawal from its non-binding Memorandum of Understanding (MoU), with European Metals Holdings Limited (ASX: EMH), relating to the Cinovec project. The action is a consequence of the parties' failure to reach satisfactory commercial terms for the joint venture anticipated to be the outcome of the MoU.

Lithium Australia is in numerous discussions in regard to its 100% owned SileachTM process and continues to assess project participation on a global basis.

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About Lithium Australia NL

LIT is a dedicated developer of disruptive lithium extraction technologies including the versatile SileachTM 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.