



16 October 2019

Lithium Australia's stake in Envirostream Australia increased to 23.9%

The opportunity

On 15 October 2019, Lithium Australia NL (ASX: LIT or 'the Company') invested a further \$100,000 in Envirostream Australia Pty Ltd ('EA'), thereby increasing its equity in EA from 18.9 to 23.9%. This significantly enhances the Company's exposure to the process of collecting and separating spent lithium-ion batteries (LIBs), a fundamental precursor to the recycling of battery chemicals.

LIT has already, at laboratory scale, successfully recovered metals from separated batteries, used the lithium so retrieved to regenerate cathode materials and, from those materials, manufactured coin-cell LIBs, testing of which vindicated the Company's aim of closing the loop on the energy-metal cycle.

Background

EA is the only company in Australia with the integrated capacity to collect, sort, shred and separate all the components of LIBs, including the lithium. Indeed, EA's infrastructure is essential to developing an environmentally responsible solution to the mounting problems spent LIBs represent. EA's collection and physical processing/separation of spent battery components makes for a perfect fit with LIT's recycling R&D.

The Company's expanded equity in EA, and acceleration of its R&D programme, both anticipate the restructuring of the recycling business to best amalgamate the capabilities of both LIT and EA.

Comment from Lithium Australia MD Adrian Griffin

"In recycling spent LIBs, we hope to meet the ethical, social and governance standards the community has grown to expect. The world's capacity to deal with climate change is also bolstered by the resulting improvements in resource sustainability and reductions in the environmental footprint of portable power. Our further investment in recycling in general, and EA in particular, therefore represents a tremendous opportunity for the Company."

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ASX ANNOUNCEMENT

**About Lithium Australia NL**

Lithium Australia aspires to 'close the loop' on the energy-metal cycle in an ethical and sustainable manner. To that end, it has amassed a portfolio of projects and alliances and developed innovative extraction processes to convert *all* lithium silicates (including mine waste) to lithium chemicals. From these chemicals, the Company plans to produce advanced components for the lithium-ion battery industry. The final step for Lithium Australia involves the recycling of spent batteries and e-waste. By uniting resources and the best available technology, the Company aims to establish a vertically integrated lithium processing business.

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