

**08 September 2016**

## **ASX ANNOUNCEMENT**

### **Lithium Australia graphite tenure granted 120km east of Perth, Western Australia**

Lithium Australia (ASX: LIT) has accumulated a significant portfolio of prospective graphite ground in Western Australia (Figure 1). LIT intends to float the assets as part of an IPO, and as announced to the ASX on 17 August 2016. Two of Western Australia's most experienced mining business identities Mr Tom Revy, and Mr George Bauk will drive the proposed public float and ASX listing of the pure graphite play, Graphite Australia NL. All LIT shareholders will be offered a priority entitlement to IPO share subscriptions.

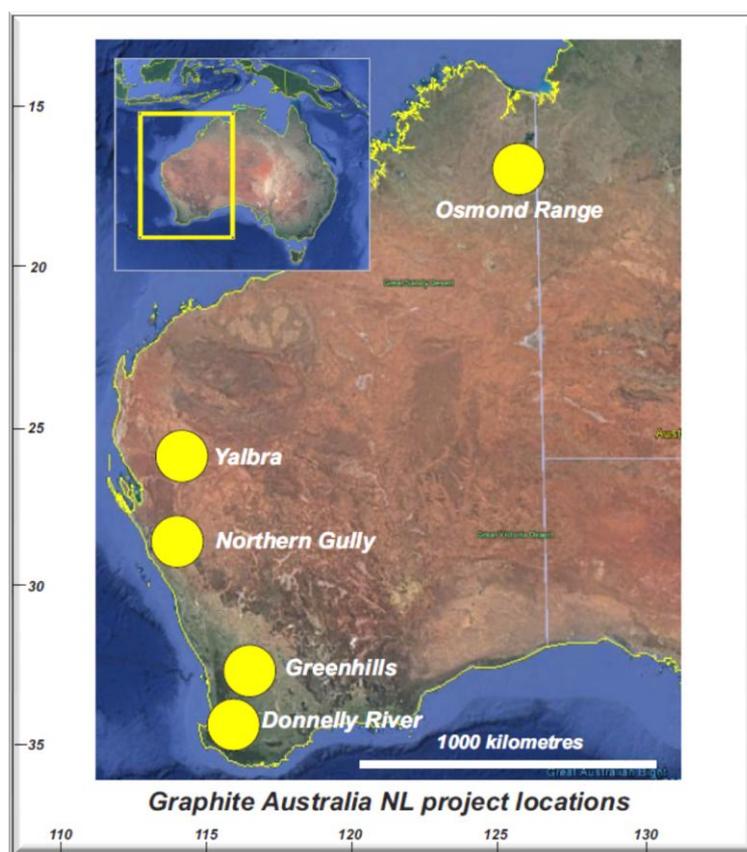


Figure 1: Lithium Australia tenements held for subsidiary Graphite Australia NL

Two exploration licences, E70/4811 and E70/4812 have recently been granted over prospective ground within the Greenhills Graphite Project area.

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## Project Location

The Greenhills Project consists of two applications E70/4811 and E70/4812 having a combined area of 56 km<sup>2</sup>. They are located between 20 and 30 km east of the town of York and accessed by major roads (Figure 2).

