

01 September 2016**ASX ANNOUNCEMENT****Lithium Australia advises Commencement of Sileach™ pilot plant testing**

Lithium Australia is pleased to announce the commencement of pilot testing at ANSTO Minerals (a division of the Australian Nuclear Science and Technology Organisation). The first test will consist of a 24 hour commissioning run of the Sileach™ circuit, after which process solutions and residual solids will be examined prior to commencing continuous operations in about two weeks' time.

Trilithionite (a lithium silicate) feed material, for the first pilot plant test run, was recovered from mine dumps at Lepidolite Hill (Western Australia). Beneficial owners of Lepidolite Hill are:

- Lithium Australia NL (ASX:LIT) 40%
- Cazaly Resources Ltd (ASX:CAZ) 40%, and
- Focus Minerals (ASX:FML) 20%

Results from the continuous tests on trilithionite are anticipated in October.

Pilbara Minerals Limited (ASX:PLS) has supplied spodumene concentrates for further continuous pilot testing. It is anticipated this will commence at ANSTO Minerals after assessment of the tests on trilithionite.

Adrian Griffin

Managing Director

Mobile +61 (0) 418 927 658

Adrian.Griffin@lithium-au.com

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.

MEDIA CONTACT:**Adrian Griffin****Lithium Australia NL****08 6145 0288 | 0418 927 658****Kevin Skinner****Field Public Relations****08 8234 9555 | 0414 822 631**

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