Applying advanced technologies to create a sustainable industry

Lithium Australia NL

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ASX: LIT

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Company snapshot

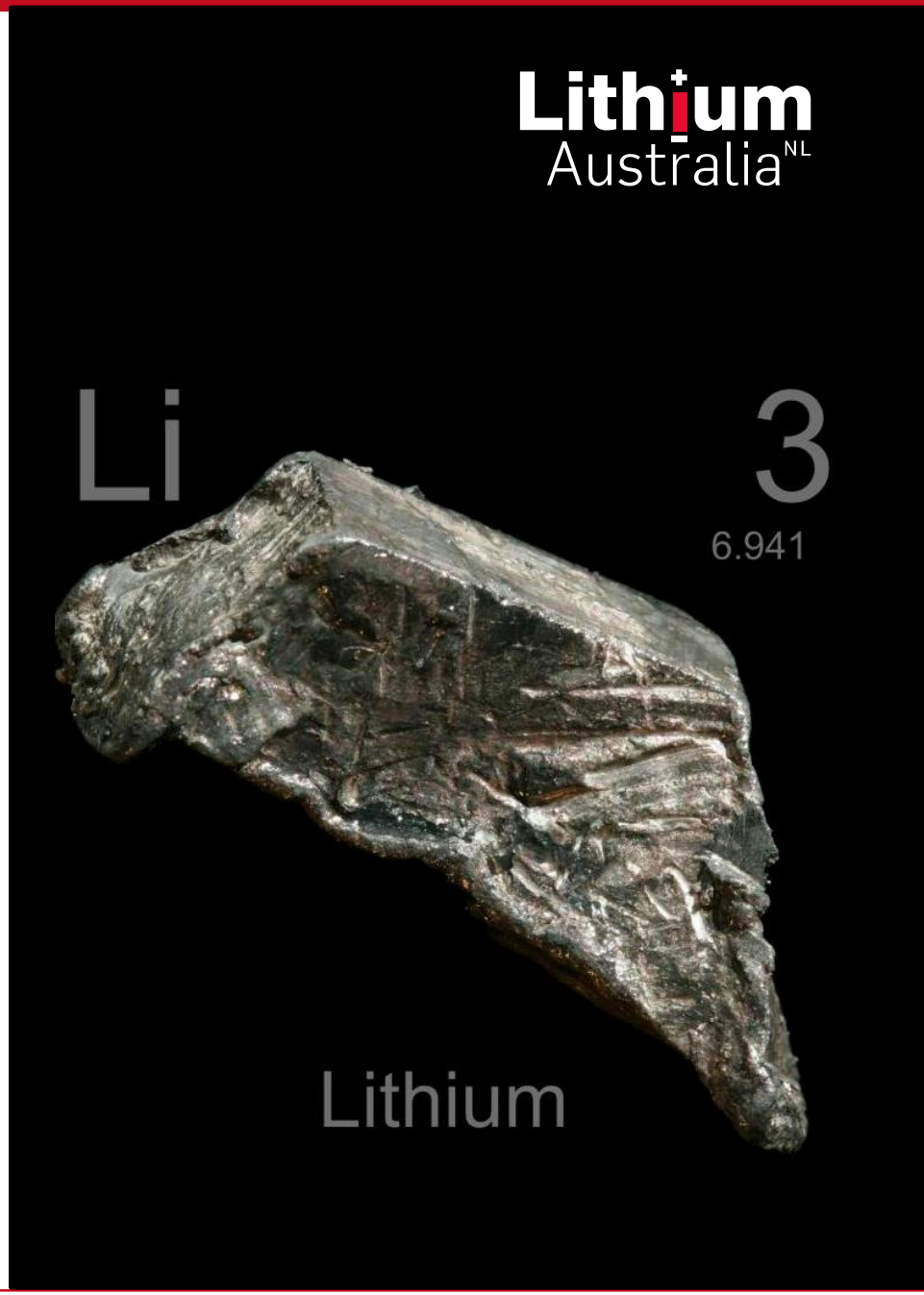
Lithium Australia is an ASX listed company (ASX:LIT) which develops and owns mineral processing technologies for lithium extraction.

Lithium Australia holds the key to a new future in energy management by supplying a low-cost, green alternative to conventional lithium production.

LIT is the only company worldwide with the ability to process all lithium silicates without roasting.

