Applying advanced technologies to create a sustainable industry



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RIU Explorers Conference

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Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third-party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and Aboriginal heritage issues; dependence on key personnel, and share-price volatility. They also include unanticipated and unusual events, many of which it is beyond the Company's ability to control or predict.

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to reporting of Exploration Results is based on and fairly represents information and supporting documentation prepared by Adrian Griffin, a member of the Australasian Institute of Mining and Metallurgy. Mr Griffin is a shareholder in, and managing director of, LIT and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. *Mr Griffin consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

The reporting of mineral species is generic in nature, and the term 'lepidolite' – as it is applied to mineral species, and not necessarily locality names – includes mineral species widely considered to be part of the solid solution series of polylithionite/trilithionite, of which the Competent Person considers lepidolite to be approximately a median member. It is also acknowledged that material processed from Lepidolite Hill has bulk compositions tending towards trilithionite, although the rubidium concentration is outside the range generally expected in such minerals.

Similarly, the term 'zinnwaldite' has been applied to minerals approximating the accepted composition of zinnwaldite but with variations tending towards lepidolite. This terminology is considered acceptable by the Competent Person.

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Lithium Australia – key to sustainability

Lithium Australia – developing a sustainable lithium future

- Control of the best available technology Li extraction technology
- Low-energy footprint
- Low emissions
- High by-product credits

Potential to capitalise on low-cost feed

- Potential to process off-spec mineral concentrates
- Plan to harness the value of waste streams
- Focus on tailings, low-grade concentrates and unconventional lithium minerals
- Potential to reprocess tailings, recovering valuable metals and improving the environment.

Bridging the recycling gap

- Evaluating the enormous potential of recycling
- Improving life-cycle management of energy metals

Lithium Australia holds the key to a new future in energy management by supplying a low-cost, green alternative to conventional lithium production

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The progress of civilization is driven by disruptive technology

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Stone replaced by bronze

Bronze replaced by iron

Iron replaced by steel

The bow and arrow replaced by gunpowder

The seed drill replaced field labour

Steam replaced the horse as motive force

Tesla and Edison battle to replace steam

The horse replaced by the horseless carriage



Today we replace powerlines with power in the palm of your hand

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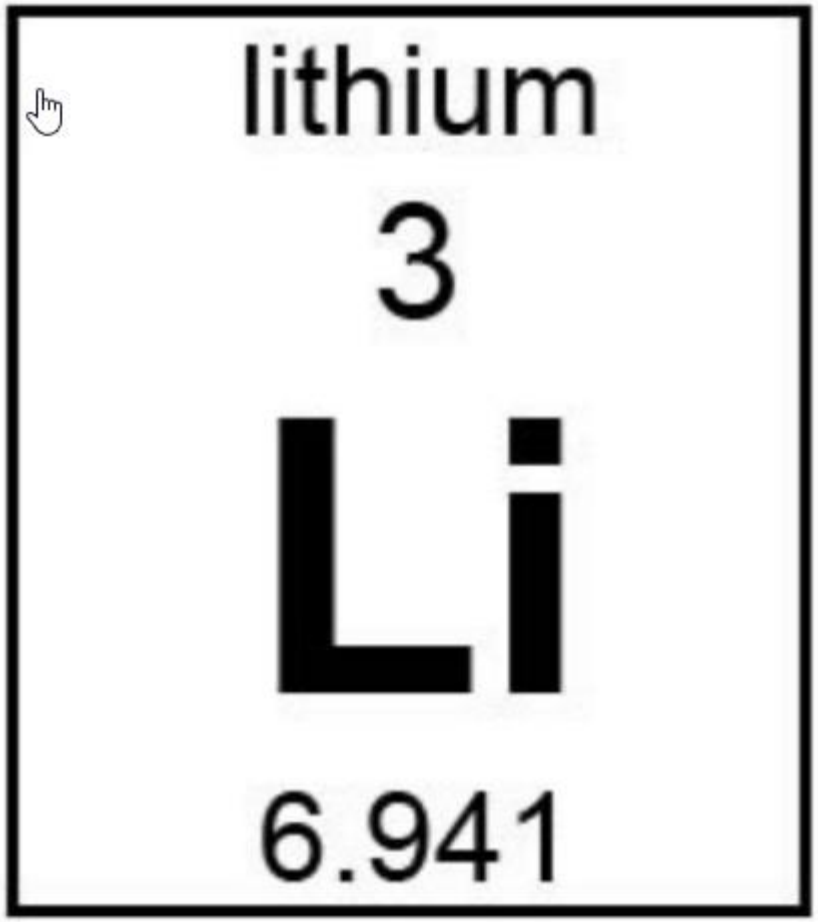
Welcome to the Lithium Age



