



26 November 2019

Lithium Australia increases stake in leading Australian battery recycler Envirostream to 74%

HIGHLIGHTS

- Lithium Australia moves to a 73.7% interest in Envirostream, up from 23.9%.
- Envirostream is the only Australian company able to recycle all the energy metals from spent lithium ion batteries (“LIB”s).
- Envirostream has successfully constructed and is commissioning its expanded Melbourne processing facility (capacity to recycle up to 3,000tpa of batteries).
- Shipments of mixed metal dust (“MMD”) to recommence this month, containing the energy metals cobalt, nickel and lithium.
- Envirostream founder Andrew Mackenzie to continue as Envirostream Managing Director.

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Lithium Australia Limited (ASX: LIT) (“Lithium Australia”) has reached a key milestone in its plans to create a circular battery economy, confirming it has lifted its stake in leading Australian battery recycler Envirostream from 23.9% to 73.7%.

Envirostream is the only company in Australia with the integrated capacity to collect, sort, shred and separate all the components of spent LIBs, making it a perfect fit with Lithium Australia’s critical battery metal extraction expertise.

As part consideration for the acquired interest Lithium Australia has made a payment to Envirostream of \$100,000. Some of these funds are to be used by Envirostream for commissioning the expanded Melbourne battery recycling facilities.

During FY19, Envirostream generated \$1.3M in revenue from recycling 149t of spent batteries. The expanded plant, which has the capacity to recycle up to 3,000tpa of batteries, has been successfully commissioned with first MMD produced. It is currently in the process of being ramped up and optimised.



New Envirostream plant in operation

Envirostream’s next shipment of MMD is expected to take place later this month. Envirostream recently announced it had agreed to increase its MMD shipments to SungEel, for refining into cobalt, nickel and lithium chemicals for the production of new LIBs (see [LIT announcement dated 6 November 2019](#)).



Following the acquisition of LIT's 73.7% interest in Envirostream Mr Andrew Mackenzie the founder of Envirostream will remain as Managing Director. Mr Adrian Griffin will be appointed Non-Executive Chairman and Mr Andrew Skalski will be appointed as a Non-Executive Director of Envirostream.

Comment from Lithium Australia MD Adrian Griffin

"Lithium Australia views the acquisition of a controlling interest in Envirostream as not only taking a key position in the recycling of battery metals, but also providing an environmental solution for all Australians that use batteries. Following the successful construction and commissioning of Australia's biggest lithium ion battery recycling plant, Envirostream can now focus on the roll out of its Australia-wide collection network.

Together, Lithium Australia and Envirostream are developing environmentally responsible solutions to the mounting problems of spent batteries. Keeping spent batteries from landfill and exporting the energy metals they contain is an Australian imperative.

Closing the loop on the production of battery materials reduces the environmental footprint of the mining and processing aspects inherent in battery production, improves sustainability and prevents the components of spent batteries from leaking into groundwater and oceans as a consequence of their relegation to landfill or transport to other jurisdictions. Envirostream can provide an immediate and viable solution to the LIB disposal crisis in this country."

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, the Company continues with R&D on its proprietary extraction processes for the conversion of *all* lithium minerals to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium recycling, extraction and processing.

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