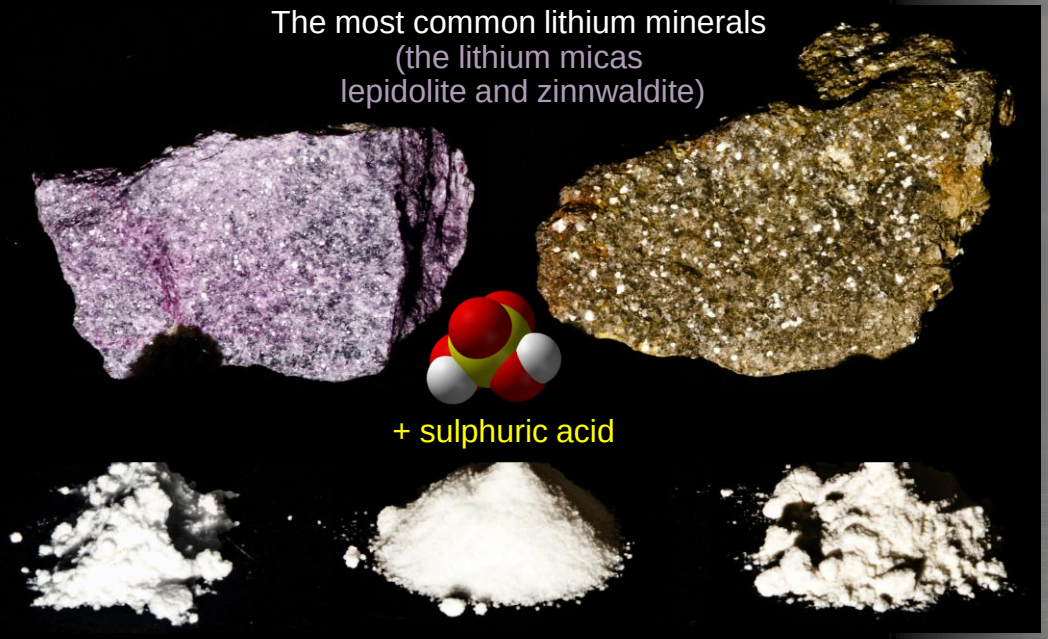
Disruptive technology to revolutionize lithium production



= high-purity lithium carbonate + potassium sulphate + aluminium hydroxide

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Photographs in this presentation do not depict assets of the Company.

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, particularly with respect to the Cinovec deposit, the mineralization of which includes the type locality of zinnwaldite, being Zinnwald, close to the border of Germany and the Czech Republic.

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Company snapshot

LITHIUM AUSTRALIA (LIT) –
A UNIQUE FOCUS ON LITHIUM

BOARD OF DIRECTORS

George Bauk (non-executive chairman)
Expert in specialty metals, particularly rare earths – project management, marketing and financing.

Adrian Griffin (managing director)
Exploration, production, mine management.

Bryan Dixon (non-executive director)
Corporate, finance, mine development.

ASX ticker: LIT
ACN 126 129 413
134 M Ordinary Shares
50 M Partly Paid Shares
12 M Unlisted Options
Market cap. $7 M

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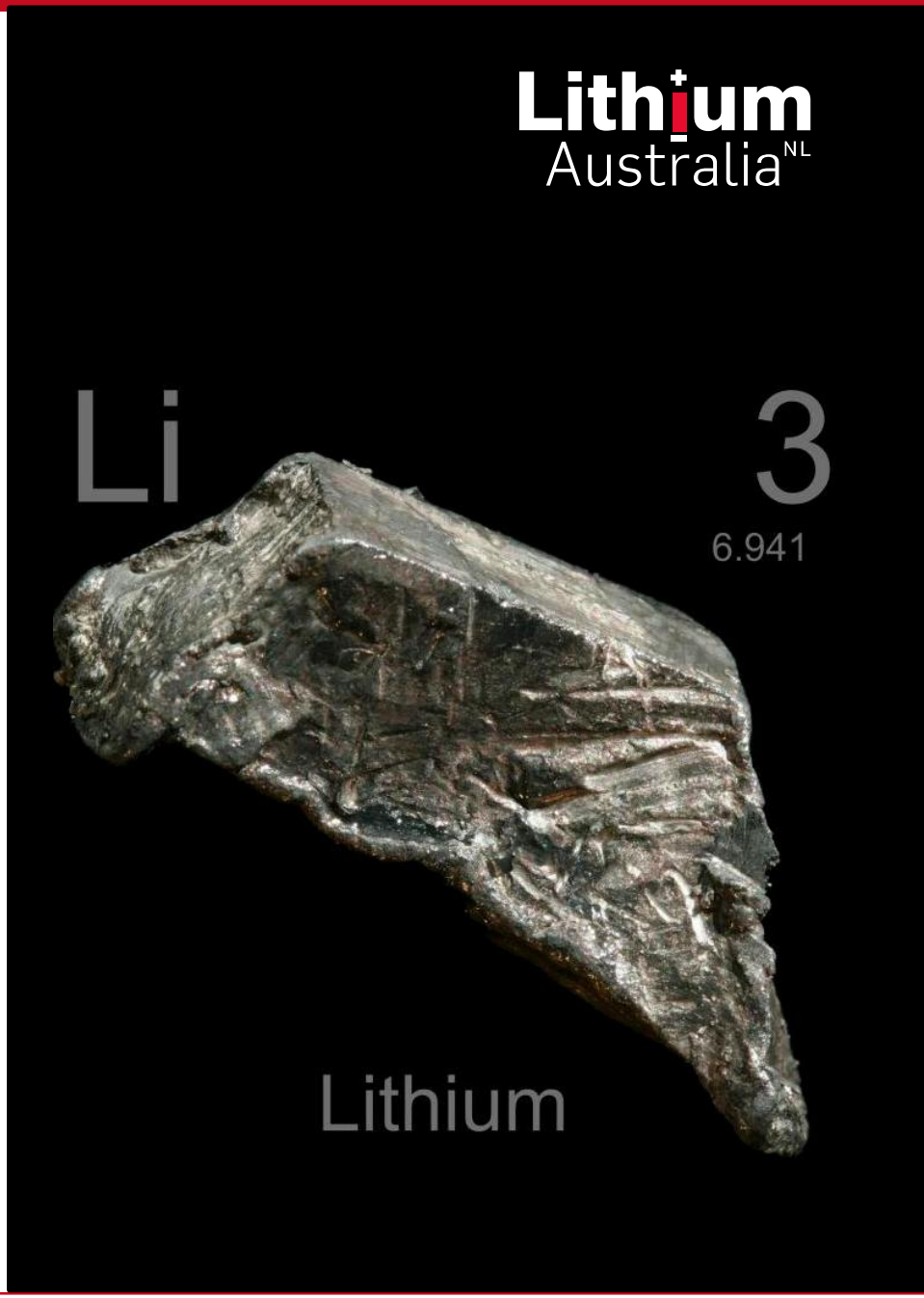
www.lithium-au.com



