

11 September 2018

ASX ANNOUNCEMENT

SADISDORF LITHIUM/TIN RESOURCE TRANSFER TO LITHIUM AUSTRALIA APPROVED BY GERMAN MINING AUTHORITY

HIGHLIGHTS

- Conditions precedent for the acquisition of Sadisdorf lithium/tin/tungsten deposit completed
- Upper Mining Authority of Saxony (Germany) approves transfer of licences German subsidiary of Lithium Australia
- Lithium Australia is now the sole owner of the Sadisdorf lithium resource, and exploration projects at nearby Eichigt and Hegelshöhe
- Acquisition provides 100% equity in a substantial resource close to burgeoning lithium-ion battery production facilities established in response to growth of European electric vehicle industry

ACQUISITION UPDATE

On 11 June 2018, Lithium Australia NL (ASX: LIT) announced the acquisition of 100% of the Sadisdorf lithium/tin resource from Tin International AG (see Figure 1).

Upper Mining Authority of Saxony has approved the transfer of the requisite licences to Lithium Australia's wholly owned German subsidiary, **Trilithium Erzgebirge GmbH (TLE)**. Those licenses include the following:

- the [historic lithium/tin resource at Sadisdorf \(JORC Inferred Mineral Resource of 25 million tonnes grading 0.45% Li₂O\)](#); and
- the prospective Hegelshöhe exploration licence.

Lithium Australia will now pay the purchase consideration of €2 million of which €500,000 will be cash, and €1.5 million payable in LIT shares valued at 105% of VWAP. An Appendix 3B will follow completion of formalities.

The Eichigt project (see Figure 1), which lies close to Sadisdorf and is characterized by [widespread cobalt mineralization](#), remains wholly owned by TLE. Exploration for lithium and cobalt continues on a regional basis.

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Competent Person Statement

LIT confirms that it is not aware of any new information or data that materially affects the information included in this announcement, and in the case of the Sadisdorf Mineral Resource estimate the Company confirms that all material assumptions and technical parameters underpinning the estimates in the 7 December 2017 and 1 June 2018 announcements continue to apply and have not materially changed.

About Lithium Australia

Lithium Australia aspires to 'close the loop' on the energy-metal cycle. Its disruptive technologies are designed to furnish the lithium battery industry with ethical and sustainable supply solutions. Lithium Australia's technology comprises the SiLeach® and LiENA® lithium extraction processes, along with superior cathode material production courtesy of VSPC Ltd (a wholly owned subsidiary of Lithium Australia) and enhanced recycling techniques for battery materials. By uniting resources and the best available technology, Lithium Australia seeks to establish a vertically integrated lithium processing business.

For more information visit:

www.lithium-au.com

www.vspc.com

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Figure 1 – Location of the Lithium Australia's Sadisdorf, Eichigt and Hegelshöhe Project in Germany