

6 April 2017

ANNOUNCEMENT

Lithium Australia (ASX: LIT) advances JV with Tin International

HIGHLIGHTS

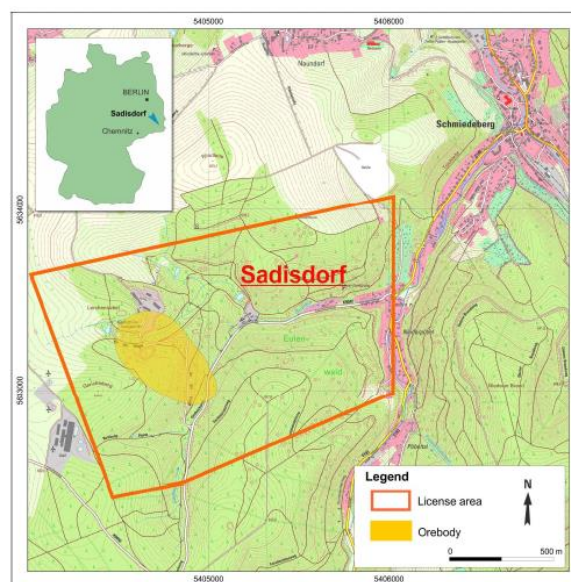
- Lithium targets identified in pervasive greisens associated with tin mineralisation
- In-country team appointed to undertake due diligence and manage the JV
- Due diligence commences in Germany with assessment of historic and recent data

ESTABLISHMENT OF THE JOINT VENTURE

Due diligence has commenced on the Sadisdorf project which is part of the package subject of LIT's agreement with Tin International.

Subsequent to due diligence, Lithium Australia (LIT) will advance Tin International, a subsidiary of Deutsche Rohstoff AG, a payment of EUR 200,000 in LIT shares and EUR 50,000 in cash to commence the farm-in. LIT intends to spend up to EUR 2 million over a 3-year period to expand its interest in the Joint Venture Company to 50%.

The Joint Venture (JV) will initially focus on the historic Sadisdorf tin mine where pervasive greisens are known to contain abundant lithium mineralization in the form of zinnwaldite, a mineral ideally suited to processing with LIT's 100% owned Sileach™ process.



Sadisdorf license area

APPOINTMENT OF EXECUTIVE TEAM

Following the successful completion of due diligence, LIT will manage the exploration and development work at Sadisdorf throughout the earn-in period. Tin International will provide administrative and technical assistance to affect an efficient change of management. LIT has added two additional team members, based in Germany, to provide the required project support at both technical and corporate levels.

Dr Georg Hochwimmer

Georg holds a PhD in chemistry and has diverse industrial and corporate experience. He will assist LIT at a corporate level, including administration, government liaison and investor relations. George currently runs a consulting business, General Research GmbH, and has interests in the battery industry.

Albert Gruber

Albert has been engaged by LIT to manage the technical aspects of the Sadisdorf geological assessment and to further investigate opportunities for Lithium Australia in Europe. Albert has experience in engineering geology and undertook a MSc, through the University of Freiberg, on the chemical composition of micas in lithium pegmatites in Australia. His prior experience in lithium bearing micas will be invaluable to the project.

DUE DILIGENCE PROGRAM

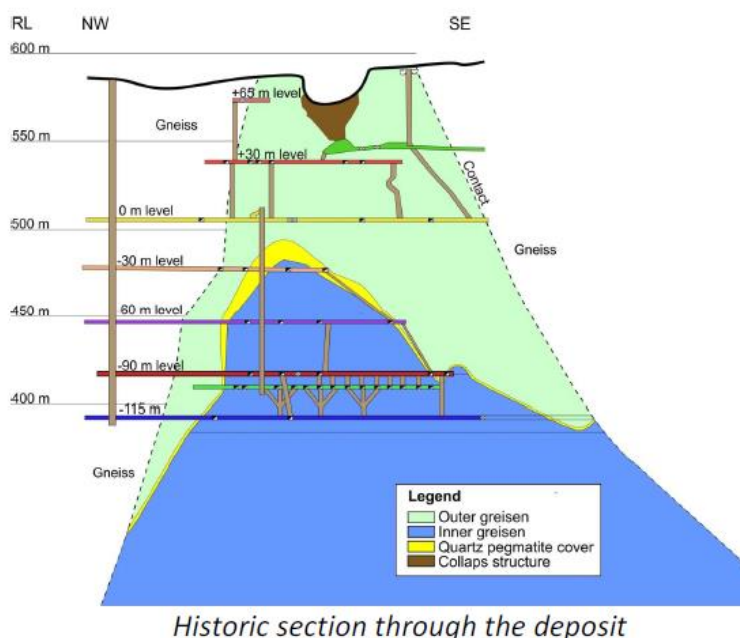
Site investigations commenced at Sadisdorf on 6 April 2017. The due diligence process will undertake a risk assessment which will include evaluation of:

- Geology and resources
- Hydrogeology
- Metallurgy
- Mining
- Infrastructure
- Geopolitical
- Social
- Legal, contractual and finance

It is anticipated that the due diligence report will be completed prior to the end of April 2017.

ESTABLISHED JORC RESOURCE

The joint venture 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). This is a prime target for supply of lithium into the European battery industry.



COMMENT BY LITHIUM AUSTRALIA MANAGEMENT

Managing director of Lithium Australia, Adrian Griffin, commented:

“The joint venture with Tin International provides Lithium Australia with a low-cost entry into an established JORC Resource albeit originally established for tin. There is little doubt that a substantial lithium inventory also exists, and the focus of the joint venture is to fast-track the project to feasibility.

The experience provided by Tin International will be a key element in expediting the evaluation process and we are pleased to have them as a partner.”

Adrian Griffin

Managing Director

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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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