It has developed and owns 100% of Sileach™ and LieNa™ technologies.

The Company also has an extensive lithium mineral exploration portfolio with interests spanning Australia, Mexico, Canada, Africa and Europe.



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Lithium – what's it all about?

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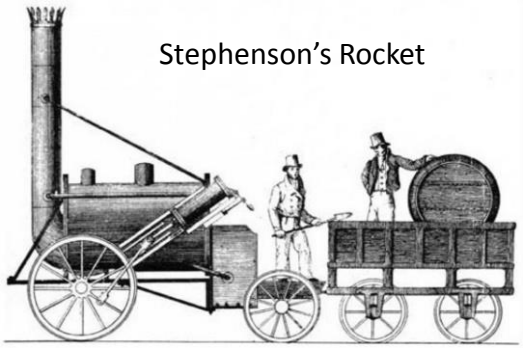
It's about the biggest change in energy management since the industrial revolution

- Portable power in the palm of your hand
- Green power wherever it is required



It's about batteries

- Revolution in transport
- Renewable power 24 hours a day
- The common man a power trader

33rd most common element

- Crustal abundance about 20ppm
- Elevated levels in pegmatites, clays and brines

More lithium is rejected as waste than enters the lithium supply chain

- Lithium Australia is focused on commercial treatment of the "too-hard-basket"

The recycling imperative

- Current estimate 100t LCE out of 180,000t consumption
- Unsustainable use of Conflict Metals

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The drivers to change in the lithium industry

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Lithium Australia's goal is to establish production hubs with:

- 100% ownership of Sileach™ and LieNa™ technologies*
- Low energy processes
- Low exposure to mining
- Strong by-product revenue credit

The Team

- Highly experienced Board
- Motivated professionals – project development, financing, IP
- Significant equity in the Company

Australian government support

- Grants from state and federal governments
- IP agreement and research partnership with ANSTO Minerals (a division of the Australian Nuclear Science and Technology Organisation)

* Lithium Australia also holds exclusive licences for the LMax process (Platypus Minerals owner and licensor). The licence agreement provides exclusive licensing rights in Western Australia and two other locations globally.

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Processing innovation creates a paradigm change

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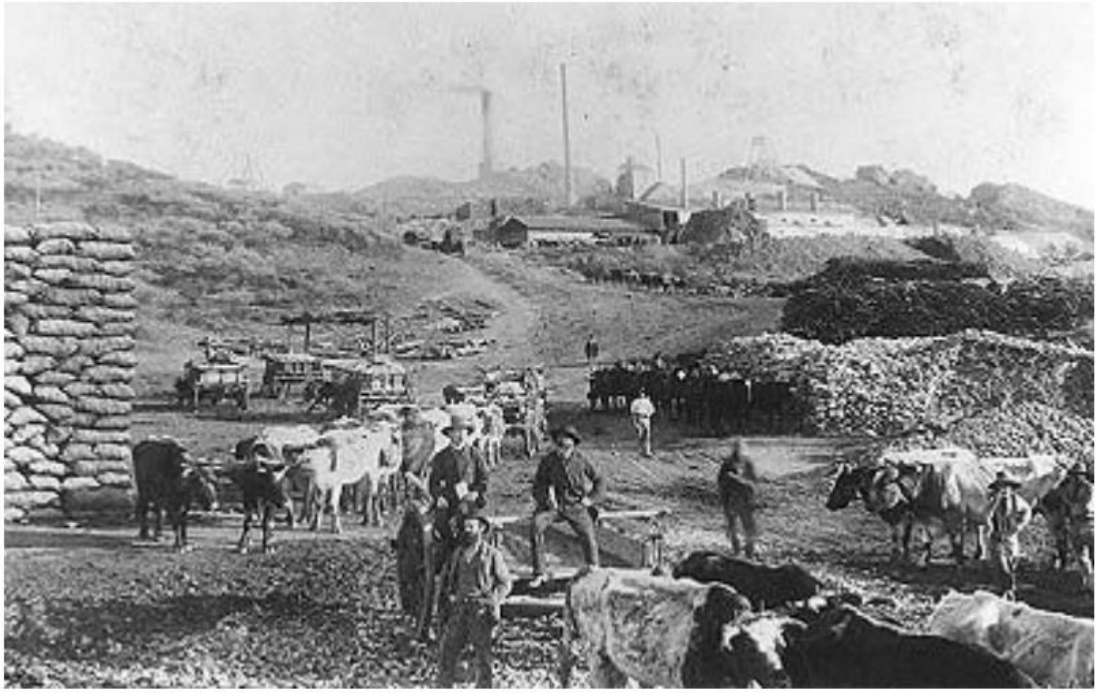
Froth flotation is widely considered to be the greatest invention to ever come out of the Antipodes. It took a brewer, a metallurgist, a mining engineer and others to turn the waste dumps of Broken Hill into ore and untold wealth.