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Disruptive technology to fill supply gap

Lithium Australia NL

CONTINUOUS PRODUCTION OF BATTERY-GRADE LITHIUM CARBONATE

ABUNDANT FEED POTENTIAL

- lithium micas, a 'forgotten resource'
- advanced resource – world's fourth-largest hard-rock deposit

EXCLUSIVE TECHNOLOGY AGREEMENTS

EXPANDING SUPPLY GAP



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Company strategy

PRODUCE BATTERY-GRADE LITHIUM CARBONATE FROM LITHIUM MICAS

- Zero energy footprint
- Waste materials with no mining cost
- High feed grades
- Fast reaction time – low capital cost

UTILIZE A FORGOTTEN RESOURCE

- Capitalize on availability of most abundant lithium minerals
- Utilize advantages of strategic partnerships
- Change operating cost profile
- Prosper from by-product credits

RE-EVALUATE GLOBAL LITHIUM OCCURRENCES

Turn geological curiosities into reserves

DOMINATE GLOBAL LITHIUM INVENTORIES

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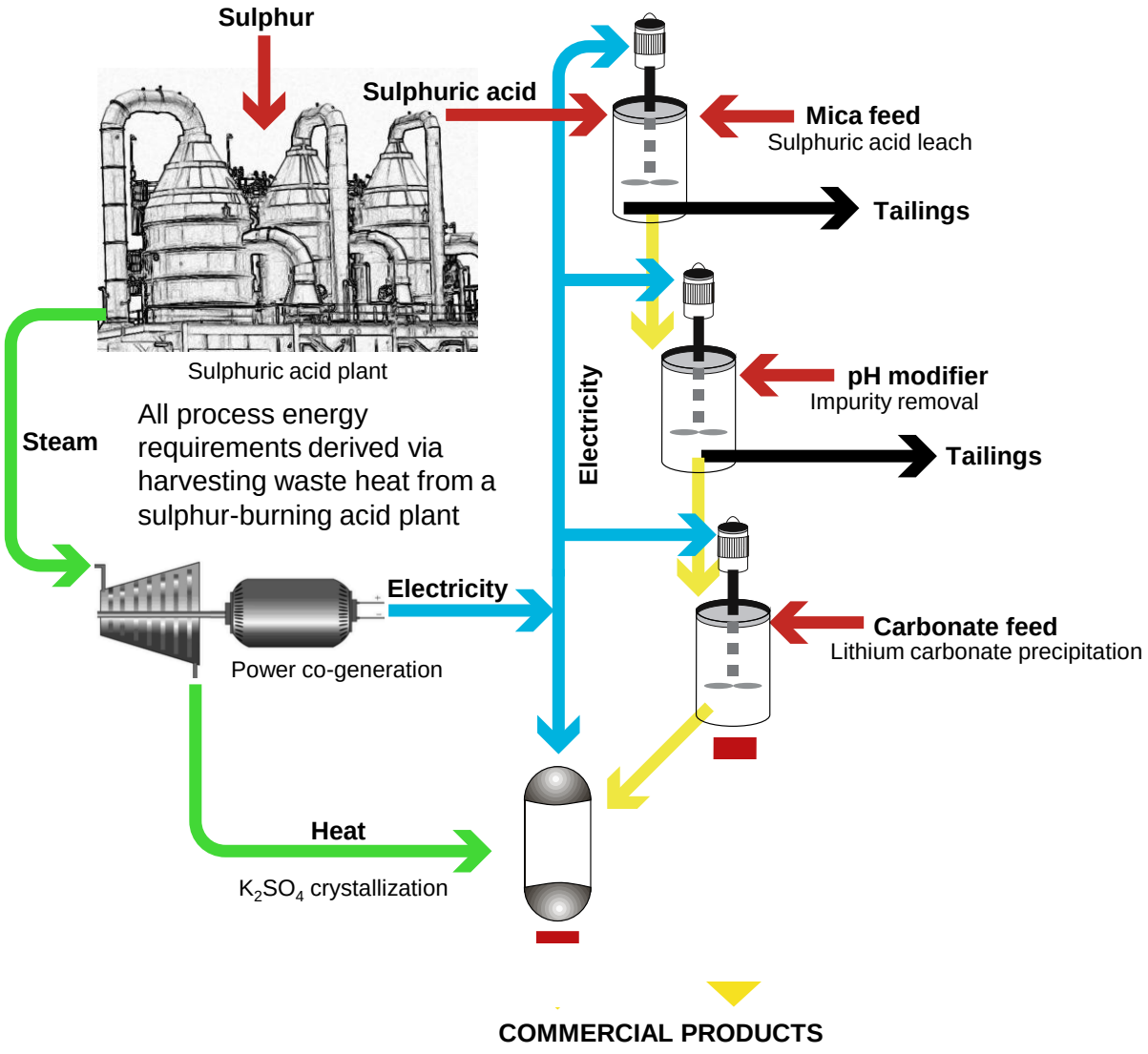
Continuous plant test – May 2015





