

## ASX ANNOUNCEMENT



18 January 2021

## Lithium Australia lessens exposure to European exploration expenditure

### Reduction in German exploration tenure

Lithium Australia NL (ASX: LIT, the 'Company') has maintained an exploration interest in Germany since 2017.

The Company's European portfolio focused on historic mining areas in the Erzgebirge (Ore Mountains) in Saxony, with tenure held in three areas:

- Hegelshöhe;
- Eichight, and
- Sadisdorf.

In 2020, COVID-19 restrictions rendered work in these areas almost impossible. That, together with the considerable financial commitments required to maintain projects in the area, led the Company to substantially reduce its activities.

The Sadisdorf licence has now run full term and has not been renewed, Eichight has been relinquished and the Company is yet to make a decision on the future of Hegelshöhe.

### Comment from Lithium Australia managing director Adrian Griffin

"Rationalising the Company's exposure to direct exploration expenditure in Europe is in line with our corporate policy, which has seen a marked reduction in our global exploration footprint and the farm-out of many assets. Our preference is to maintain leverage to battery materials in Europe by applying our proprietary technologies, including lithium extraction, cathode powder production and battery recycling, to emerging opportunities.

"We see the application of LieNA<sup>®</sup> (recovery of lithium from low-grade spodumene without roasting) as having great potential, since LieNA<sup>®</sup> can produce the ideal feed for the production of lithium ferro phosphate ('LFP') batteries. Europe is just awakening to the benefits of LFP and, through Company subsidiary VSPC Ltd, we have the technology to revolutionise its production."

Authorised for release by the Board.

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## 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 rationalising its portfolio of lithium projects/alliances, the Company continues with R&D on 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. <sup>PI</sup>

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