Broken Hill Proprietary Company Ltd about 1888

"Broken Hill led the world in the profitable treatment of zinc-lead sulfides. At the turn of the 20th century, three out of every four tons that came out of the mine could not be treated. It was stacked in huge dumps along the line of lode; dumps that would mark the grave of Broken Hill unless silver, zinc and lead could be separated cheaply,

In 1902 D.G. Delprat, the general manager of Broken Hill Proprietary Company Limited, invented a process that promised to extract the treasure in the dump. He added oil, salt cake and other chemicals to a tank of pulped ore, and pumped air in through a blower at the bottom. He was delighted to observe that the particles of minerals clung to the rising air bubbles and overflowed the tank which the barren particles sank to the bottom. His company erected the first efficient flotation plant in the world."

Taken from StumpJump Plough to Interscan, A. Walsh, Australian Academy of Science, 1977.

The Sileach™ process has the potential to transform the lithium industry…
…in the same way froth flotation did for the base metals industry.

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Aspirational statement

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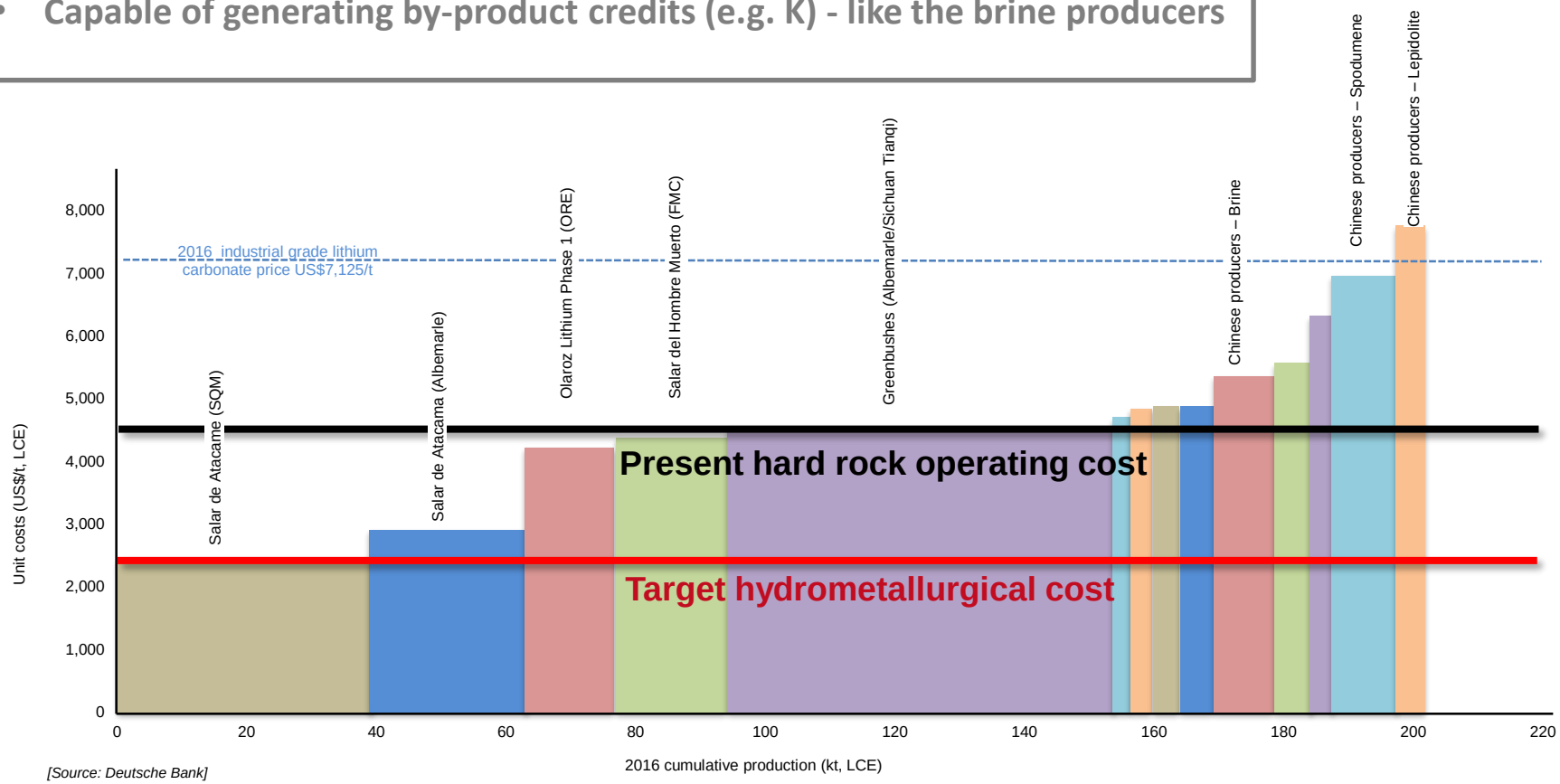
The performance of the Sileach™ process

