

ASX Announcement

2 July 2015

COMPANY DETAILS

COBRE MONTANA NL

ABN: 29 126 129 413

ASX CODE: CXB

PRINCIPAL AND REGISTERED OFFICE

Cobre Montana NL
Suite 3
23 Belgravia Street
Belmont WA 6104

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POSTAL ADDRESS

PO Box 588
Belmont WA 6984

CORPORATE INFORMATION

(2 July 2015)
130M Ordinary Shares
50M Contributing Partly Paid Shares
12M Unlisted Options

BOARD OF DIRECTORS

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

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COBRE MONTANA ON SCHEDULE FOR COMMERCIAL PRODUCT EVALUATION

HIGHLIGHTS

- Lepidolite Hill lithium mica concentrates prepared for processing
- Cobre takes the next significant step in the commercialization of disruptive lithium chemical production
- Lithium carbonate to be prepared for commercial evaluation
- Mini-plant commissioned on schedule



Figure 1 - Processing Lepidolite Hill lithium micas in the Strategic Metallurgy mini-plant

Cobre Montana ("Cobre") is pleased to announce that it has started producing steady-state lithium carbonate from lithium based micas at Lepidolite Hill.

Continuous testing is a significant step in the development of disruptive lithium production technology based on recovery of lithium chemicals from micas, the most abundant lithium minerals. The process needs to be extended beyond continuous testing and into commercial product evaluation to complete the commercialization cycle. This has commenced under the supervision of Perth based Strategic Metallurgy Pty Ltd, using a custom designed mini-processing plant as shown in Figure 1.

Independent product endorsement

The mini-plant will be operated for approximately 10 days to produce sufficient lithium carbonate for the initial stages of commercial product evaluation. The concentrate feed has been produced from bulk samples collected from the Lepidolite Hill deposit, which forms part of the Coolgardie Rare Metals Venture. The Coolgardie Rare Metals Venture is 80% Cobre and 20% Focus Minerals Limited (ASX:FML). The lithium carbonate produced during the course of the mini-plant run, will be sent to end-users for evaluation and independent product endorsement.

Adrian Griffin, Managing Director of Cobre Montana said:

"Our plan to commence production of lithium carbonate for commercial evaluation by the end of June has been fulfilled with carbonate now being produced on a steady-state basis. The ten day test will not only provide lithium carbonate for distribution to potential end-users but will also provide valuable process information for the design of larger test plants. The current program is a critical step towards commercializing disruptive technology for the production of lithium chemicals. A successful test run will demonstrate the ability to process the most common lithium minerals, the micas, on a continuous basis."

Further tests planned at Cinovec with European Metals

Cobre was advised by its partner European Metals Holdings Limited (ASX:EMH) that it had taken bulk samples from the giant Cinovec deposit which hosts:

Inferred Li Resource of 5.5Mt LCE , 514.8Mt @ 0.43% Li₂O (0.1% Li cut-off) *
Additional Exploration Target of 3.4-5.3Mt LCE, 350-450Mt @ 0.39-0.47% Li₂O *

***Cautionary statement** The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Refer to EMH ASX announcements 9 February, 1 May, 6 May, 22, 25 and 26 June 2015)

Lithium mica concentrates will be produced from the samples and those concentrates will be subsequently processed in the mini-plant in Perth. The resulting lithium carbonate will similarly be used for market evaluation.

Cobre Montana to change its name to Lithium Australia

Cobre Montana NL (ASX:CXB) will change its name to Lithium Australia (ASX:LIT) subject to shareholder approval scheduled for Wednesday 15 July 2015.

ABOUT COBRE MONTANA

Cobre 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.

Cobre 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, Cobre 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. Cobre also has lithium exploration assets near Greenbushes and Ravensthorpe in Western Australia.

MEDIA CONTACT:

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