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ASX ANNOUNCEMENT

Lithium Australia completes due diligence for the acquisition of VSPC

From Lepidolite to Lithium-Ion Batteries

Lithium Australia NL (ASX: LIT) developer of disruptive lithium processing technology, has completed its due diligence for the acquisition of advanced cathode material producer, the Very Small Particle Company (VSPC). Completion of the transaction remains subject to regulatory approval, including shareholder approval.

VSPC owns:

- proprietary processes for the production of lithium ion battery cathode material
- comprehensive pilot plant, and
- advanced laboratory and testing facilities.

The VSPC technology is adaptable to the production of a wide range of cathode materials and provides a simple and cost-effective means of producing such materials within an environment of superior quality control.

The VSPC technology commences with cathode metals in a solution from which the cathode nanoparticles are precipitated. The commencement of the process is compatible with the solutions produced during the processing of hard-rock minerals to recover lithium carbonate, or lithium hydroxide. The direct production of cathode materials from such solutions potentially removes two process steps involved in the manufacture of cathode materials, resulting in a revolutionary process which capitalises on the value-add generated by progressing from lithium chemicals to cathode materials.

LIT is investigating the seamless production of cathode materials from hard-rock minerals using hydrometallurgical front-end processes including LIT's 100% owned SiLeach[®] process and the LMax[®] process (owned by Lepidico Ltd) for which LIT has exclusive rights in Western Australia.

LIT is close to the completion of engineering studies on both LMax[®] and SiLeach[®] processing plants and anticipates a commitment to construct such plants, nominally sized at an output of 2500 tpa lithium carbonate equivalent early in the new year.

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ABOUT LITHIUM AUSTRALIA NL

LIT is a dedicated developer of disruptive lithium extraction technologies. LIT has strategic alliances with and investments in 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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