

ASX ANNOUNCEMENT



25 June 2019

Lithium Australia to commence resource drilling at Youanmi, Western Australia

HIGHLIGHTS

- Extensive lithium pegmatites to be drilled.
- Vanadium resource to be further evaluated.
- Metallurgical tests to recover vanadium as a sulphate for battery production.

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Background

Battery materials developer Lithium Australia NL (ASX: LIT) announced the [discovery of lithium pegmatites at Youanmi in February 2019](#). Reconnaissance exploration identified extensive mineralisation, with rock-chip samples yielding up to 4.2% Li₂O, and anomalous caesium and tantalum values. Subsequent aerial magnetics and assessment of historic drilling resulted in defining a [significant vanadium resource](#), also within the Youanmi project area (Figure 1). The Youanmi project is subject of an [option agreement as reported in December 2018](#).

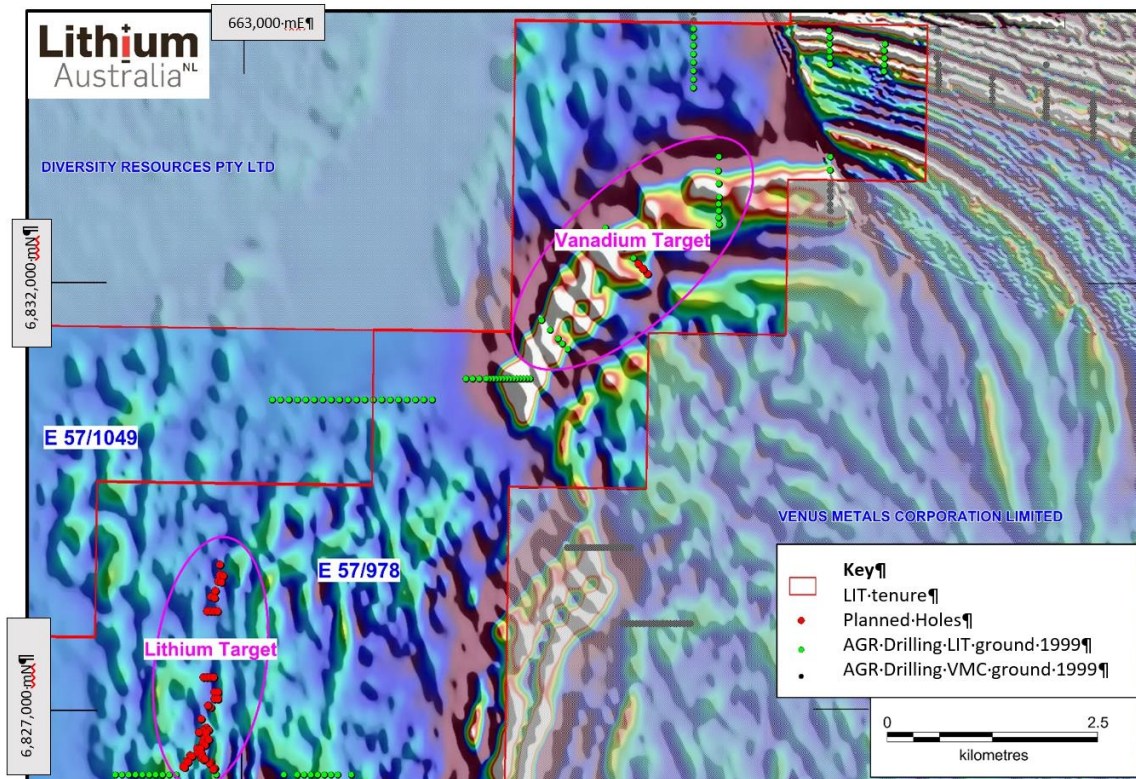


Figure 1. Vanadium and lithium drill targets at Youanmi, Western Australia.

Lithium drilling

The extensive lithium mineralisation recorded at Youanmi is pegmatite-hosted, with lepidolite the dominant lithium mineral. Lithium Australia's solely owned SiLeach[®]

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process – the most advanced hydrometallurgical process of its type – is ideally suited to the recovery of lithium and other byproducts from lepidolite.

Field crews have been dispatched, with drilling planned to commence before the end of this month. Up to 3,000 metres will be drilled to evaluate the resource potential and geometry of the pegmatites. Samples recovered from the programme will be used to characterise the mineralisation and for metallurgical testing.

Vanadium drilling

Contemporaneously with the lithium drilling outlined above, a drilling programme will be undertaken within the defined vanadium resource. The vanadium drilling will be restricted to higher-grade sections of the oxide resource, which is thought to be amenable to direct leaching to produce vanadium sulphate, a material that can be used directly in the manufacture of vanadium flow batteries.

Material recovered from that programme will also be used for ore characterisation and metallurgical testing. The programme itself will enhance knowledge of the resource and provide a basis on which to further evaluate this very significant opportunity.

Comment from the managing director, Adrian Griffin.

“Despite the rich mineral endowment of the Youanmi province, lithium and vanadium have largely gone unnoticed. The vanadium resource established by Lithium Australia has shone a spotlight on the area, and we hope our lithium drilling will do the same.”

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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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