

13 December 2017

ASX ANNOUNCEMENT

MAIDEN RESOURCE FOLLOWED IMMEDIATELY BY DRILLING CAMPAIGN

MAIDEN DIAMOND DRILLING CAMPAIGN

At Sadisdorf in Germany, the maiden resource of Lithium Australia NL (ASX: LIT) has the potential to provide processing capacity for around 25,000 tpa lithium carbonate equivalent output for 10 years. On the basis of such encouraging results a diamond-drilling programme has been instigated on the project, with LIT farming into a joint venture (JV) with Tin International AG.

Designed to validate historical drilling data and increase confidence in future mineral resource estimates, the drilling programme may lead to some of the resource being upgraded from Inferred to Indicated. Further, the drilling has the potential to expand the mineral resource inventory. Planned drilling is shown in Table 1 below.

Drill hole ID	X	Y	Z	Planned length	Azimuth	Dip
SDDH-17-01T	5404692.0	5633054.4	592.6	310 m	88.2°	-86.0°
SDDH-17-02T	5404703.4	5633052.3	592.4	150 m	280.2°	-66.6°

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

Table 1. Holes planned for JV maiden drilling programme at Sadisdorf.



Preparations for drilling at Sadisdorf being overseen by LIT managing director Adrian Griffin.

Drilling of a total of 460 metres from two diamond core holes is planned, to duplicate selected historic drill holes. Large-diameter core (101 mm, SK6L) will facilitate sample collection for future metallurgical testwork.

A 3D view of the planned drilling is shown in Figure 1 below. The “quartzglocke” is a quartz-rich pegmatite zone, which separates the Upper Greisen (above the quartzglocke) from the Lower Greisen (which lies below).

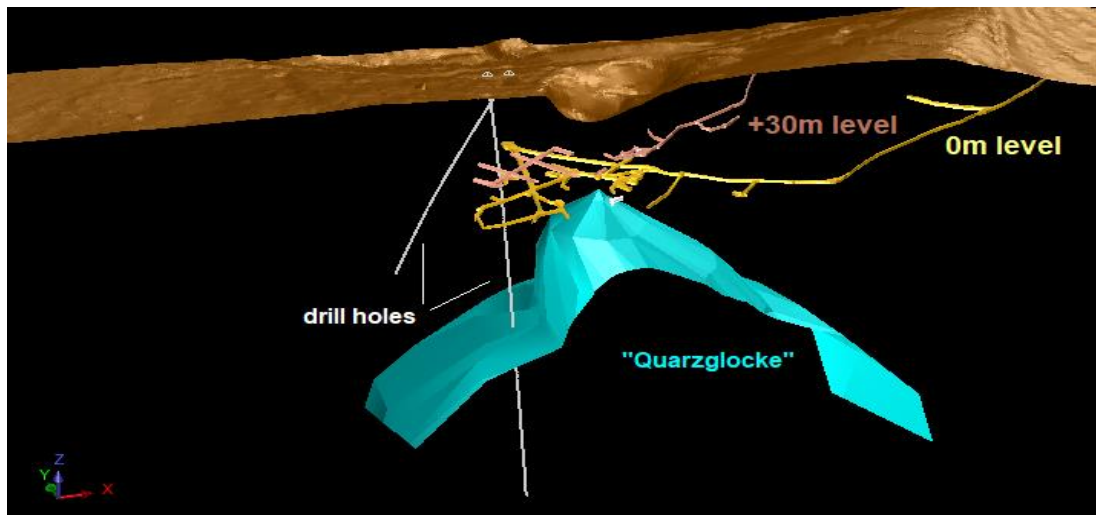


Figure 1: 3D view of holes planned for JV maiden drilling programme.

Sadisdorf JV partner Tin International AG previously defined a JORC (2012) tin Inferred Mineral Resource of 3.36 Mt grading 0.44% Sn (at a cutoff of 0.25% Sn), which is enveloped by the more pervasive lithium mineralisation. The latter (announced on [7 December 2017](#)), an Inferred Mineral Resource of 25 million tonnes grading 0.45% Li₂O (at a cutoff of 0.3% Li₂O) at the project, remains open.

LIT believes its proprietary SiLeach® mineral processing technology can unlock the potential of Sadisdorf (and similar deposits) as a true polymetallic operation, recovering lithium from the residues of conventional tin concentration processes.

LIT managing director Adrian Griffin commented:

“This is the first drilling at the Sadisdorf project since 1990. The initial holes will not only duplicate historic drill holes but also target mineralised zones outside the current mineral resource estimate. This work will progress our goal of breathing new life into the Sadisdorf project and potentially supplying raw materials to the European battery industry.”

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ABOUT LITHIUM AUSTRALIA NL

A dedicated developer of disruptive lithium extraction technologies, LIT has formed a number of strategic alliances. Potentially, these provide it with access to a diversified lithium mineral inventory. LIT's aim is to marry resources and the best available technology to create a global lithium processing business, one capable of producing high-value cathode materials from diverse ore types.

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The information contained in this report as it relates to exploration results, together with any related assessments, are expressed in accordance with the provisions of the JORC Code 2012 and have been authorized for release by Mr Adrian Griffin, Managing Director of Lithium Australia NL. Mr Griffin is a Member of the Australasia Institute of Mining and Metallurgy and has sufficient experience relevant to the styles of mineralisation under consideration, and to the activities undertaken to qualify as a Competent Person.