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Proof of concept

THE CONCEPT BECOMES REALITY

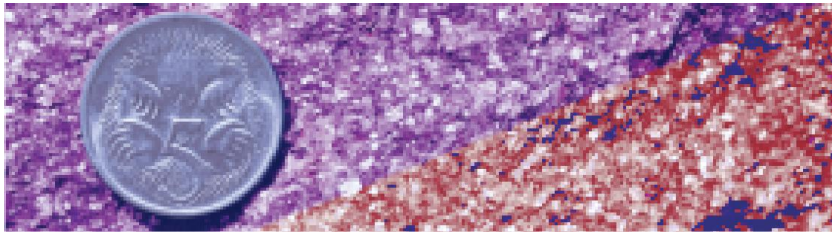
Cinovec lithium concentrate grade

Li_2O	K_2O	CaO	Al_2O_3	FeO	MgO	S	Rb	Cs
%	%	%	%	%	ppm	ppm	ppm	ppm
1.81	7.41	1.57	19.3	6.91	367	740	6671	222

Cinovec lithium carbonate purity >99.6%

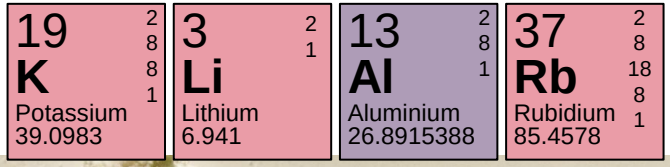
Li_2O	K_2O	CaO	Al_2O_3	SiO_2	FeO	MgO	S	P	As	Co	Rb	Cs
%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
40.3	176	57	ND	87	ND	67	1581	162	ND	ND	24	ND
40.3	128	75	ND	54	23	ND	1042	94	ND	ND	8	ND

LIT has produced battery-grade lithium carbonate from Lepidolite Hill in Western Australia and Cinovec in the Czech Republic, has recovered lithium from two other European deposits and is examining further deposits at Ravensthorpe, Lake Seabrook and Pilgangoora in Western Australia.