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Lithium – what's it all about?

It's about the biggest change in energy management since the industrial revolution

- Portable power in the palm of your hand
- Green power wherever it is required

It's about batteries

- Revolution in transport
- Renewable power 24 hours a day
- The common man a power trader

33rd most common element

- Crustal abundance about 20ppm
- Elevated levels in pegmatites, clays and brines

More lithium is rejected as waste than enters the lithium supply chain

- Lithium Australia is focused on commercial treatment of the "too-hard-basket"

Recycling – bringing batteries into the 21st century

- Current Li recycling is estimated to be only 100t LCE out of 180,000t consumption
- Unsustainable use of conflict metals is creating supply shortages (Co in particular)

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Processing innovation creates a paradigm change

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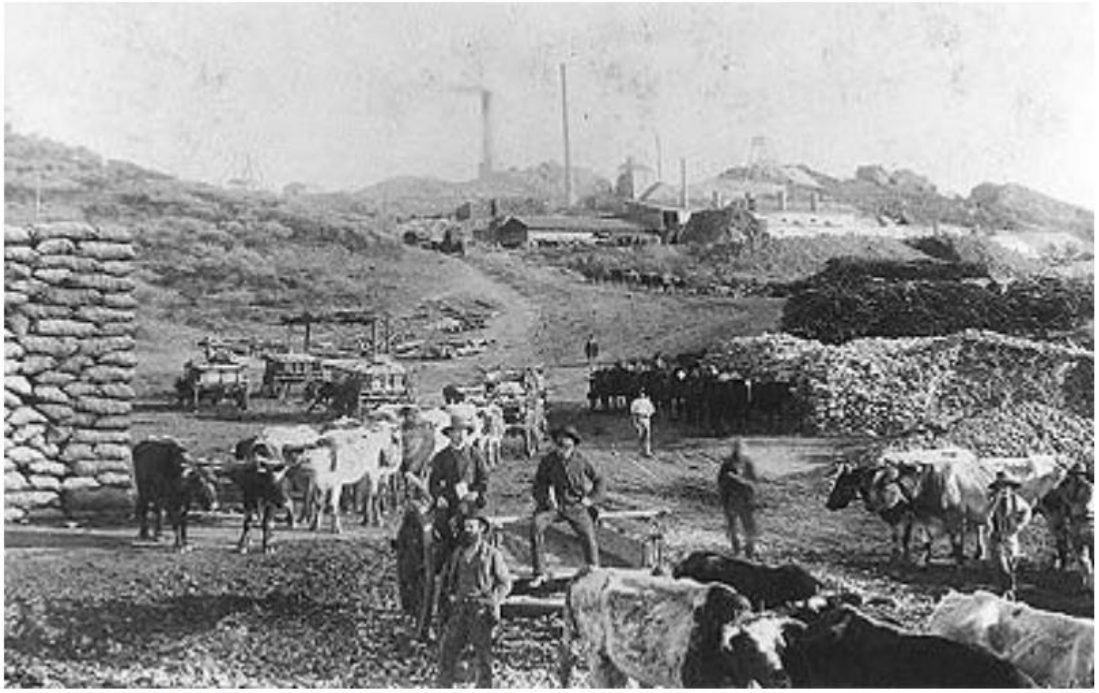
Froth flotation is widely considered to be the greatest invention to ever come out of the Antipodes. It took a brewer, a metallurgist, a mining engineer and others to turn the waste dumps of Broken Hill into ore and untold wealth.



