

4 April 2016

ASX ANNOUNCEMENT

LITHIUM AUSTRALIA ESTABLISHES Foothold IN THE HIGHLY PROSPECTIVE BYNOE PEGMATITE FIELD, NORTHERN TERRITORY

HIGHLIGHTS

- **Mineral Exploration Licence 30897, covering more than 60 square kilometres and containing at least 20 known pegmatites, has been granted.**
- **The potential for economically significant lithium mineralisation is high and has so far been proven in at least one pegmatite.**
- **The grant is important in light of Lithium Australia's strategy of acquiring Australian and international lithium projects and thereby controlling sources of lithium, to complement its market-leading Sileach™ metal extraction technology.**
- **Adds to project suite covering Western Australia and Mexico**

BACKGROUND

The Directors of Lithium Australia NL (ASX: LIT) are pleased to announce the grant to the Company of Mineral Exploration Licence 30897 in the Bynoe Pegmatite Field in the Northern Territory, Australia.

Lithium Australia's Bynoe Project is located 50 kilometres south-southwest of Darwin, capital of the Northern Territory, close to infrastructure (see Figure 1). Despite the favourable location, exploration in the area, until recently, has been restricted and of narrow focus with little work undertaken on lithium. The latest exploration has targeted spodumene (a lithium silicate) and lithium micas and activity levels rival that of similar pegmatite fields such as Pilgangoora in Western Australia.

The Bynoe Project lies within the Bynoe Pegmatite Field, the latter being the main part of the larger Litchfield Pegmatite Belt. Located along the western margin of the Pine Creek Orogen – which is of Palaeoproterozoic age – the Litchfield Pegmatite Belt is almost 200 kilometres long and has been intruded by a suite of highly differentiated 'S-type' granites, believed to be the source of the pegmatites. Pegmatites abound (there are more than 100 in the Bynoe Pegmatite Field alone) and many have been exploited, in the past, for their tin and tantalum mineralisation.

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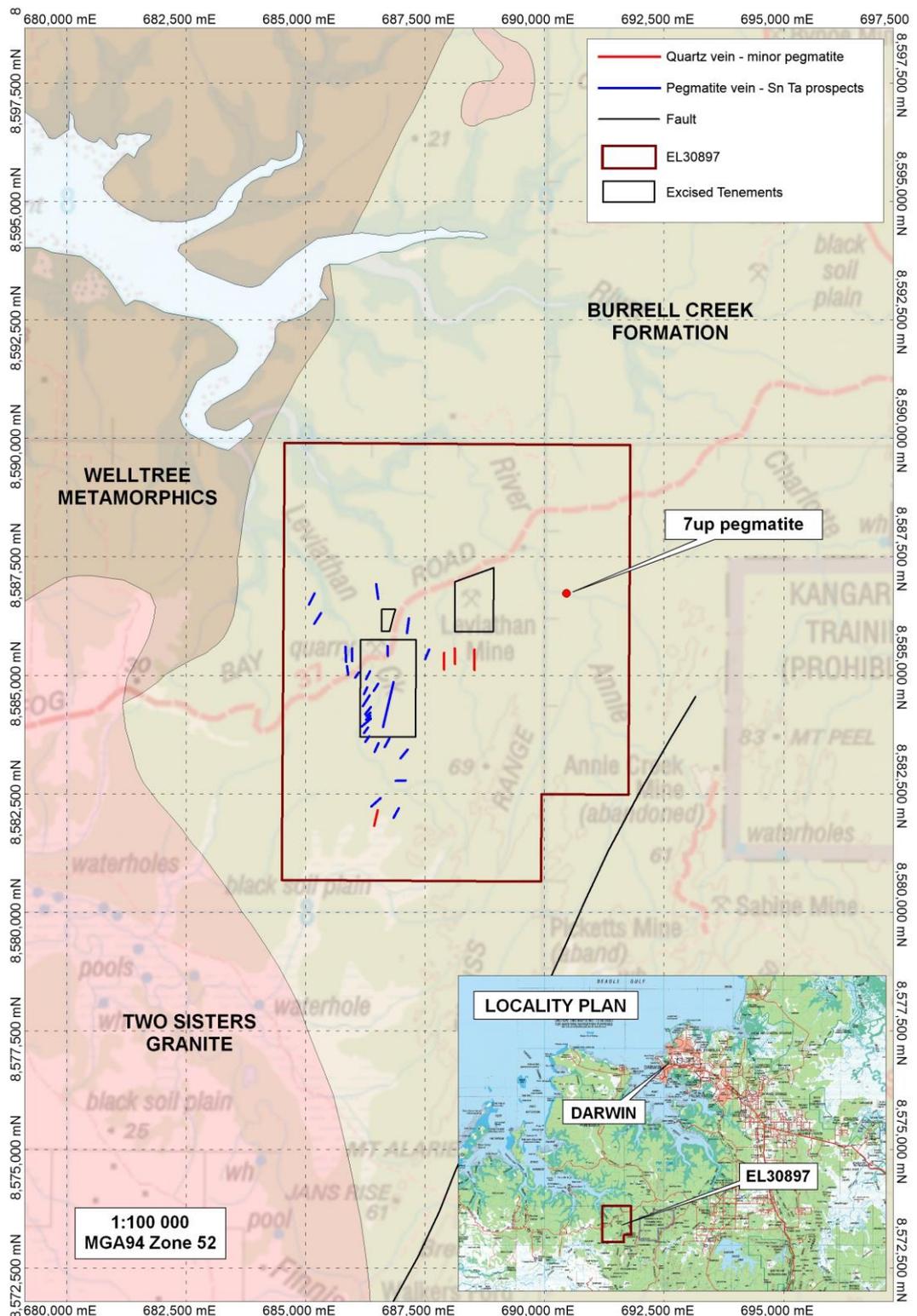


Figure 1: Location of LIT's Bynoe Lithium Project.

Mining within the Bynoe Pegmatite Field commenced in 1888, exploiting mainly surface tin deposits created by the weathering and erosion of the pegmatites. Later, explorers focused on the tin and tantalum potential of those pegmatites (e.g. Greenex; Bourke, 2011). **However, only very recently has the possibility of significant lithium mineralisation been considered.**

Altura Mining Ltd first noted that the Bynoe region shared similarities with the Greenbushes area of Western Australia, site of the largest hard-rock lithium mine in the world. Greenbushes was mined for tin and tantalum for nearly 100 years before the huge amount of spodumene, a lithium silicate, was recognised. Similarly, not until 2009 did Altura discover lithium mineralisation at the Bynoe Pegmatite Field, more than a century after it was first mined there (Bourke, 2011).

LITHIUM AUSTRALIA'S PLANS

Initially, Lithium Australia will undertake a desktop study of the Bynoe Project, with a view to identifying and evaluating lithium mineralisation. Fieldwork will commence during the northern dry season, once surface water has dissipated and access is easier.

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About Lithium Australia NL

Lithium Australia is a dedicated developer of disruptive lithium extraction technologies including the versatile Sileach™ process which is capable of recovering lithium from any silicate minerals.

LIT has strategic alliances with a number of companies potentially providing access to a diversified lithium mineral inventory globally.

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