Lepidolite – lithium mica
$K(Li,Al,Rb)_3(Al,Si)_4O_{10}(F,OH)_2$

Zinnwaldite – lithium mica
$K(Li,Al,Fe)_3(Al,Si)_4O_{10}(F,OH)_2$





Battery-grade lithium carbonate ***Potassium sulphate***

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Company achievements

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Daily WebLink Chart

Date Range: From 8/10/2014 To 8/7/2015

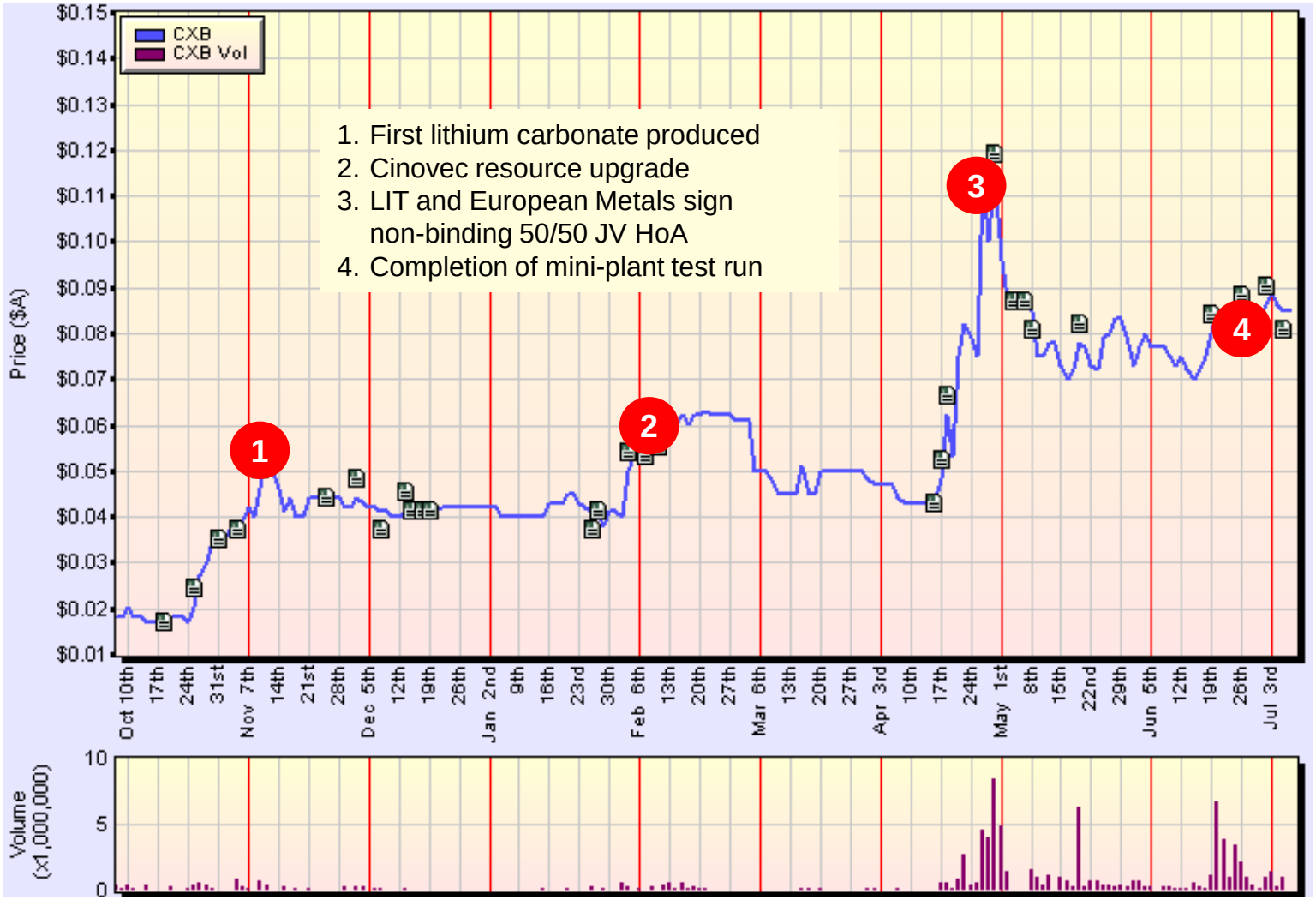

Chart by WebLink – http://www.weblink.com.au/

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Recent achievements

REPRODUCIBLE RESULTS

- **Lepidolite Hill (Western Australia)**
- **Three greisen deposits (Europe)**

PROJECT EVALUATIONS

- **Three European and one Australian deposit tested**
- **Tests include continuous production of lithium carbonate**
- **Low operating costs = competitive edge**
  - energy-efficient process
  - valuable by-product credits
  - bottom quartile costs <US$2,000/t of lithium carbonate produced
    - far less than production from comparable hard-rock deposits
    - results comparable with those of brine producers
- **Non-binding HoA with European Metals Holdings Ltd**

PROCESS EVALUATION

- **Reproducible results**
- **Wide range of mineral chemistries**
- **Scoping level design and evaluation**
- **Improved by-product credits**

