

2 February 2017

ASX ANNOUNCEMENT

Lithium Australia (ASX:LIT) provides battery metal recycling outlook and Q1 forecast

Lithium Australia (ASX:LIT) has provided video commentary ([follow this link](#)) on its immediate exploration plans and focus for the current quarter.

HIGHLIGHTS

- **Recycling of battery metals provides a global processing opportunity**
- **Successful geophysics lays the foundation for exploration at Lake Johnston (WA)**
- **Ravensthorpe drill ready (WA)**
- **Reconnaissance geological surveys at Greenbushes (WA)**
- **Near-term exploration planned for Agua Fria (Mexico)**
- **MetalsTech float provides access to Canada**

RECYCLING CRITICAL METALS

LIT is engaging end-users on a global basis to advance plans for the recycling of materials, metals in particular, from lithium ion batteries. If successful the business will provide a sustainable cycle for battery materials, easing the reliance on conflict metals (primarily cobalt, which is in short supply) and improving the recovery of lithium, which at the moment is unfortunately regarded as disposable metal.

WESTERN AUSTRALIAN EXPLORATION

Early focus for 2017 will be LIT's 100% owned projects at:

- Ravensthorpe (adjacent to Galaxy's operating Mt Cattlin lithium mine) where LIT has identified a large number of lithium pegmatites
- Greenbushes (adjacent to the world's largest lithium mine) where pegmatites are prolific and under-explored
- Lake Johnston where geophysics has provided a strong indication of near-surface lithium pegmatites amongst the swarms outcropping in the area

MEXICO

LIT with JV partner Alix Resources plans drilling of prospective lithium-rich stratigraphy adjacent to the world's largest identified lithium clay deposit (Bacanora's Sonora project).

METALSTECH

The imminent float of MetalsTech (ASX:MTC) will provide LIT exposure to very prospective lithium pegmatites in Quebec (Canada) where LIT's 100% owned Sileach™ process will be used to test the recovery of lithium from spodumene. Initial samples have already been recovered for testing.

PILOT TESTING

Pilot testing at ANSTO, a division of the Australian Nuclear Science and Technology Organisation, has successfully produced battery-grade lithium carbonate using LIT's Sileach™ process on lepidolite ore from Western Australia. Testing has commenced on spodumene concentrates from Pilbara Minerals' giant Pilgangoora deposit under the auspices of a commercialisation agreement between Pilbara Minerals and LIT.

LIT is in the process of producing concentrates from a European bulk sample, with the intention of pilot testing those concentrates later this year.

MANAGING DIRECTOR, ADRIAN GRIFFIN, SAID:

"The programs before us present a great challenge but that is what creates great opportunities. We believe in providing a more sustainable approach to the management of battery metals to benefit the energy revolution."

Adrian Griffin

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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.

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