

**10 May 2016**

## **ASX ANNOUNCEMENT**

### **LITHIUM AUSTRALIA SHAREHOLDERS TO BENEFIT FROM DECISION TO FOCUS ON LITHIUM AND DIVEST W.A. GRAPHITE PROJECTS**

#### **HIGHLIGHTS**

- **Five significant graphite projects in WA with potential to service new era battery market, to be divested**
- **Returns intended to be distributed directly to Lithium Australia shareholders**
- **Follows strategic asset build-up by the Company in recent years of key high demand materials for emerging battery technologies**

A number of Western Australian graphite assets acquired by Lithium Australia NL (ASX: LIT) over the past two years under its strategy to build an initial portfolio of raw materials for the emerging battery technologies, are to be divested. The returns are currently intended to be distributed in specie to Lithium Australia's shareholders. This will be subject to complying with any applicable laws and obtaining the required approvals. Further details will follow in due course.

In 2014, the Company set about acquiring a pool of assets covering both commodities after identifying that both lithium and graphite would be high demand materials for the rapidly emerging new era globally of lithium batteries, which as well as lithium, use robust volumes of graphite.

In the two years since, the Company's business plan has been successfully implemented to advance the development of low-energy processing technologies for lithium extraction from silicates.

The pinnacle of this work has been laboratory testing of Lithium Australia's Sileach™ process which provides the ability to recover lithium from spodumene and other lithium bearing silicates without the high energy cost of roasting, a process step used in conventional lithium extraction.

#### **Lithium Australia Managing Director, Mr Adrian Griffin:**

*"In the past two years, Lithium Australia has developed an extensive lithium portfolio to support our processing ambitions, but while we were doing so, we were cognisant of other raw material requirements for battery and associated clean energy technologies.*

*"Of the 'cleantech' raw materials, graphite in particular was in our sights as we built our lithium asset base and this dual focus enabled the Company to identify and acquire a number of areas with high graphite potential. These areas are the subject of a number of exploration licence applications by LIT and have been accumulated in a stand-alone graphite portfolio (refer LIT's website [www.lithium-au.com](http://www.lithium-au.com)) and hit the Projects tab.*

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*“To maintain for the investing public, our higher priority lithium focus, we now intend to divest our interest in the graphite portfolio and return much, if not all of the value generated in doing so, to Lithium Australia shareholders.”*

**Adrian Griffin**

Managing Director

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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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