

18 April 2018

ASX ANNOUNCEMENT

Lithium Australia/VSPC to resume production of lithium-ion cathode powder

HIGHLIGHTS

- Acquisition of VSPC (the Very Small Particle Company) by Lithium Australia finalised
- Re-commissioning of cathode powder plant underway
- Recruitment drive for senior scientists and operational staff commenced

Acquisition of lithium-ion cathode producer VSPC

Lithium Australia NL (ASX:LIT) has completed its acquisition of advanced cathode material production technology by successfully acquiring 99.7% of the equity in technology company VSPC. Located in Brisbane, Australia, VSPC has spent 14 years and approximately A\$30 million developing some of the world's most advanced manufacturing techniques for the production of cathode materials. These materials are critical components of lithium-ion batteries, the burgeoning consumption of which is driven by rapidly increasing demand for EVs and consumer electronics. The advanced battery materials being developed by VSPC are also applicable to green energy solutions, including as back-up for sources of renewable energy.



Production area of the VSPC cathode powder pilot plant, located in Brisbane, Australia.

Re-commissioning of the cathode plant

The VSPC takeover was completed in February 2018. Since then, time-critical service agreements have been negotiated, recruitment of technical and operating staff has commenced and service agreements have been arranged with universities to support the technical demands of the project.

The VSPC facility, a 2 to 4 tonnes-per-annum pilot plant, incorporates an integrated laboratory, coin-cell production facility and battery-testing equipment. Plant inspections and servicing are underway, as is evaluation of equipment upgrades, to prepare for resumption of production in July 2018.



LIB cell assembly area inside VSPC's laboratory.

COMMENT FROM LIT MANAGING DIRECTOR ADRIAN GRIFFIN:

“Recommissioning the VSPC pilot plant is a challenging task, but many of the past scientific and operating staff have made themselves available to ensure success. We welcome their assistance and participation in our plan to provide the world’s battery producers with the best available cathode materials.”

Adrian Griffin

Managing Director

Mobile +61 (0) 418 927 658

Adrian.Griffin@lithium-au.com

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.

MEDIA CONTACTS

Adrian Griffin, Lithium Australia NL 08 6145 0288 | 0418 927 658

Kevin Skinner, Field Public Relations 08 8234 9555 | 0414 822 631