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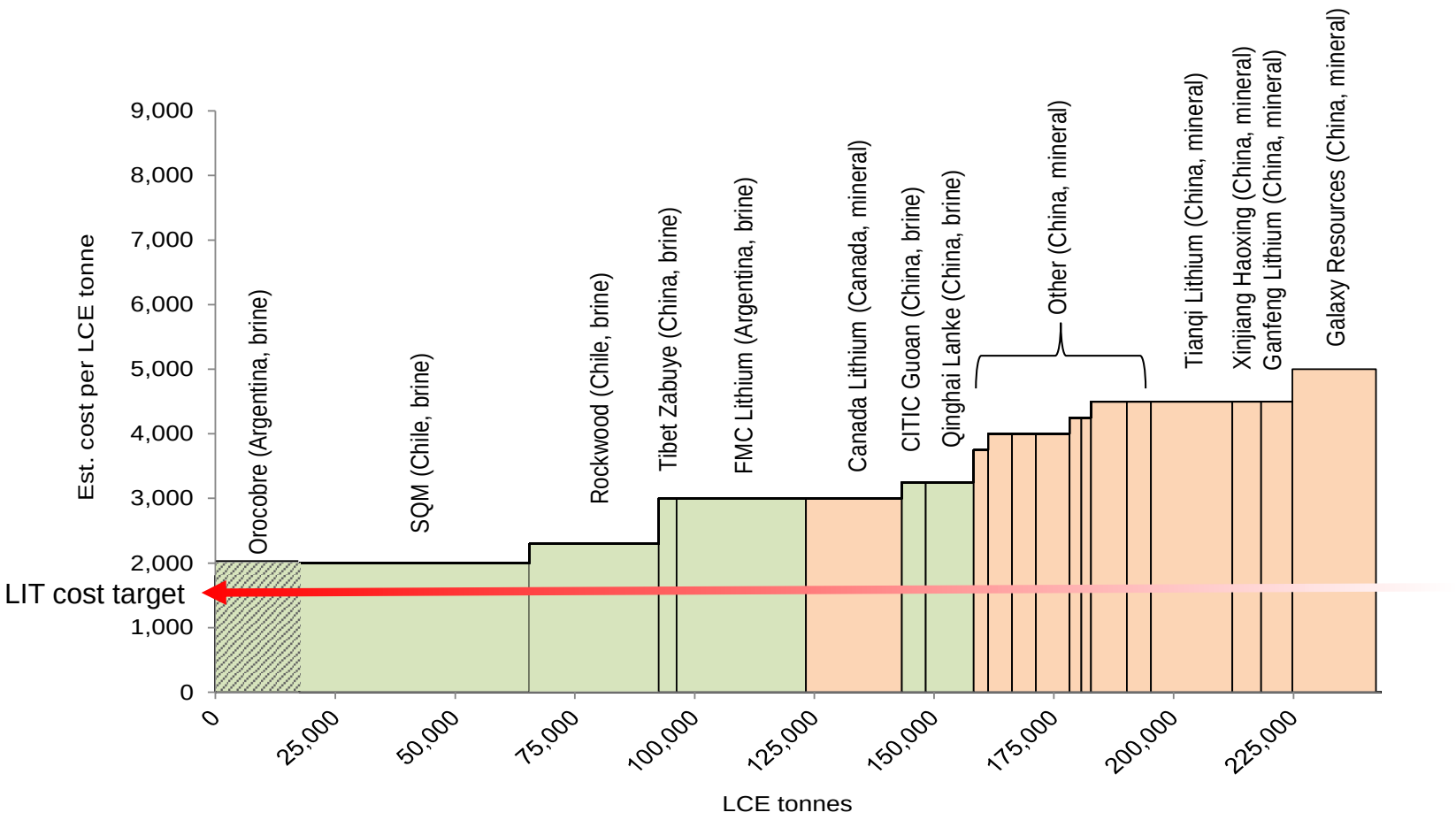
Cost profile



Estimated global lithium cost curve [sources: Roskill (with modifications) and Orecobre 2014 presentation].

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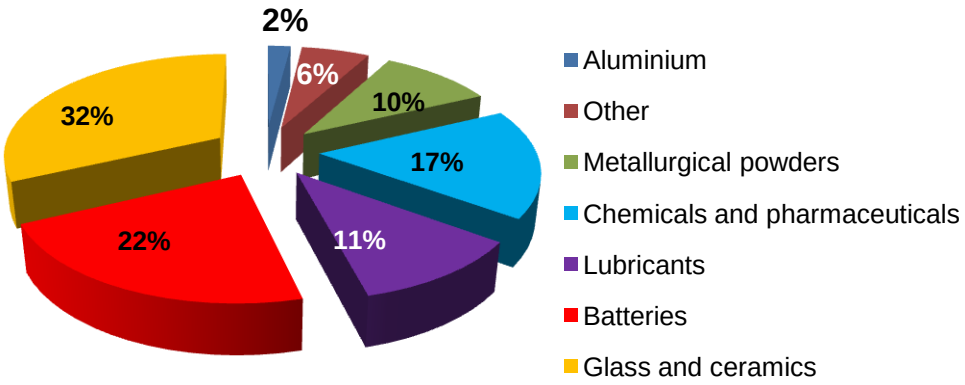
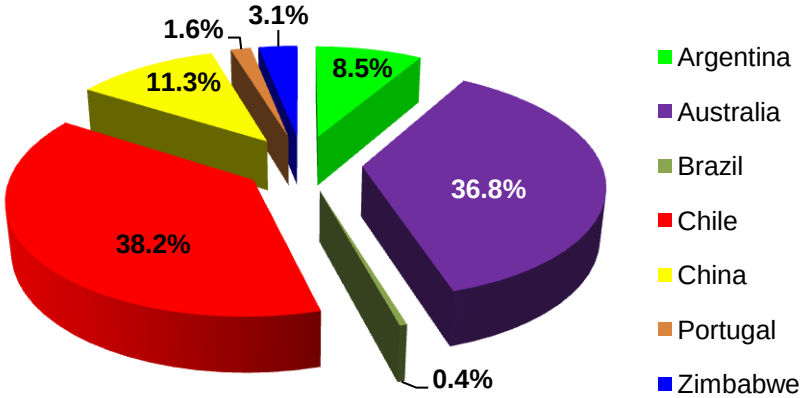
Lithium market

