

**30 November 2015**

## **ASX ANNOUNCEMENT**

### **CHAIRMAN'S ADDRESS – 2015 AGM**

Lithium Australia has had a transformative and highly positive year. It is approximately 6 months since the change of company name but we have completed our first 12 months instigating our lithium strategy: to use disruptive technology to achieve commercial scale production of lithium chemicals from silicate minerals at an operating cost in the lowest quartile globally and from a significant resource base, derisked across three continents – Australia, Europe and North America.

LIT's principal targets include the lithium micas, the "forgotten resource". As these are the most abundant group of lithium minerals, the ability to competitively process them presents a real opportunity for LIT to develop a commanding position in the control of global lithium inventories. Recently, and consistent with our strategy, the Company entered into an arrangement in regard to lithium clays ("Alix Resources Electra Project"). Given our experience with the extraction of lithium from micas, we believe similar processes MAY have application with the extraction of lithium from clays.

Investors would no doubt be aware of the possible beneficial synergies in the event LIT can "crack this problem." Currently, Alix Resources staff are on site in Mexico and collecting samples which will be sent to Nevada USA for analysis and processing to determine firstly, if lithium can be extracted, and then more importantly, can it be produced commercially. Given the proximity to Nevada and Elon Musk's Gigafactory, there will be much interest in the outcome.

Whilst establishing an initial presence in America, LIT has been busy with its projects in Australia and Europe. We are very close to completing a Joint Venture Agreement with European Metals Holdings Limited (ASX:EMH) which has advised that it is compliance listing on AIM next week - on 10 December 2015. EMH holds 100% of the Cinovec Project in the Czech Republic - a project the focus of LIT's international aspirations and which has been developed into Europe's largest hard rock lithium deposit based on LIT's revolutionary licensed process. This is significant for both companies, and given the current expected ramp-up in demand for lithium over the next 2 years, LIT expects potential supply from Cinovec into the European market to coincide with the demand increase.

In Western Australia, LIT has been hard at work on its various projects and it will report the outcome of these investigations as and when results come available. LIT notes the increase in interest in its Australian peers including Pilbara Minerals Ltd (ASX:PLS), General Mining Corporation Limited (ASX:GMM), Altura Mining Ltd (ASX:AJM) and Neometals Limited (ASX:NMT). All of these companies are concentrating on spodumene as a source of lithium and conventional production routes for hard rock lithium production. LIT is encouraged that interest has returned to the WA junior mineral exploration sector after several glum years and that lithium innovation clearly leads the way.

In regard to supply, LIT's aim is to provide the best product to the supplier and "cut out the middle man". LIT is investigating the refinement of lithium carbonate into lithium hydroxide and other alternative battery-ready chemicals. Providing the end-user with the product they need, rather than the user simply purchasing what is available, provides cost benefits to all parties and potentially higher profit margins.

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In regard to production, LIT's strategy is to develop production hubs and not be reliant on one mica source only. LIT is negotiating with a number of parties within Europe that either have access to, or are currently producing lithium micas as a by-product of other mining operations. The availability of these materials provides an unprecedented opportunity to expand the application of the Cinovec licence by utilising the plant operating under that licence for the processing of mica from other operations.

Lithium Australia extends its thanks to our loyal shareholders for their support for our lithium strategy. We have been well pleased with the 2 most recent partly paid share programs (July and November 2015). Both raisings were very well supported by our shareholders: our most recent program was **100%** successful so we have no need for a public auction. Lithium Australia will be encouraging its shareholders to pay the outstanding balance of 2.9 cents per share to complete this particular series. Further information will be announced soon.

LIT has only recently commenced its lithium strategy, so watch this space. We are at the start of a new energy era.

#### **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.

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