

**2 May 2016**

## **ASX ANNOUNCEMENT**

### **LITHIUM AUSTRALIA NL (ASX: LIT) CONSOLIDATES IN THE WESTERN AUSTRALIAN GOLDFIELDS**

#### **HIGHLIGHTS**

- **LIT joins with local explorer Cazaly Resources Ltd (ASX: CAZ) to strengthen its position in the Goldfields Region of Western Australia**
- **Alliance signed for the exploration and development of lithium projects**
- **Existing and future holdings in the region to be combined to form a 50/50 alliance for a minimum period of 5 years**
- **LIT to grant Sileach™ licence to the Alliance for application of LIT's 100% owned processing technology, to projects within the alliance.**

#### **BACKGROUND**

LIT and Cazaly Resources Limited have combined their present, and future lithium mineral interests within a 100km radius of Kalgoorlie, Western Australia, for an initial period of 5 years forming the Goldfields Lithium Alliance (GLiA). This is an alliance that will significantly enhance the technical and land management resources available to advance lithium projects within the Goldfields region.

#### **THIRD WESTERN AUSTRALIAN ALLIANCE**

The formation of the GLiA puts LIT in a very commanding position within the most prospective areas of lithium mineralization in Western Australia, driven by LIT's unique ability to be able to extract lithium from any silicates without roasting. This has led to:

- Memorandum of Understanding with Pilbara Minerals Limited (ASX:PLS) – announced November 2014 – in regard to PLS' Pilgangoora licences;
- Memorandum of Understanding with Venus Metals Corporation Ltd (ASX: VMC) – announced February 2016 in regard to VMC's Pilgangoora assets; and
- The third alliance - GLiA with CAZ.

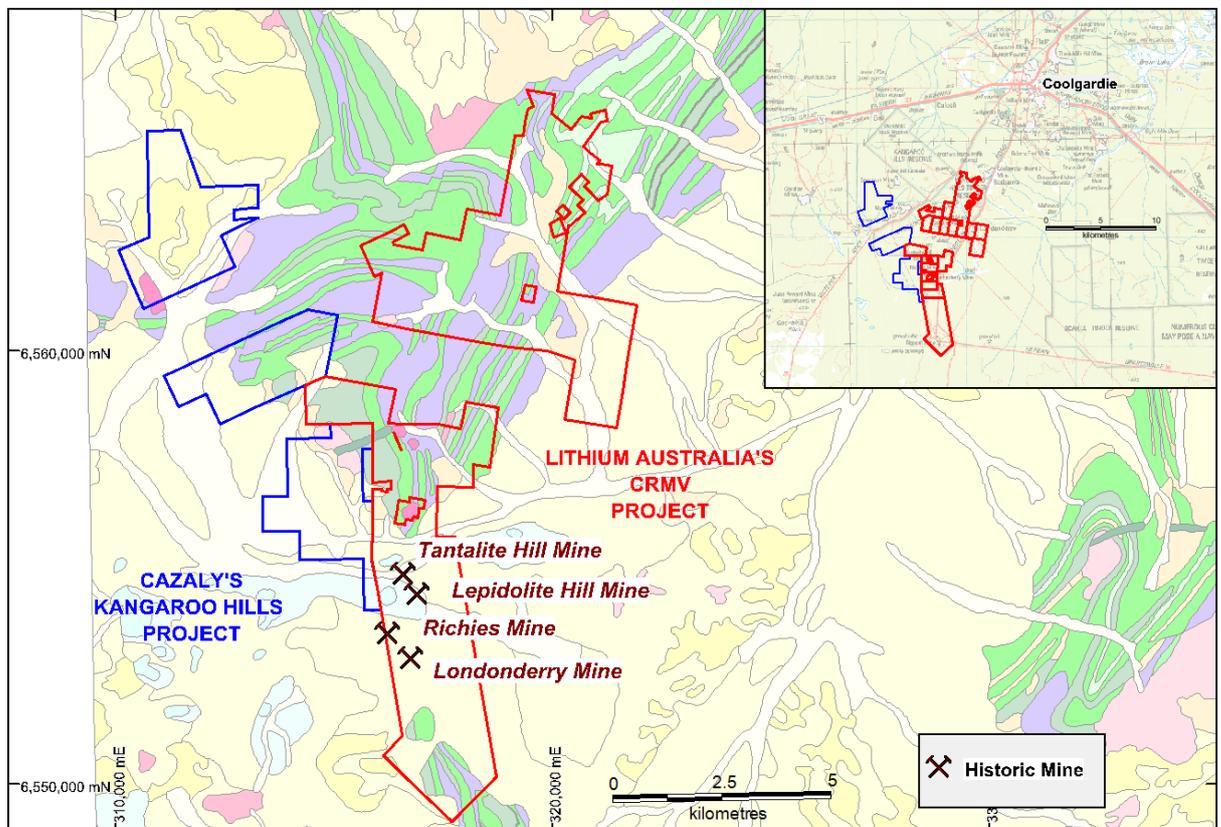
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LIT also has a joint venture with Tungsten Mining (ASX:TGN) at Lake Seabrook (Western Australia), an 80% exploration interest at Greenbushes (Western Australia), a 100% interest in the Ravensthorpe Project (Western Australia) and a joint venture with TSX listed Alix Resources (TSX: AIX) on the Electra project in Sonora, Mexico.

### THE GOLDFIELDS LITHIUM ALLIANCE (GLiA)

Equity in the GLiA will be 50% LIT and 50% CAZ. The GLiA will include all interests of CAZ and LIT within the designated area, immediately providing LIT access to further prospective ground covered by the CAZ recently announced Kangaroo Hills Lithium Project (CAZ ASX release 13 April 2016). This project is in close proximity to LIT's Coolgardie Rare Metals Venture (CRMV) in which Focus Minerals (ASX: FML) has a 20% free carry. LIT's interest in the CRMV is now included in the GLiA. This arrangement will provide greater exposure to the area (Figure 1) and to provide a platform to generate further projects with the Goldfields region.

CAZ will not be required to contribute to the cost of further metallurgical test work or feasibility costs associated with Lepidolite Hill, one of the historic lithium mines within the CRMV package. LIT will grant GLiA with access to LIT's 100% owned Sileach™ process subject to control continuity of the GLiA.



**Figure 1 Initial tenure subject of the GLiA. Focus Minerals will retain its current free-carry within the CRMV tenements (red).**

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## **GLiA INTO THE FUTURE**

The GLiA provides significant management benefits for LIT's future participation in the Goldfields region by gaining access to some of the specialized capabilities CAZ can contribute. This will allow LIT to focus on other aspects of its broader business plan, being the establishment of processing hubs using available processes, and specifically its Sileach™ process.

Cazaly's joint Managing Director Clive Jones said:

*"This alliance with the rapidly growing Lithium Australia gives Cazaly a massive leg-up into the expanding and exciting new lithium space. The alliance gives Cazaly immediate access to a greatly expanded holding in the Coolgardie region, including rights to historic lithium mines, and furthermore grants rights to the use of LIT's exclusive lithium extraction technologies over our projects in the region".*

Lithium Australia's Managing Director Adrian Griffin said:

*"At Lithium Australia we see the hard rock as being the future of lithium production. The Goldfields Lithium Alliance with Cazaly provides an extra piece in the supply puzzle within which we strive to reduce the cost of lithium chemicals to the lowest in the market. We value the partnership with Cazaly as it brings complimentary expertise to our efforts in the Goldfields enabling greater penetration into the opportunities offered by the region."*

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### **About Lithium Australia NL**

LIT 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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