Broken Hill Proprietary Company Ltd about 1888

"Broken Hill led the world in the profitable treatment of zinc-lead sulfides. At the turn of the 20th century, three out of every four tons that came out of the mine could not be treated. It was stacked in huge dumps along the line of lode; dumps that would mark the grave of Broken Hill unless silver, zinc and lead could be separated cheaply,

In 1902 D.G. Delprat, the general manager of Broken Hill Proprietary Company Limited, invented a process that promised to extract the treasure in the dump. He added oil, salt cake and other chemicals to a tank of pulped ore, and pumped air in through a blower at the bottom. He was delighted to observe that the particles of minerals clung to the rising air bubbles and overflowed the tank which the barren particles sank to the bottom. His company erected the first efficient flotation plant in the world."

Taken from StumpJump Plough to Interscan, A. Walsh, Australian Academy of Science, 1977.

The Sileach™ process has the potential to transform the lithium industry…
…in the same way froth flotation did for the base metals industry.

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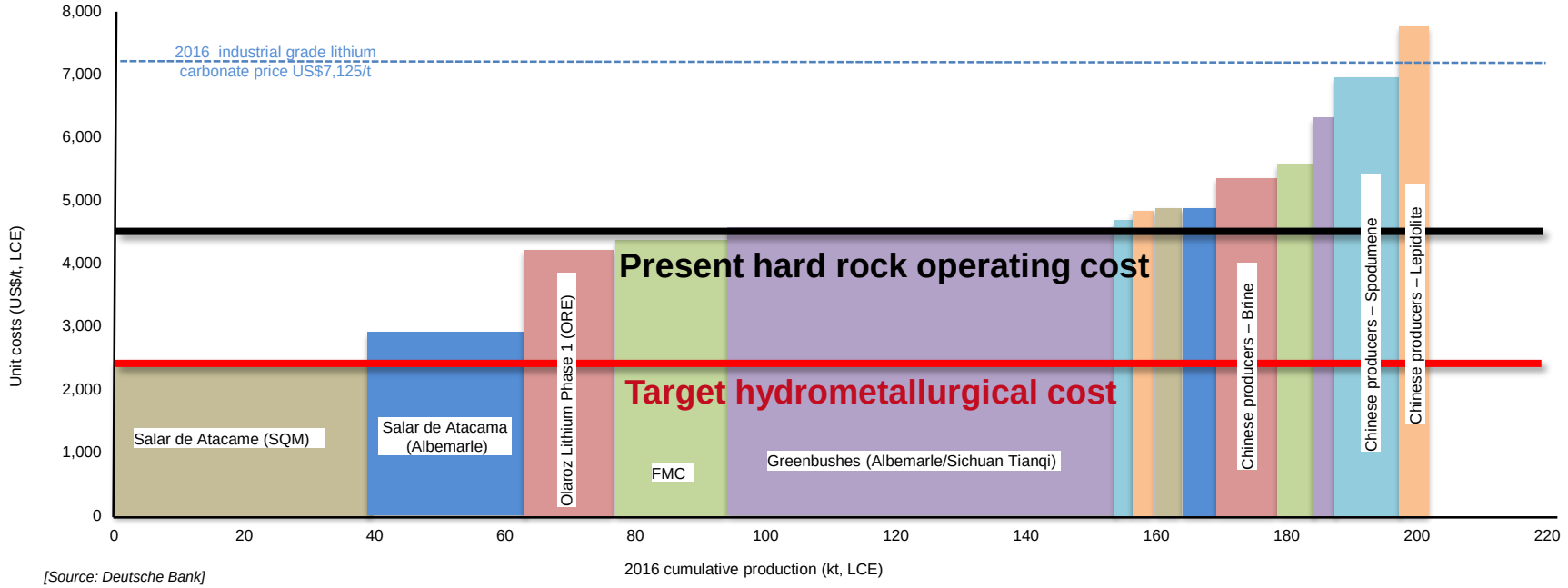
Aspirational statement

