

18 August 2016**ASX ANNOUNCEMENT****Lithium Australia updates Pilot Plant Progress**

Lithium Australia NL (ASX: LIT) is pleased to announce that preparations for the Company's Sileach[®] pilot plant for the extraction of lithium from silicate minerals and production of battery grade lithium carbonate at ANSTO Minerals (a division of the Australian Nuclear Science and Technology Organisation) in Lucas Heights NSW are well advanced.

Installation of all major equipment has been completed with successful 'cold' commissioning of the plant completed this week. Hot commissioning is now in the process of being completed and pilot plant trials are expected to start in the next few weeks.

The intention is to operate the pilot plant at the throughput of 4 - 5 kg/h dry solids and process in excess of 600 kg of lithium concentrate feed.

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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. LIT aspires to create the union between resources and the best available technology and to establish a global lithium processing business.

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