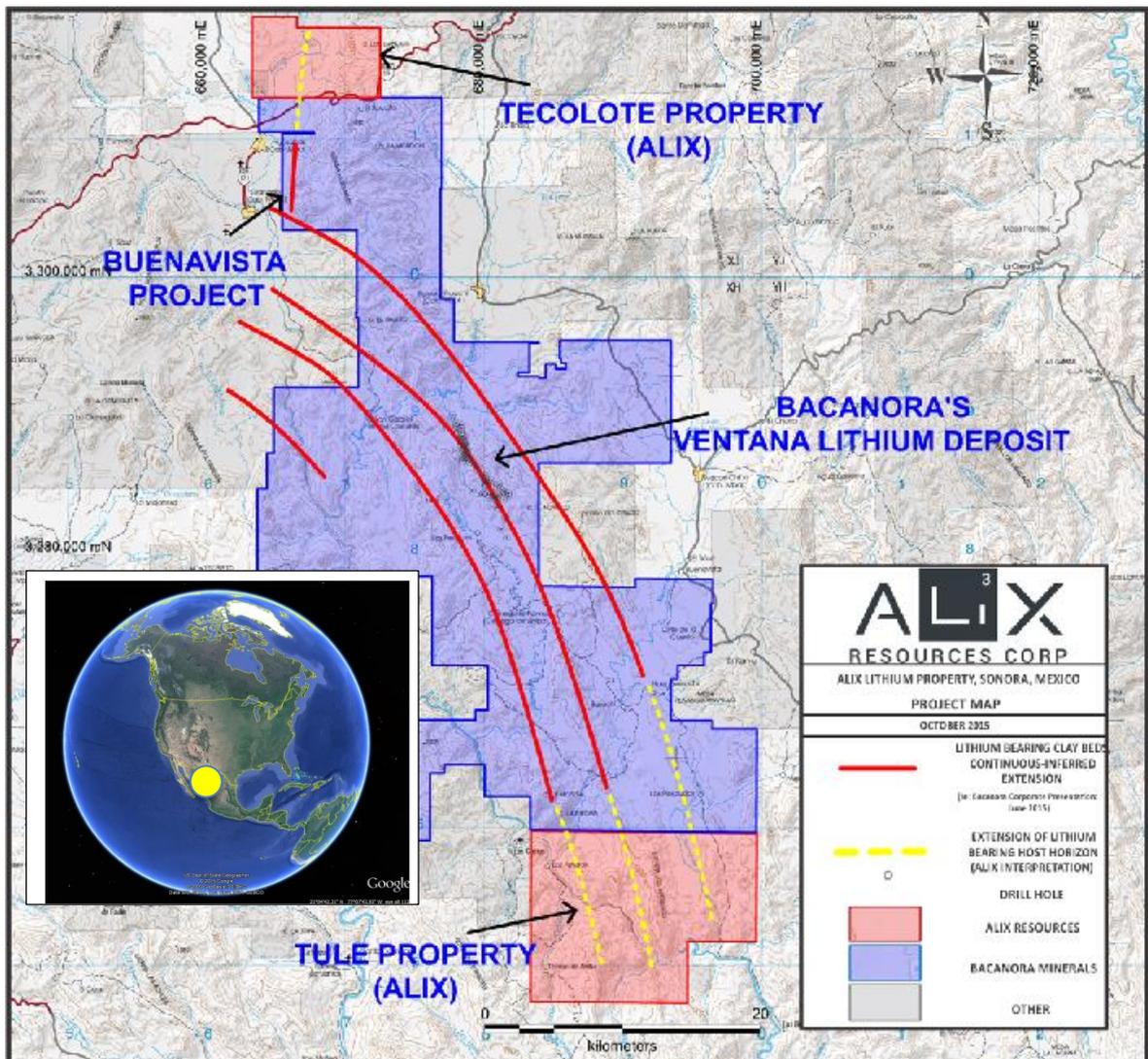


11 November 2015

ASX ANNOUNCEMENT

LITHIUM AUSTRALIA and ALIX RESOURCES TO ADVANCE THE ELECTRA LITHIUM PROJECT, SONORA, MEXICO

Global lithium developer, Lithium Australia NL (ASX:LIT or Company) is pleased to announce that the Company and TSX:V (AIX) listed company Alix Resources Corp (Alix) have executed a memorandum of understanding (MOU) to jointly to develop lithium extraction technologies applicable to advancing Alix's lithium concessions (the Electra Project) covering 22,625 hectares in Sonora, Mexico (see map below).



