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24 August 2016

ASX ANNOUNCEMENT

Lithium Australia advises update to Cinovec Licence Agreement

Lithium Australia NL (ASX: LIT) advised the market, on 31 March 2016, of its withdrawal from the non-binding Memorandum of Understanding relating to the Cinovec Project. The Cinovec Project is located in The Czech Republic. LIT had previously sought and obtained an exclusive L-Max Licence for potential use in the Cinovec Project and also for other projects, as may be nominated by LIT (Cinovec Licence).

Platypus Minerals Ltd (Platypus), the current owner of L-Max, has since alleged to LIT that the Cinovec Licence has terminated (Allegations).

LIT vigorously disputes the Allegations and maintains the Cinovec Licence remains on foot in respect to other projects, as may be nominated by LIT, under the terms of the Cinovec Licence.

The parties are attempting to resolve the dispute.

No legal proceedings have been filed or served, by either party to the Cinovec Licence, in pursuance of the Allegations.

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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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