Lithium Australia NL

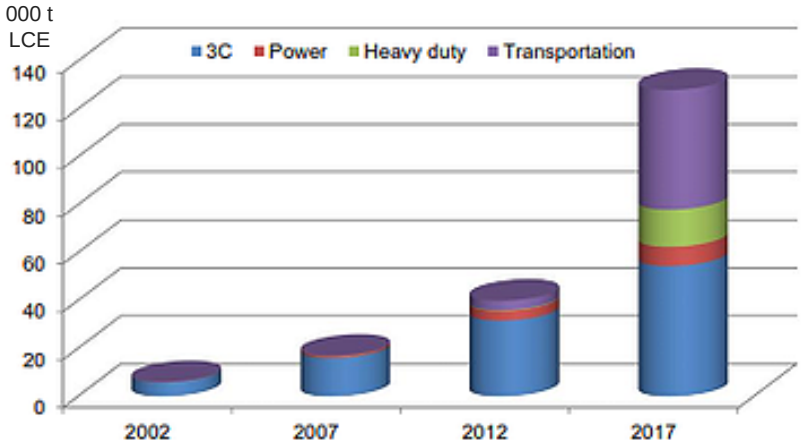
Consumption by application



Production by country



Demand for lithium batteries



Source: Market Outlook to 2017 – Roskill Information (2013).

HARD-ROCK PRODUCERS

- Talison, Greenbushes – Western Australia (WA)
- Sociedade Mineira de Pegmatites – Portugal
- Bikita Minerals (Pvt) Ltd – Zimbabwe
- Various – China

HARD-ROCK DEVELOPERS

- Pilbara Minerals, Pilgangoora – WA
- NeoMetals, Mt Marion – WA
- General Mining, Mt Cattlin – WA
- Altura, Wodgina – WA
- Nemaska Lithium, Whabouchi – Canada

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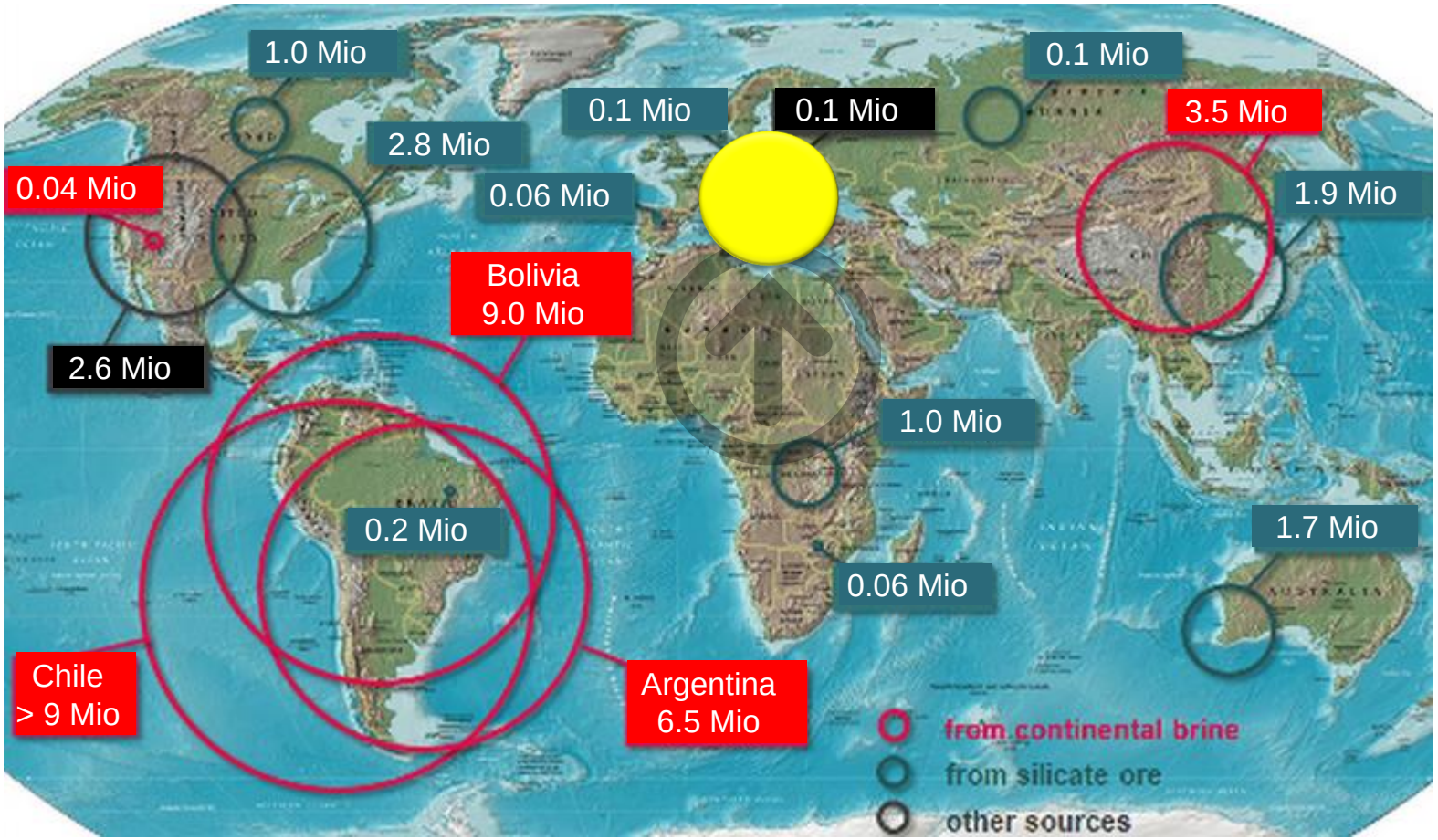
Global lithium resources