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The concessions held by AliX contain interpreted strike extensions of the Sonora Project, operated by Rare Earth Minerals Plc and Bacanora Minerals Ltd.

LIT and Alix share the view that a combination of low-grade material and the application of energy intensive processing systems have historically hindered lithium clay deposits from being commercialized. LIT has experience in processing similar materials successfully implementing low energy alternatives to extract lithium from micas and has been successful in producing lithium carbonate from unconventional silicate feed material. It is thought that some of the materials previously tested by LIT may have similar mineral chemistry to some components of the mineralization at the Sonora Lithium Project which adjoins the Electra Project in Mexico.

Adrian Griffin, LIT Managing Director:

"We see great potential in developing processing hubs to take advantage of infrastructure and markets. Clearly Europe and Australia have commanded much of our attention, and will continue to do so, but North America is likely to become the powerhouse of the lithium business. The opportunity to evaluate ground next door to Bacanora's Sonora Project is a major advance for Lithium Australia. The deposits in this region have already sparked the attention of Tesla as feed for the Gigafactory, which is close in comparison with other developed deposits. Providing a low-energy, cost effective alternative to less efficient processing systems may create a big advantage for these deposits.

Lithium Australia is pleased to be working in conjunction with Alix to develop a better processing alternative."

Alix President and CEO Mike England:

"We are excited at the prospects of working with Lithium Australia and their team in relation to the development of mineral exploration opportunities for lithium in Sonora in tandem with the potential testing and demonstrating of innovative, new technologies for lithium extraction."

About Lithium Australia NL:

LIT is a dedicated developer of disruptive lithium extraction technologies. LIT has strategic alliances with a number of companies, potentially providing access to a diversified lithium mineral inventory on three continents.

About Alix:

Alix Resources (TSX VENTURE: AIX) is a lithium exploration company focused on the exploration of its recently acquired Electra Project, which consists of two large exploration concession applications covering 22,625 hectares adjoining Bacanora Minerals Ltd. (BCN-TSX:V) and Rare Earths Minerals PLC (REM)'s Sonora Lithium Project in Mexico. The technical contents of this release were approved by Mr. Case Lewis, P.Geo., a Qualified Person as defined by National Instrument 43-101. The properties have not been the subject of a National Instrument 43-101 report.

LIT and Alix entered into the MOU to explore and collectively engage in potential joint business opportunities in the areas of:

- (a) the exploration of lithium from Alix's mineral concessions located in Sonora, Mexico;

- (b) developing superior means of recovering lithium from these, and similar lithium clay deposits; and
- (c) commercialization of environmentally friendly mineral extraction and processing technologies for lithium brine.

LIT and Alix will pursue entering into a definitive joint venture agreement within three months from the date of execution on the MOU.

Indicative Commercial Terms

Alix will carry out initial geological assessment of geological samples of clays including hectorites (the "**Samples**") and deliver them to LIT or to a metallurgical laboratory nominated by LIT.

LIT will conduct the necessary activities to produce a report summarising the work completed and the potential business opportunity. If the report demonstrates business potential, LIT will then produce a commercial development proposal that summarises a high level road map for the exploitation of lithium, potassium and other metals from the Samples.

LIT will carry out bench scale laboratory testing and full chemical analysis of the Samples, and share all results with Alix. If warranted, LIT shall carry out small scale pilot testing and provide a detailed financial and metallurgical report to Alix. LIT shall investigate and develop solutions using the Samples. All of the work to be carried out by LIT above are collectively the "**LIT's Works**".

The rights and obligations of LIT and Alix with respect to the Concessions and the Intellectual Property thereafter shall be set out in the Definitive Agreement. Percentage interests and milestones may be modified as mutually agreed. The arrangement will be subject to mutual due diligence investigations and any required regulatory approvals.

Given the latest development and funding considerations, LIT will explore the possibility of a pro rata bonus issue of contributing shares to shareholders to jointly advance the Electra Project and other projects in the LIT portfolio.

Request to Lift Trading Halt

The Company requests that the trading halt currently applying to LIT be lifted.

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