Lithium Australia NL

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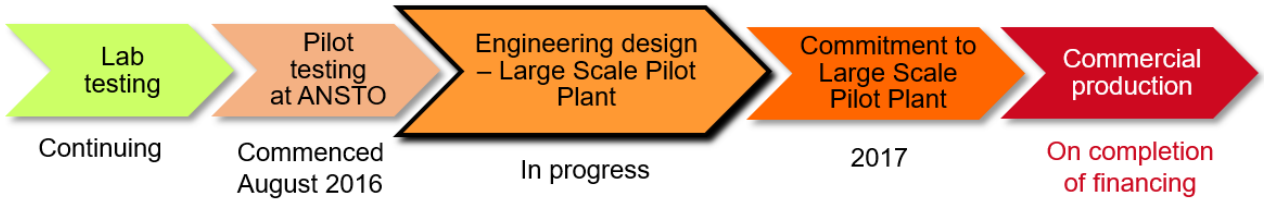
ASX ANNOUNCEMENT

Lithium Australia advances plans for Large-Scale Sileach™ Pilot Plant

On the 12 December 2016, Lithium Australia (ASX: LIT) announced the award of the engineering design study for a large-scale pilot plant to Perth based CPC Project Design Pty Ltd (CPC). Project deliverables included, capital cost estimates, operating cost estimates and comparative logistic costs for a number of Western Australian and overseas sites.

The comparative project location assessment conducted during the study has highlighted a very attractive overseas site and the Company has elected to extend the scope of work for CPC to improve the capital and operating cost estimate for this location to a level of detail commensurate for the preliminary feasibility study.

Other areas of substantial capital cost savings have been identified by CPC and these will also be included in this estimate which will be delivered to LIT around the middle of June. This is in line with Lithium Australia commercialisation strategy of its low cost SiLeach™ technology.



STATEMENT FROM THE MANAGING DIRECTOR

LIT's managing director, Adrian Griffin commented:

> *"It is gratifying to see Sileach™ progressing towards commercialisation. This has been achieved with the best possible partnerships in industry and government including research grants at state and federal levels. Design has been completed within the most stringent safety standards which is the best possible prelude to commercialisation of the process."*

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About Lithium Australia

Lithium Australia NL is a dedicated developer of disruptive lithium extraction technologies, and 100% owner of the Sileach™ process for the recovery of lithium from silicates. 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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