

22 December 2016**ASX ANNOUNCEMENT****Successful Sileach™ spodumene pilot plant commissioning on
Pilbara Minerals' Limited (ASX: PLS) concentrates**

Lithium Australia NL (ASX: LIT) advised on 16 and 21 December 2016 of the commencement and recommencement (respectively) of a 24 hour commissioning run of the Sileach™ pilot plant for the processing of spodumene concentrates supplied by Pilbara Minerals Limited. This run was part of LIT and PLS's joint development program to commercialise the Sileach™ process on concentrates from PLS's Pilgangoora project.

On Wednesday 21 December 2016, ANSTO Minerals (a division of the Australian Nuclear Science and Technology Organisation) ran a 24 hour commissioning trial treating spodumene concentrate via the Sileach™ process. The trial ran successfully, with the pilot plant operating well at the target operating conditions. This has confirmed the suitability of the pilot plant for the upcoming trial.

Further continuous piloting operations are planned for January 2017.

Managing director, Adrian Griffin said:

"Lithium Australia continues to lead the industry in the development of advanced lithium processing technology. The continuous hydrometallurgical treatment of spodumene successfully demonstrates the ability to extract lithium from the mainstream hard-rock deposits without the requirement of roasting. Commercialization of the Sileach™ process provides enormous potential for the lithium industry and for Lithium Australia."

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**