

28 February 2017

ASX ANNOUNCEMENT

Tin International and Lithium Australia agree to JV in Germany

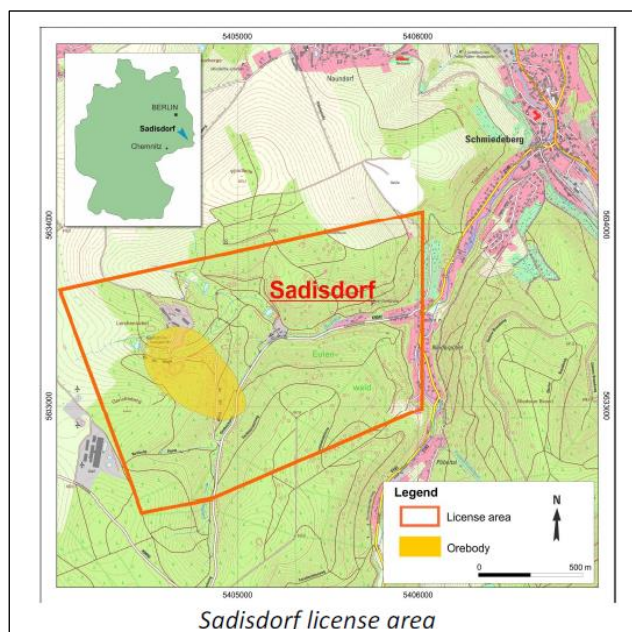
HIGHLIGHTS

- Lithium Australia provides Sileach™ technology to enhance European lithium opportunity
- Binding agreement with Tin International to upgrade JORC Resources at Sadisdorf
- Lithium targets identified

BINDING AGREEMENT

Lithium Australia NL (ASX:LIT) and Tin International AG, (subsidiary of German listed Deutsche Rohstoff AG), have entered into a binding Memorandum of Understanding (MoU) to form a Joint Venture.

FARMIN AND JOINT VENTURE

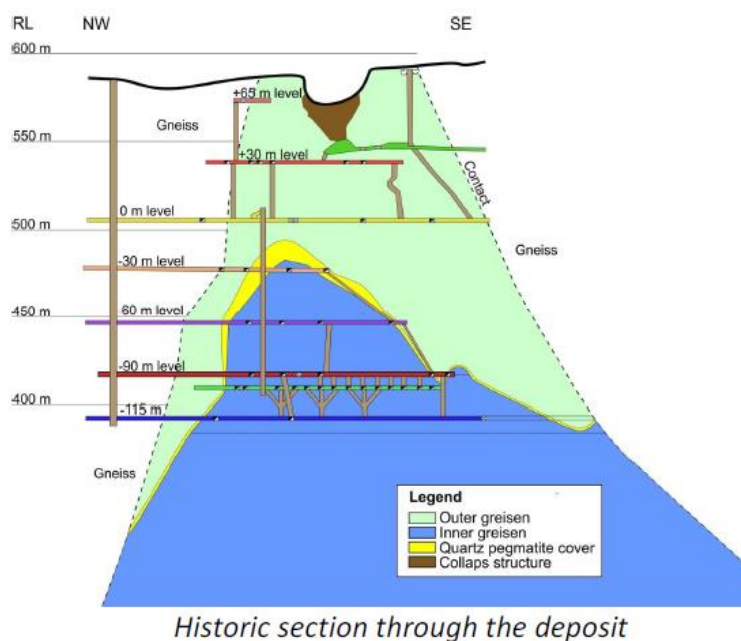


The JV will include the Sadisdorf deposit, located in Saxony, Germany as key asset of the Joint Venture. LIT has the right to earn 15% of the to be established company by spending a total of EUR 750,000 on exploration of Sadisdorf until the end of 2017. Alternatively the company can elect to pay the outstanding amount in cash to Tin International by year-end. By investment of a further EUR 1.25 million over a 3-year period Lithium Australia has the right to further increase its interest in the Joint Venture Company to 50%. After the completion of this “earn-in” period, the partners equally bear the project development costs or are diluted accordingly.

Tin International will receive a one-off payment of EUR 200,000 in LIT shares and EUR 50,000 in cash.

ESTABLISHED JORC RESOURCE

The Joint Venture will be managed by Lithium Australia and aims to extend and upgrade the existing “Sadisdorf” JORC (2012) resource (3.36 Mt inferred resource grading 0.44% Sn at a cutoff of 0.25% Sn) and to delineate a lithium resource which is anticipated to be associated with the tin mineralization. The tin orebody is thought to contain the order of 15% zinnwaldite (a lithium mica very easily treated with the Sileach™ process).



Zinnwaldite is commonly associated with the greisen (altered granite) and tin mineralization. Mineralized zones can be accessed from historic mine openings however the pervasive nature of the greisenisation makes Sadisdorf a potential open pit target.

Thomas Gutschlag, CEO of Deutsche Rohstoff commented:

“We are pleased about the signed MoU. Lithium Australia brings a wealth of processing technology and knowledge that will potentially enable the extraction of lithium as by-product from the tin production and will make Sadisdorf an economically viable project.”

Adrian Griffin, MD of LIT said:

“Sadisdorf has mine openings, historic tin production and a well identified lithium halo through and around the JORC Resource. This is a great opportunity to establish a substantial lithium resource to feed a Sileach™ processing facility in Europe.”

Adrian Griffin

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About Lithium Australia

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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