

ASX ANNOUNCEMENT



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Lithium Australia strengthens VSPC management

HIGHLIGHTS

- Mining and energy specialist Merrill Gray appointed to VSPC board.
- VSPC to focus on expanding LFP markets, including India, Europe and North America.
- Development of next-generation LMFP battery materials ongoing.
- Definitive feasibility study implementation imminent.

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New director for VSPC

Merrill Gray has joined the board of VSPC Ltd ('VSPC'), a wholly-owned subsidiary of Lithium Australia NL (ASX: LIT, 'the Company').

VSPC develops advanced materials for lithium-ion batteries ('LIBs'), including lithium ferro phosphate ('LFP') and lithium manganese ferro phosphate ('LMFP') cathode powders.

Ms Gray brings to the board 30 years of experience in the mining and energy sectors, including production, project development and corporate management. Having spent the past 15 years involved in innovative energy technologies, leading hydrogen, renewables and circular-economy (bioenergy) companies, she will now guide VSPC's definitive feasibility study and global expansion plans.

Intellectual property

The Company is well served by the VSPC's management team, who between them have developed some of the most advanced cathode active materials available and expanded VSPC's intellectual property and patent portfolio. Mike Vaisey (previously VSPC's manager of battery materials) is handing over the reins to Ms Gray but will continue in a consulting capacity, helping to maximise VSPC's intellectual property value.

The move to cobalt- and nickel-free batteries

VSPC specialises in the development of LIB cathode materials that contain no nickel or cobalt. Specifically, these are LFP and LMFP, the latter a higher-energy-density material that retains most of the advantages of LFP.

The need to reduce reliance on critical battery materials in the interests of safety, cost and longevity means LFP has become the fastest growing sector of the battery market. In March 2021, the production of LFP batteries in China eclipsed that of all nickel/cobalt variants, including NCM (nickel cobalt manganese) and NCA (nickel cobalt aluminium).

VSPC is well placed to offer an alternative supply chain for LFP, a market currently dominated by Chinese producers (only 2% of LFP is produced outside China).



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Tesla, VW, Peugeot and BYD, along with other original equipment manufacturers, are now transitioning to LFP. That shift, combined with LFP's widespread use in stationary energy-storage applications, is likely to see it emerge as the dominant battery chemistry in the very near future.

Significantly, BYD, one of the world's highest ranked electric-vehicle manufacturers, announced some time ago that it would cease production of all nickel-cobalt LIBs in favour of 100% LFP production.

The Company, through VSPC, plans to sell LFP and LMFP into under-serviced but rapidly growing markets outside of China. VSPC has both LFP and LMFP cathode powders available for commercial testing and enquiries from cathode producers are welcomed.

Comment from Lithium Australia managing director Adrian Griffin

"The Company welcomes Merrill Gray to the team. Her appointment, along with that of Phil Thick (a non-executive director of Lithium Australia) and Stuart Tarrant (CFO of Lithium Australia), heralds the next stage of the Company's commercial development. We aim to hone our edge as an ethical and sustainable developer of high-performance materials for rapidly developing battery markets globally."

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 these chemicals, Lithium Australia plans to produce advanced components for the battery industry globally, as well as for stationary energy storage systems within Australia. By uniting resources and innovation, the Company seeks to vertically integrate lithium extraction, processing and recycling.

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