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ASX ANNOUNCEMENT

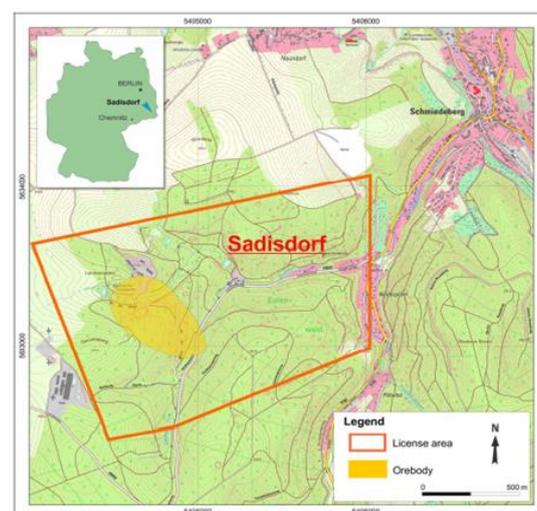
SADISDORF PROJECT UPDATE AND CLARIFICATION

Maiden drilling campaign now complete

Lithium Australia NL (ASX: LIT) is progressing the polymetallic tin-lithium Sadisdorf project in Saxony, Germany, and as outlined in the ASX announcement of [28 February 2017](#), is farming into a joint venture (JV) with German company Tin International AG.

The Sadisdorf project has the potential to provide feed to a commercial scale SiLeach[®] lithium carbonate plant and is located on the doorstep of the German automotive industry, which is rapidly gearing up to produce large numbers of electric vehicles.

LIT announced on [7 December 2017](#) a JORC (2012) Inferred Mineral Resource of 25 million tonnes grading 0.45% Li₂O (at a cutoff of 0.3% Li₂O) at the project and Sadisdorf JV partner Tin International AG has previously defined a JORC (2012) tin Inferred Mineral Resource of 3.36 Mt grading 0.44% Sn (at a cutoff of 0.25% Sn).



Sadisdorf license area

Drilling completed

As announced on [13 December 2017](#) a diamond-drilling programme commenced at the Sadisdorf project, with the programme designed to validate historical drilling data and increase confidence in future mineral resource estimates.

Further to the announcement of [12 April 2017](#) this maiden drilling campaign has now been completed.

Three drill holes have been completed as shown in Table 1 below:

Drill hole ID	X (metres)	Y (metres)	Z (metres)	Planned Azimuth	Planned Dip	Planned length	Actual length
SDDH-17-01T	5404692.0	5633054.4	592.6	88.2°	-86.0°	310 m	310.0 m
SDDH-17-02T	5404703.4	5633052.3	592.4	280.2°	-66.6°	150 m	100.8 m
SDDH-17-02TA	5404703.4	5633052.3	592.4	280.2°	-66.6°	150 m	150.0 m

Coordinate system: DHDN / 3-degree Gauss-Kruger zone 5

Table 1. Holes completed for the JV's maiden drilling programme at Sadisdorf.

Drill hole SDDH-17-01T was completed on 10 April 2018 to the target of 310m. Drill hole SDDH-17-02T was stopped at a down-hole depth of 100.8 metres due to deviation from the designed drill path and the requirement to ensure drilling closely matched previous historic drill holes. Re-drilling of this hole as SDDH-17-02TA was completed on 12 April 2018 to the target depth of 150m.

Down-hole geophysical surveys gathering density and magnetic susceptibility data to support further geological interpretation will be conducted over the next 2 days, prior to demobilization of the drilling contractor.

Completion of sampling and assaying of the remaining core will be a priority over April and May. LIT expects to provide a further update from Sadisdorf, including assay results from the completed drill programme, in coming weeks.

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About Lithium Australia NL

Lithium Australia aspires to 'close the loop' on the energy-metal cycle. Its disruptive extraction processes are designed to convert *all* lithium silicates to lithium chemicals, from which advanced components for the battery industry can be created. By uniting resources and the best available technology, Lithium Australia seeks to establish a vertically integrated lithium processing business.

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Competent Persons' Statement – Lithium Mineral Resources

The information in this announcement that relates to in situ lithium Mineral Resources for Sadisdorf is based on and fairly represents information compiled by Mr Thomas Branch under the direction and supervision of Dr Andrew Scogings who are both full-time employees of CSA Global Pty Ltd, in accordance with the requirements of the JORC Code 2012. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists and Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Dr Scogings consents to the inclusion of such information in this announcement in the form and context in which it appears.