CINOVEC EMERGES AS SIGNIFICANT LITHIUM RESOURCE



Source: US Geological Survey, Mineral Commodity Summaries, February 2014.

***Lithium Inferred Resource**: 5.5 Mt LCE, 514.8 Mt @ 0.43% Li_2O (0.1% Li cut-off)*

***Additional Exploration Target**: 3.4 to 5.3 Mt LCE, 350 to 450 Mt @ 0.39-0.47% Li_2O**

CAUTIONARY STATEMENT *The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

* *As announced to the ASX on 26 June 2015.*

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First scoping study completed

LITHIUM CARBONATE OF HIGH PURITY PRODUCED

- Capital cost $US164 M – includes sulphuric acid plant, power co-generation
- Zero energy footprint
- Capacity – 20,000 tpa of battery-grade lithium carbonate
- Operating cost <US$2,000/t after potassium sulphate credits

Global perspective

OPPORTUNITIES IDENTIFIED IN:

- Europe (large-scale greisen deposits)
- Africa (including Namibia, South Africa and Zimbabwe)
- North America (Canada and the US)
- Australia (including WA exclusive processing licence)

Continuous technology improvement

EXPLORATION DEVELOPMENTS

- Real-time, field-portable lithium assays
- Advanced geochemical modelling

PROCESS TECHNOLOGY

- Proprietary technology licences issued
- Process optimization review underway

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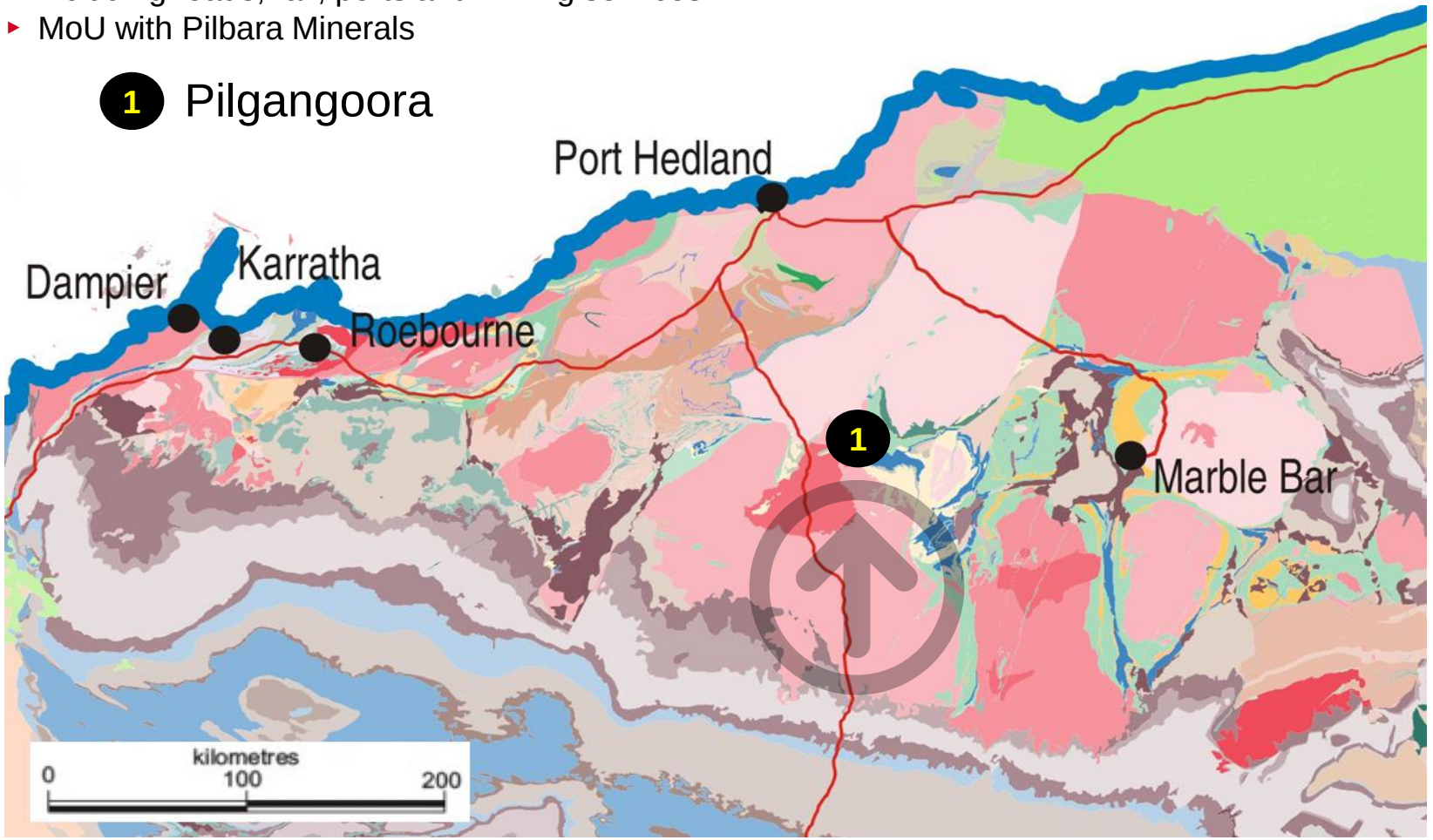
Further opportunities