- Low energy consumption
- Strong by-product revenue streams
- 100% owned by Lithium Australia
- Capable of generating by-product credits (e.g. K) - like the brine producers



[Source: Deutsche Bank]

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Sileach™ the path to commercial production

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Process development

- IP development at ANSTO and Murdoch University
- Award of engineering contract for large scale pilot plant; design work has commenced

Commercialisation agreement with Pilbara Minerals (ASX:PLS)

- LIT and PLS agree to proceed to 50/50 JV on feasibility completion
- Key partnership to supply spodumene concentrates

Strategic Alliance with Alix Resources Corp (AIX TSX:V)

- Agua Fria is part of the Electra Project, Sonora, Mexico JV
- LIT is in the process of lifting its ownership of the project from 25% to 49%

Resource availability underpinned by a global evaluation program

- Well advanced exploration programs & strategic partnerships
- Established in the world's major lithium provinces

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Strategic positions in the global hot spots

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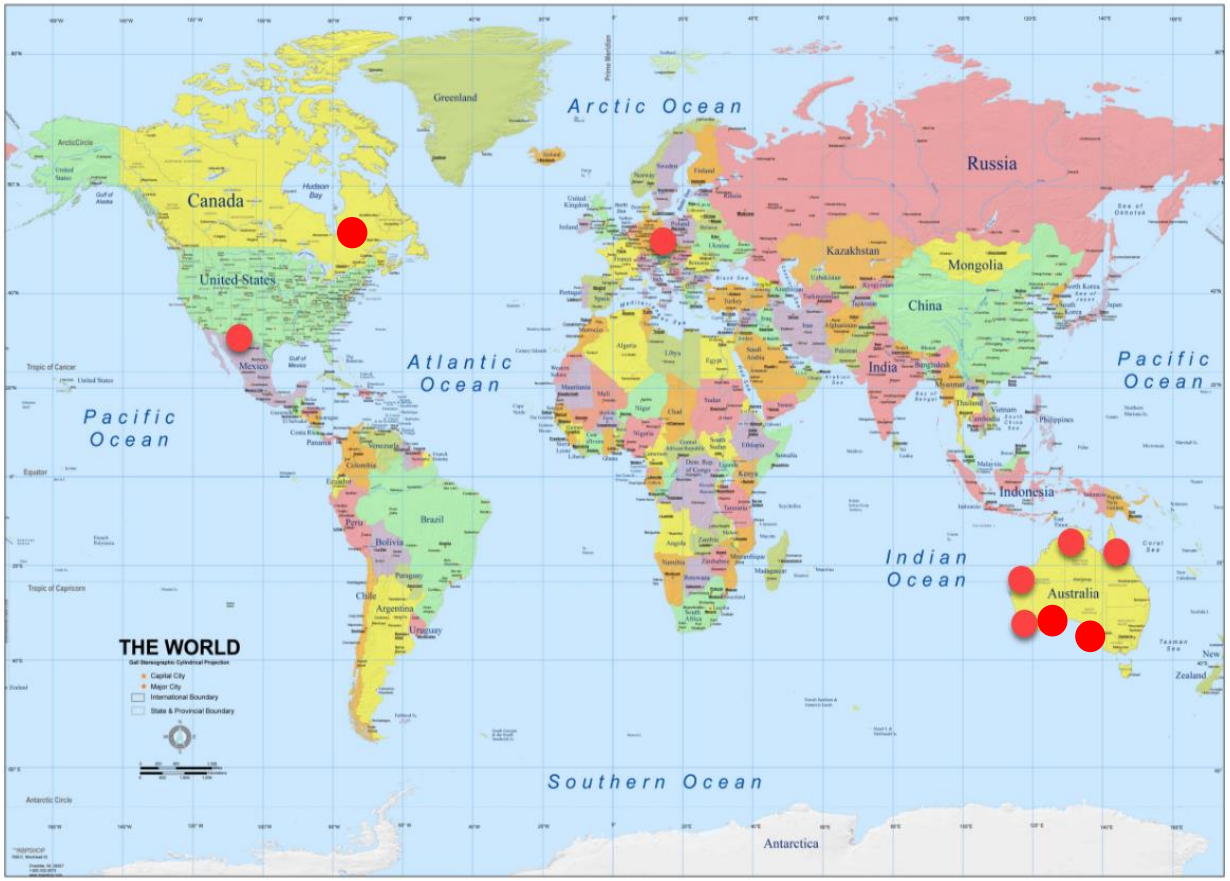
Lithium Australia – working towards resource security and combining technology with a global resource portfolio

