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ASX ANNOUNCEMENT

Lepidolite Hill, waste dumps to feed SiLeach[®] plant.

HIGHLIGHTS

- Department Mines and Petroleum grants approval for excess tonnage at Lepidolite Hill
- Material recovered from mine dumps to feed Large Scale Pilot Plant (LSPP)

Lithium Australia NL (ASX: LIT) has been advised that it has been successful in its application for removal of excess tonnage removal under the terms of three Lepidolite Hill prospecting licences, however the program to recover lepidolite (lithium mica) remains subject to appropriate approvals. Lepidolite Hill is located about 16 km south of Coolgardie, Western Australia). By way of background, on [18 April 2018](#) LIT advised the successful separation of lithium micas using an X-ray transmission ore-sorting at TOMRA's facility in Sydney (see Figures 1 and 2 below).

The material recovered under the terms of the excess tonnage removal permits will be part of the feed required for Lithium Australia's Large Scale Pilot Plant.

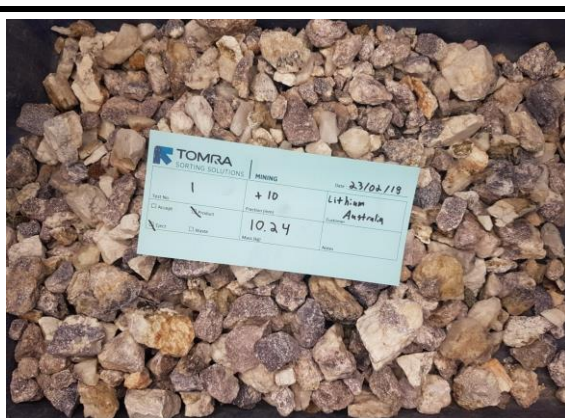


Figure 1: Ore-sorting beneficiated product from Lepidolite Hill mine dumps.



Figure 2: Ore-sorting reject material (mainly feldspar) from Lepidolite Hill mine dumps.



Figure 3: Lepidolite Hill mine dumps, which contain lepidolite.

Chemical analysis of product and waste streams supports the successful partitioning of lepidolite (lithium mica) into a concentrate stream. Over 90% of the lepidolite reported to the concentrate stream (less than 10% of the lepidolite reported to the reject stream). LIT will consider this technique to pre-concentrate lithium mica from waste (Figure 3) prior to transport to its proposed Large Scale Pilot Plant location.

In summary, on the basis of these initial results Lithium Australia considers there is the potential to not only separate out petalite, as well as lepidolite, from surface stockpiles but also to undertake further exploration at the project; the latter would target possible *in-situ* lithium resources outside and/or below the current historic open-pit mine workings.

COMMENT FROM LIT MANAGING DIRECTOR ADRIAN GRIFFIN:

“Obtaining approval for excess tonnage advances our aim of producing lithium-ion batteries from mine waste. That will begin with the application of our 100% owned SiLeach® process to produce the lithium component. We are well advanced with a pilot plant run at ANSTO Minerals (a division of the Australian Nuclear Science and Technology Organisation) to generate the materials that will be used to further process that lithium in our Brisbane based VSPC facility. The production of batteries from mine waste will be a world first.

VSPC will officially complete the commissioning of its Brisbane cathode powder pilot plant on 6 September 2018. This momentous occasion will be celebrated with an opening ceremony on that day.”

Adrian Griffin

Managing Director

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About Lithium Australia

Lithium Australia aspires to 'close the loop' on the energy-metal cycle. Its disruptive technologies are designed to furnish the lithium battery industry with ethical and sustainable supply solutions. Lithium Australia's technology comprises the SiLeach® and LieNA® lithium extraction processes, along with superior cathode material production courtesy of VSPC Ltd (a wholly owned subsidiary of Lithium Australia) and enhanced recycling techniques for battery materials. By uniting resources and the best available technology, Lithium Australia seeks to establish a vertically integrated lithium processing business.

For more information visit:

www.lithium-au.com

www.vspc.com

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