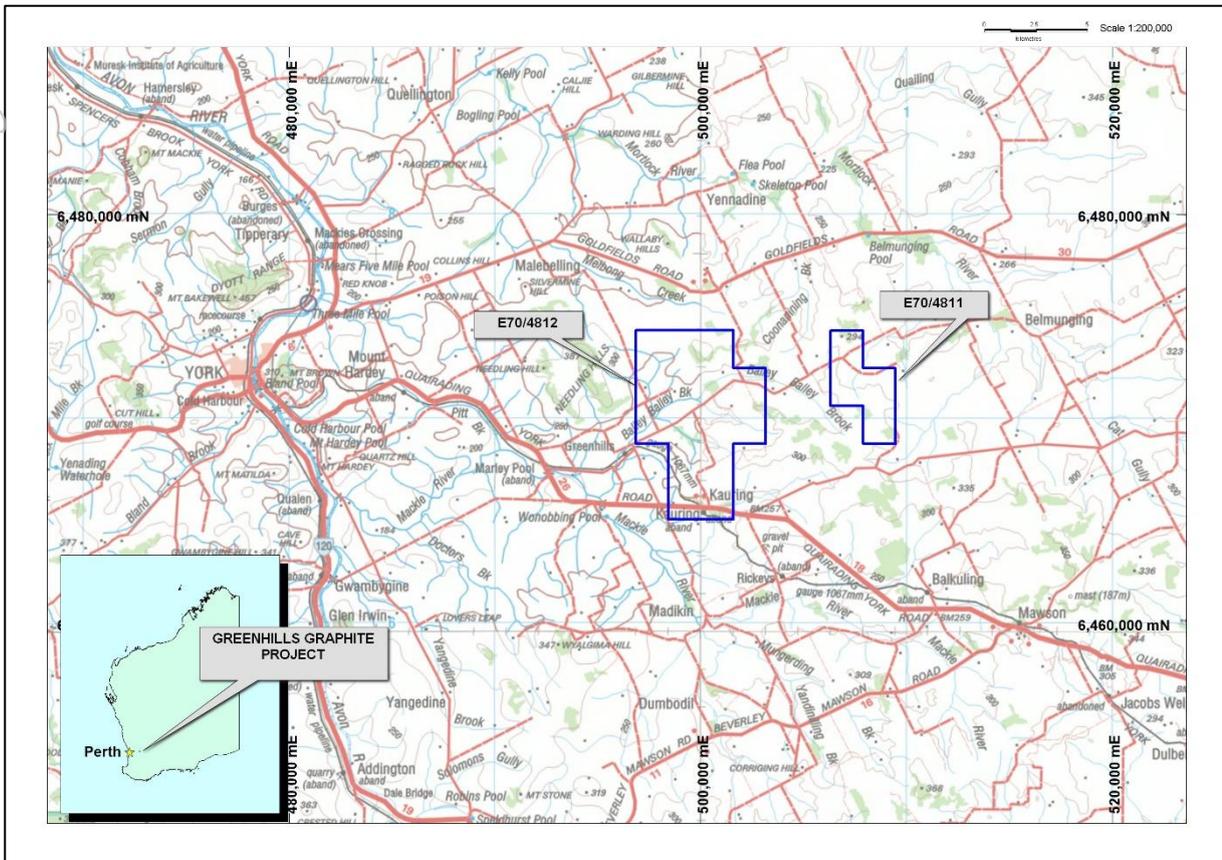


Figure 2: Greenhills Graphite Project location plan

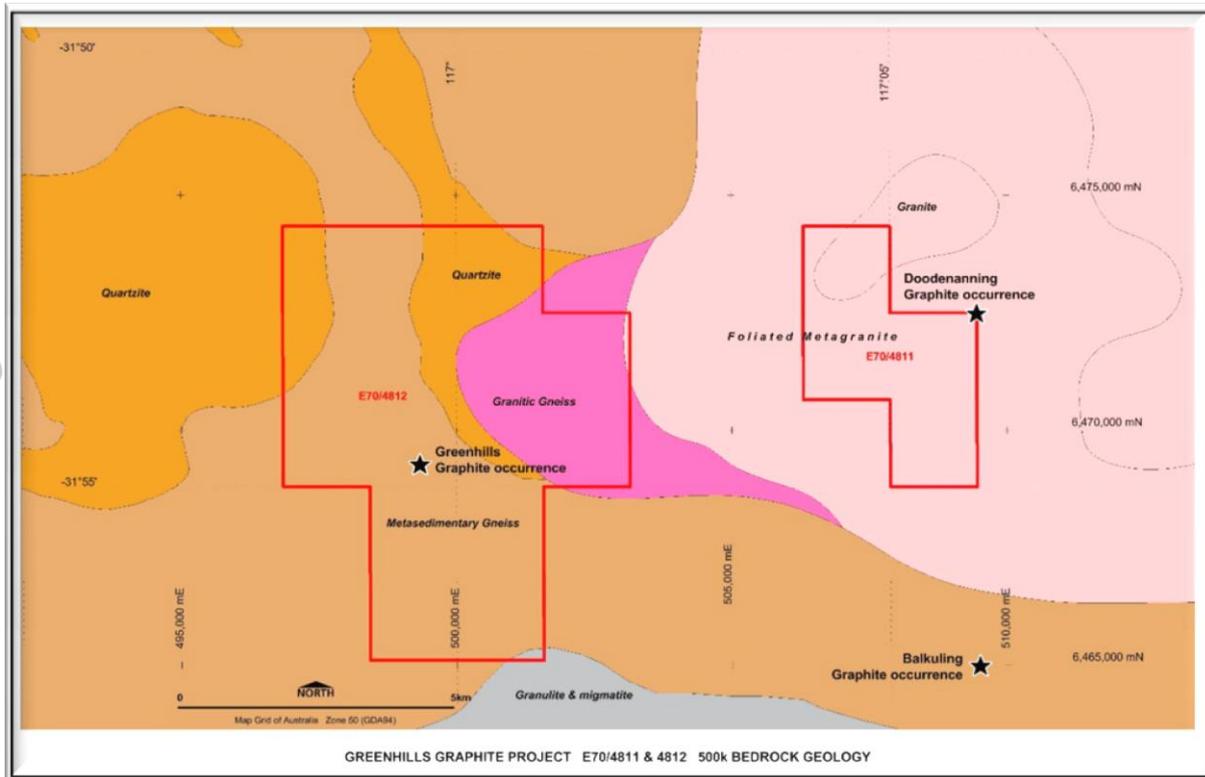
## Background

The applications cover a number of historic graphite occurrences which have not been subject to evaluation by advanced exploration techniques. Known as the Greenhills Graphitic Zone the prospective units extend for up to 20 km in an east-northeasterly direction from Greenhills railway siding towards Doodenanning, Figure 3.

## Graphite Occurrences

At the Doodenanning graphite occurrence E.S. Simpson, appointed to the Western Australian Geological Survey as Mineralogist and Assayer in 1897, collected two different types of graphitic rock. One specimen contained 5.6% of fine, scaly graphite distributed through a white kaolinite rock. The second sample consisted of a coarser flake graphite (18.7% total graphitic carbon) contained in a highly kaolinized, iron-stained, foliated rock.

Simpson also described a graphitic zone in the Greenhills area which extends for up to 20 km in an east-northeasterly direction from Greenhills railway siding towards Doodenanning, Figure 3. In this zone, areas of completely kaolinized, slightly foliated, pale-grey rock contain fine to medium-grained flake graphite crystals interleaved with mica and limonite. Historic tests revealed the material contained 8.7% total graphitic carbon and approximately 10% of the flake graphite exceeded 0.6 mm in diameter.



**Figure 3 shows prospective graphite occurrences on recently granted E70/4811 and 4812**

The above descriptions and results have been quoted from published technical reports, Simpson, ES 1951, Graphite, in Minerals of Western Australia, Volume 2: Government Printer Western Australia. P450-475 and Fetherston, JM 2015, Graphite in Western Australia, Mineral Resources Bulletin 26, Geological Survey of Western Australia. Lithium Australia is currently unaware of any subsequent exploration to evaluate the potential of the occurrences.

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Lithium Australia NL is a dedicated developer of disruptive lithium extraction technologies, and 100% owner of the Sileach™ process for the recovery of lithium from silicates. 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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