Global alliances

- Australia
- Canada
- Mexico
- Europe

Lithium Australia 100%

- Greenbushes (WA)
- Ravensthorpe (WA)
- Lake Johnston (WA)
- Gascoyne (WA)
- Bynoe (NT)
- Kangaroo Island (SA)
- Cape York (Qld)



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What else is happening?

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Progress update

- Further Sileach™ pilot testing January - February 2017
- Sileach™ large scale pilot plant engineering study in progress – due April 2017
- Acquisition of 100% of Greenbushes project completed
- Drilling at Electra (Sonora County, Mexico) early 2017
- Proposed float of graphite assets and priority entitlement – BlackEarth Minerals – March 2017
- Recycling initiative – lithium currently a disposable metal – not sustainable

Engineering study in progress to build large scale pilot plant

- Aim to commit to construction, and complete, in CY 2017
- As a prelude to a commercial scale processing hub in Australia in CY 2018
- In tandem with other Sileach™ processing hubs in Europe / other locations

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Lithium Australia – key to sustainability

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Lithium Australia – developing a sustainable lithium future

- Low-energy footprint
- Low emissions
- High by-product credits

Potential to capitalise on low-cost feed

- Potential to process off-spec mineral concentrates
- Plan to harness the value of waste streams
- Focus on tailings, low-grade concentrates and unconventional lithium minerals
- Potential to clean-up and reprocess tailings into more environmentally sustainable forms – stripped of their valuable metals, including lithium.

Bridging the recycling gap

- Evaluating and capturing the enormous potential of recycling

Lithium Australia holds the key to a new future in energy management by supplying a low-cost, green alternative to conventional lithium production

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Why invest in Lithium Australia?

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- ✓ **World-first, 100% owned technology – Sileach™**
- ✓ **Positioning at low end of cost curve; accessing higher up the value chain**
- ✓ **Developing and contributing to a sustainable lithium future**
- ✓ **Well advanced down the commercialisation path**
- ✓ **Strategic partnerships & alliances in the world's major lithium provinces**
- ✓ **Experienced Management**

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THANK YOU!

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to reporting of Exploration Results is based on and fairly represents information and supporting documentation prepared by Adrian Griffin, a member of the Australasian Institute of Mining and Metallurgy. Mr Griffin is a shareholder in, and managing director of, LIT and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. *Mr Griffin consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

The reporting of mineral species is generic in nature, and the term 'lepidolite' – as it is applied to mineral species, and not necessarily locality names – includes mineral species widely considered to be part of the solid solution series of polylithionite/trilithionite, of which the Competent Person considers lepidolite to be approximately a median member. It is also acknowledged that material processed from Lepidolite Hill has bulk compositions tending towards trilithionite, although the rubidium concentration is outside the range generally expected in such minerals.

Similarly, the term 'zinnwaldite' has been applied to minerals approximating the accepted composition of zinnwaldite but with variations tending towards lepidolite. This terminology is considered acceptable by the Competent Person.

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