

29 September 2017

ASX ANNOUNCEMENT

Lithium Australia extends due diligence on the Very Small Particle Company

HIGHLIGHTS

- LIT has extended due diligence and awaits results from testing cathode material
- LIT receives \$1.2m funding to reinforce working capital position

DUE DILIGENCE CONTINUES

Lithium Australia NL (ASX: LIT) developer of lithium processing technology, advises on the progress on its due diligence in regard to the proposed acquisition of the Very Small Particle Company Ltd (VSPC) proprietor of patented lithium ion battery cathode material production.

Since agreeing the terms of the transaction ([ASX announcement 31 August 2017](#)) LIT has been undertaking due diligence to support the veracity of the acquisition. Those investigations have been progressing well, with a very positive outcome to date. A number of tasks have not been completed in accordance with the original schedule and the due diligence period has been extended a further three weeks whilst, amongst other things, the Company awaits the results from cathode testing in Germany. The proposed acquisition would provide the Company with widespread energy metal capability including processing expertise for both fresh and waste ore, and recycling entry points into energy metals and cathode supply for global battery markets.

FUNDING UPDATE

LIT is pleased to announce that it has received a \$1.5 million loan facility with immediate access to \$1.2 million from Innovative Technology Funding Pty Ltd. This continues LIT's active review of its capital management program.

The funding is via a drawdown facility offset against LIT's 2016/2017 research and development (R&D) rebate and provides access to working capital ahead of the rebate being finalised. This facility will be extinguished upon receipt of the R&D rebate, which is currently expected within two months. The drawdown mechanism further strengthens LIT's short-term working capital in conjunction with its At The Market facility which is currently being used to fund fixed overheads.

Innovative Technology Funding Pty Ltd is an Australian leader in facilitating funding for innovative businesses.



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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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