The performance of the Sileach™ process

- Low energy consumption
- 100% owned by Lithium Australia
- Capable of generating by-product credits (K, Al and alkali metals)



[Source: Deutsche Bank]

Lab testing	Pilot testing at ANSTO	Commitment to large scale pilot plant	Commercial production
In progress	August 2016	Early - mid 2017	On completion of financing

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Strategic positions in the global hot spots

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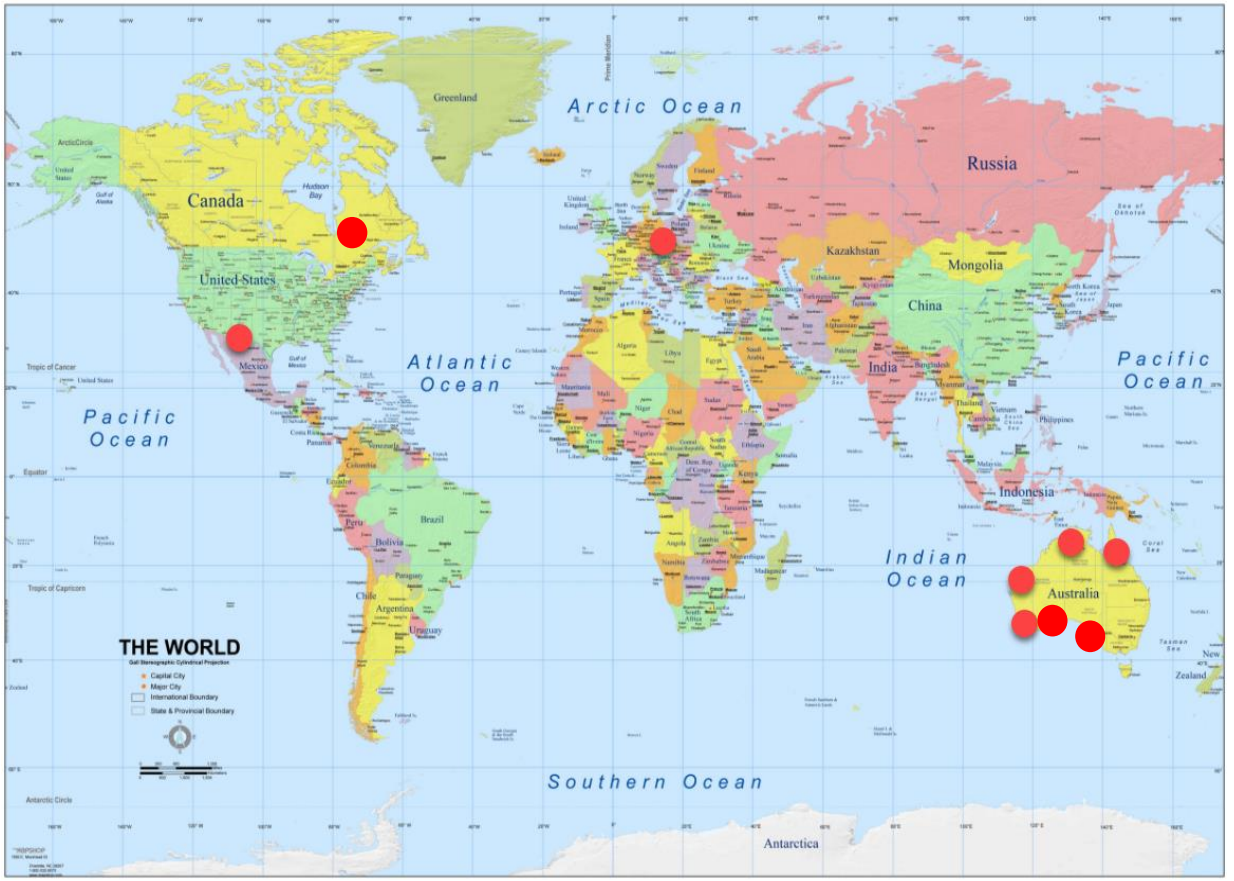
Lithium Australia – working towards resource security and combining technology with a global resource portfolio

