

12 May 2017

ANNOUNCEMENT

Lithium Australia turns first ground at the Ravensthorpe lithium project, 420 km SE of Perth, Western Australia

Lithium Australia NL (ASX: LIT) is pleased to announce earthworks is underway in preparation for drilling, and costeaning has commenced at the Horseshoe prospect (Figure 1). Construction of over 30 drill pads has been completed ahead of Reverse Circulation drilling at both the Horseshoe and Deep Purple prospects.

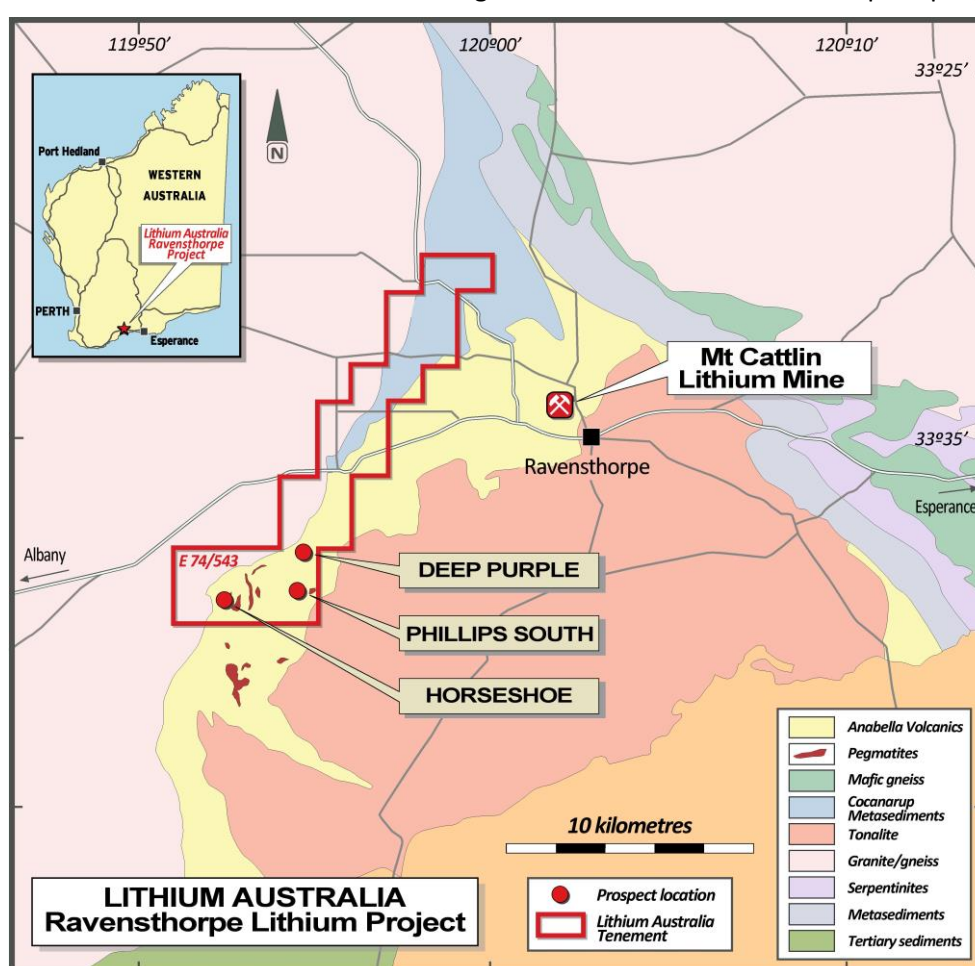


Figure 1 Regional geology and prospect locations, Lithium Australia Ravensthorpe project

The Horseshoe hosts an Exploration Target¹ of 900,000 tonnes of lithium mineralisation at a minimum grade of 1% Li₂O (with a size range from 525,000 t to 1,281,000 t and grade range of 0.8% to 1.2% Li₂O). A wide range of lithium mineralisation has been identified, including spodumene and lithium micas.

¹ Exploration Target: The potential quantities and grades are conceptual in nature and there has been insufficient data collected to-date to define a Mineral Resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve.

Managing Director, Mr Adrian Griffin said:

“Lithium Australia recognises the significant potential of the Ravensthorpe lithium province which includes the operating Mt Cattlin lithium mine. This project was our first exposure to lithium exploration and we look forward to a positive outcome from the drilling campaign.”

Adrian Griffin

Managing Director

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About Lithium Australia NL:

LIT 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. LIT has a strong technical focus in processing and exploration, being a leader in both fields.

MEDIA CONTACT:

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Competent Persons Statement:

The information contained in the report that relates to Exploration Results together with any related assessments and interpretations is based on information compiled or reviewed by Mr Peter Spitalny on behalf of Mr Adrian Griffin, Managing Director of Lithium Australia NL. Mr Spitalny is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify 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 Spitalny has given consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.