

19 July 2024

Lithium Australia completes LieNA® piloting and confirms fourth drawdown from Mineral Resources

HIGHLIGHTS

- Lithium Australia has successfully completed the final stage of LieNA® piloting with Mineral Resources Limited ("MinRes") at ANSTO¹ to produce lithium phosphate product
- Analysis of the pilot plant performance and lithium phosphate produced is in progress
- A further ~A\$1.2m of the A\$4.5m convertible note issued by MinRes has also been received to fund the demonstration plant engineering study, which remains on track for completion in 2024
- Subject to the results of product analysis and the engineering study, Lithium Australia and MinRes will form a joint venture to commercialise the LieNA® technology

Lithium Australia Ltd (ASX:LIT) ("Lithium Australia" or the "Company") is pleased to announce that it has completed the final stage of LieNA® piloting activities at ANSTO which commenced in June 2024² and successfully made its fourth drawdown of ~A\$1.2m from the convertible note issued by Mineral Resources Limited (ASX:MIN) ("MinRes") as part of the joint development agreement ("Agreement")³.

Under the Agreement, a key milestone in LieNA® piloting is the production of lithium phosphate derived from spodumene concentrate provided by MinRes. Lithium Australia is pleased to confirm that the operation of the LieNA® pilot plant at ANSTO is now complete. The lithium phosphate produced is now being analysed to determine the final product specifications in preparation for refining. This analysis and associated refining is expected to be completed by end 2024.

The fourth drawdown from MinRes takes the total drawn to ~A\$4.2m from the A\$4.5m convertible note. The drawdown will be used to fund ongoing activities during Q1 FY25. Agreed activities under the Agreement include the completed piloting activities as well as the demonstration plant engineering study, which is being delivered by Carnac Project Delivery Services and remains on track for completion in 2024.

Subject to the results of product analysis and engineering study, Lithium Australia and MinRes will form a 50:50 joint venture ("JV") to commercialise the LieNA® technology through a licensing model. The JV will wholly own the LieNA® technology and expects to license the technology to third parties at a target headline gross product royalty rate of 8%⁴. The first license issued by the JV is expected to be for the demonstration plant. Following this initial license, the JV expects to issue licenses to greenfield and brownfield spodumene mines globally.

Comment from Lithium Australia CEO and Managing Director, Simon Linge

"We are excited to announce the completion of the LieNA® piloting program at ANSTO, with lithium phosphate now produced. Lithium Australia and MinRes are now focused on finalising the engineering study for the LieNA® demonstration facility, which is on track for completion in 2024."

"The strong progress made this year highlighted Lithium Australia and MinRes' ongoing commitment to the commercialisation of the unique LieNA® technology. We would like to thank ANSTO for their support during the piloting program and look forward to delivering updates on the completion of the engineering study and formation of a JV between Lithium Australia and MinRes."

¹ Australian Nuclear Science and Technology Organisation ("ANSTO")

² See ASX announcement, 'Progress into the final phase of LieNA® piloting under JDA with Mineral Resources Limited', 27 June 2024

³ See ASX announcement, 'Landmark joint development agreement with Mineral Resources', 7 August 2023

⁴ The Company cautions that although it considers this to be a reasonable expectation, there is no guarantee that this rate may be achieved

Divisions of Lithium Australia



Lithium Australia Limited

ASX: LIT ACN: 129 129 413

Investorhub.lithium-au.com

lithium-au.com

Suite 16/17, 79-83 High Street

Kew, Victoria 3101

T: +61 (0) 3 7017 2656

E: info@lithium-au.com

ASX ANNOUNCEMENT



Authorised for release by the Board.

Simon Linge

Managing Director / CEO
Mobile +61 (0) 438 721 280

simon.linge@lithium-au.com

Stuart Tarrant

Chief Financial Officer
Mobile +61 (0) 467 817 005

stuart.tarrant@lithium-au.com

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

About Lithium Australia

Lithium Australia is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, produces critical battery material lithium ferro phosphate (LFP), and has developed a patented lithium extraction technology. Lithium Australia's revenue-generating recycling business and technologies are well-placed to capitalise on growing global lithium-ion battery demand and provides diversification benefits to global supply chains.

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Suite 16/17, 79-83 High Street
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