Global alliances

- Australia
- Canada
- Mexico
- Europe

Lithium Australia 100%

- Greenbushes (WA)
- Ravensthorpe (WA)
- Lake Johnston (WA)
- Gascoyne (WA)
- Bynoe (NT)
- Kangaroo Island (SA)
- Cape York (Qld)



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What else is happening?

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The near-term

- February float of MetalsTech (ASX:MTC) providing access to lithium pegmatites in Canada
- Continued commercialisation of Sileach™
- Drilling at Agua Fria (Sonora County, Mexico) - February 2017
- Drilling Ravensthorpe (Western Australia) – awaiting improved weather
- Float of graphite assets and priority entitlement – BlackEarth Minerals – Q2 2017
- Develop strategic recycling alliances (North America, Europe, Australia)

Growth by corporate accretion

- Evaluation of corporate targets
- Takeover of Lepidico Ltd

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Takeover of Lepidico Limited (ASX:LPD)

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Creating one of the world's great hard rock lithium companies

- LIT announced takeover intentions (ASX release 6 Feb 2017)
- Major shareholders back the LIT bid
- 18% secured by way of pre-bid contracts
- "Bidder's Statement" currently due in March 2017

Consolidation – a compelling business case for LIT and LPD shareholders

- Greater exposure to rapidly expanding markets
- Greater market capitalization creating improved access to capital
- Improved market liquidity
- Asset synergies with L-Max® and Sileach™ in one entity*
- A united front to delivering the best lithium processing technologies
- Creating the world's largest hard rock exploration portfolio

*Lepidico Limited is the owner of L-Max technology applicable to processing lithium micas and Sileach, 100%owned by Lithium Australia, is applicable to all lithium silicates, including the micas.

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Why invest in Lithium Australia?

- ✓ Developing and contributing to a sustainable lithium future
- ✓ Well advanced down the commercialisation path
- ✓ Strategic partnerships & alliances in the world's major lithium provinces
- ✓ Large, diversified exploration portfolio with geographic risk mitigation
- ✓ Enhanced opportunities through corporate accretion
- ✓ Dominance in the field of lithium processing
- ✓ Experienced management

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Company snapshot

Lithium Australia is an ASX listed company (ASX:LIT) developing mineral processing technologies for lithium extraction.

LIT holds the key to a new future in supplying a low-cost, green alternatives to conventional lithium production. The supply chain includes low-energy mineral processing and waste recycling.

LIT is the only company worldwide with the capability to process all lithium silicates without roasting.

LIT has launched a takeover bit for competitor Lepidico Ltd (ASX:LPD). The bid supported by LPD founding shareholders controlling 18% of the register.*

LIT has an extensive lithium interests spanning Australia, Mexico, Canada, Africa and Europe which it plans to expand with the assistance of the LPD takeover.



Price (AU$) as of 25 Jan 2017	AU$ 0.19
Market Capitalisation (AU$M)	AU$ 49M
Shares Outstanding	257,832,829
Cash position	AU$ 6M
Debt position	NIL

- Lithium Australia holds licences for the LMax process (Lepidico Ltd owner and licensor). The licence agreement provides exclusive licensing rights in Western Australia and two other locations globally. If successful, LIT's takeover bid for Lepidico will put all advanced lithium processing technology, for hard-rock deposits, under the control of one company – Lithium Australia.

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the key to a sustainable future

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