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ASX ANNOUNCEMENT

WA Government grant supports Lithium Australia's Sileach™ lithium processing technology

The Western Australian Government, under the aegis of the Minerals Research Institute of Western Australia (MRIWA), has approved a grant of $195,632 for MRIWA Application M479: Solution purification and valuable by-products formation during the production of battery-grade lithium.

The grant relates to Lithium Australia NL's (ASX: LIT) drive to work with science partners to commercialise the Company's low energy low cost and exclusive Sileach™ processing technology to produce lithium extractions from the lithium bearing silicates.

Corporate sponsorship of MRIWA's project module will be provided by Lithium Australia and Venus Metals Corporation Limited (ASX : VMC). LIT and VMC have executed a Memorandum of Understanding to initially test the commercial lithium potential of VMC's holdings in the Pilbara region of Western Australia. The area of focus will be Venus' Pilgangoora project, southeast of Port Hedland.

The MRIWA project module will test processing solutions generated from pilot testing at ANSTO Minerals (a division of the Australian Nuclear Science and Technology Organisation). The tests will aim to establish the most effective commercial outcome for recovering products produced by Lithium Australia's unique halogen-based Sileach™ process.

The MRIWA grant will fund test work being undertaken at Murdoch University, Perth (WA) on solutions generated from batch testing the Sileach™ process and will extend to solutions then produced from continuous pilot testing. It is anticipated the latter will be available in September 2016.

If the laboratory and pilot plant testing is successful, Lithium Australia plans to establish a number of processing hubs with locations targeted around growing lithium resource bases in Australia, North America and Europe.

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LIT is a dedicated developer of disruptive lithium extraction technologies. 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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