ASX ANNOUNCEMENT

6 May 2021

Australia's Battery Stewardship Council provides details of its battery collection network

HIGHLIGHTS

■ The Battery Stewardship Council has secured federal government and industry funding to establish an accredited process for battery collection and recycling ('the Scheme').

- The Scheme's collection network is set to launch in January 2022.
- Envirostream Australia Pty Ltd has received Dangerous Goods approvals for the design of its 6-kilogram ('kg') and a 12-kg combination packages for the collection and transport of mixed batteries for recycling.
- With the World Bank's report *Minerals for Climate Action (2020)* predicting that demand for battery minerals will jump 500% by 2050, the recycling of spent batteries is potentially a significant and sustainable source of critical battery materials.

Lithium Australia NL (ASX: LIT, 'the Company') and its 90%-owned subsidiary Envirostream Australia Pty Ltd ('Envirostream') are pleased to advise of the recent release by the Battery Stewardship Council ('BSC') of a factsheet for battery recycling.

The BSC factsheet covers numerous aspects of battery recycling, as well as details of funding and of the Scheme itself.

Designed to promote battery recycling and ensure the safety of same, the Scheme will establish a national network of drop-off sites, making it simple and convenient for consumers to return spent batteries for recycling.

The Scheme is set to launch in January 2022.

Comment from Envirostream managing director Andrew Mackenzie

"The Scheme is vital to improving Australia's battery recycling rates, which currently sit at around 10% – a very low figure in comparison to other countries. At Envirostream, we're developing mixed-battery collection systems designed for convenience and approved for safety and the mitigation of environmental risk."

Improving Australian battery recycling

Currently in Australia, the majority of spent batteries are relegated to landfill, where they have the potential to pollute the environment, including waterways. The low rate of battery recycling nationally means that Australia lags behind many other countries in this regard. Under the Scheme, approved entities with be paid to collect and recycle hazardous and toxic spent batteries.

ACN: 126 129 413 ASX: LIT

Level 1 677 Murray St West Perth WA 6005

PO Box 1088 West Perth WA 6872

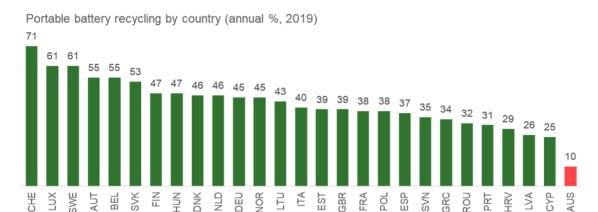
Phone +61 (0) 8 6145 0288 Fax +61 (0) 8 9475 0847

info@lithium-au.com

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Source: Battery Stewardship Council, 2019

Envirostream collection boxes

In anticipation of the launch of the Scheme, Envirostream has received approvals for its 6-kg and 12-kg storage and transportation boxes (pictured below and designed to hold both lithium-ion and alkaline batteries), in accordance with the *Dangerous Goods* (*Transport by Road or Rail*) Regulations 2018: Testing Facility Certificate Numbers 8908A and 8910A. Receipt of these, an Australian first, indicates that Envirostream has complied with all the conditions listed in the approvals process.



The batteries must be packed in accordance with ADG7.7 packing instructions P909, which will be included with each container.

Authorised for release by the Board.

Adrian Griffin
Managing Director
Mobile +61 (0) 418 927 658
Adrian.Griffin@lithium-au.com

Barry Woodhouse
CFO and Company Secretary
Mobile +61 (0) 438 674 259
Barry.Woodhouse@lithium-au.com

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Media contact

Adrian Griffin, Lithium Australia NL

08 6145 0288 | +61 (0) 418 927 658

About Lithium Australia NL

Lithium Australia aims to ensure an ethical and sustainable supply of energy metals to the battery industry (enhancing energy security in the process) by creating a circular battery economy. The recycling of old lithium-ion batteries to new is intrinsic to this plan. While continuing rationalisation of its portfolio of lithium projects/alliances, the Company is focusing on the R&D of its proprietary extraction processes for the conversion of *all* lithium silicates (including mine waste), and of unused fines from spodumene processing, to lithium chemicals. From those chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, and for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling.

About Envirostream Australia Pty Ltd

Envirostream is the national leader in battery recycling. It operates the only commercial facility in Australia capable of shredding all types of spent batteries to efficiently recover a range of recyclable materials – in particular mixed-metal dust, which comprises the critical 'active' materials in spent lithium-ion batteries. Mixed-metal dust contains cobalt, nickel, lithium and manganese, making it a sustainable feed source for the manufacture of new batteries. The Envirostream process is designed for zero atmospheric emissions and very low soluble losses, and only minimal amounts of material are consigned to landfill. Together with its high mass yields, this positions Envirostream as the planet's most environmentally credentialled battery recycler.

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