PILGANGOORA PROJECT – THE PILBARA, WA

- Close to developed public infrastructure, including roads, rail, ports and mining services
- MoU with Pilbara Minerals



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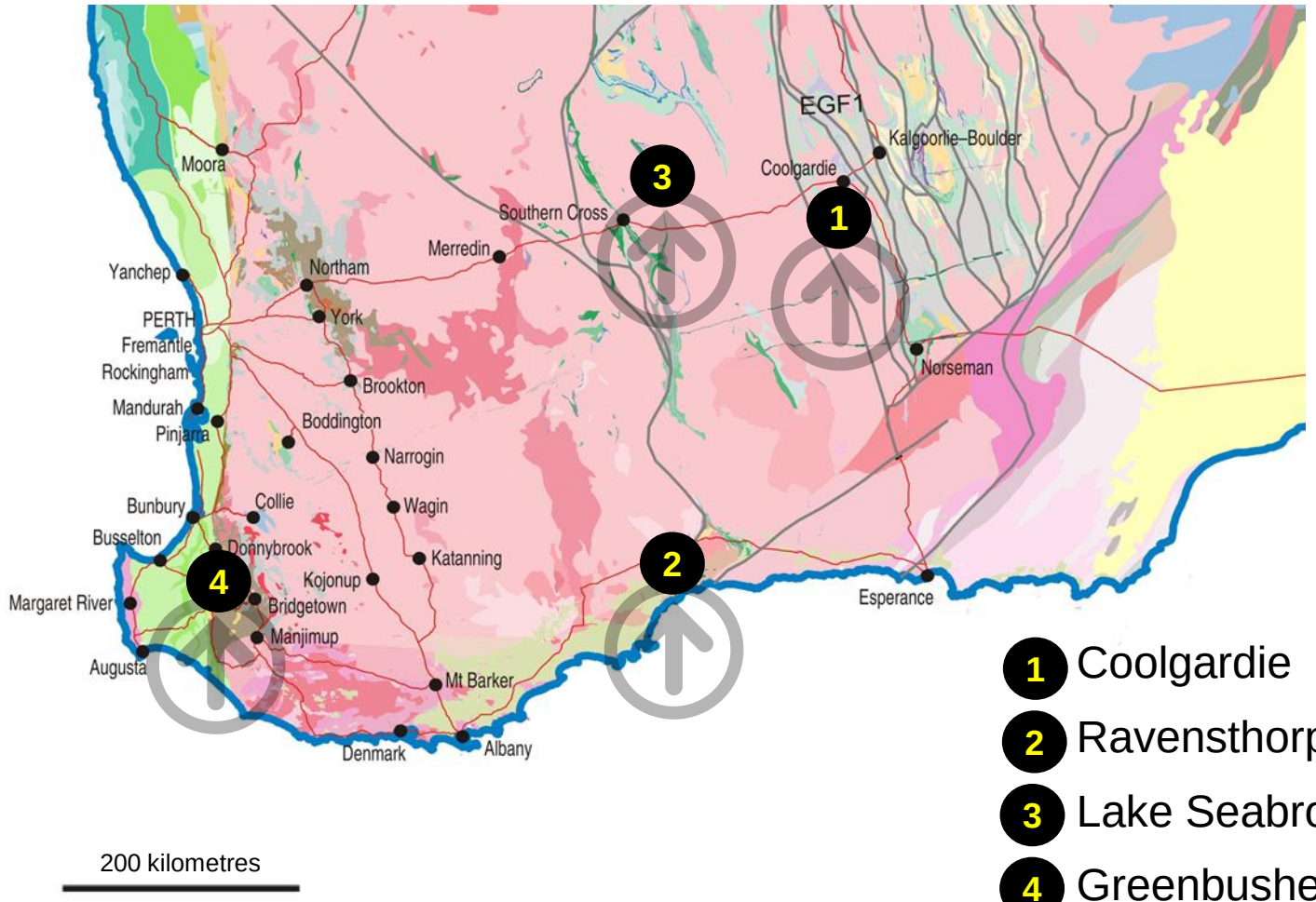
Further opportunities

Lithium Australia NL

YILGARN CRATON PROJECTS – WA

Close to developed public infrastructure, including roads, rail and power



1 Coolgardie

2 Ravensthorpe

3 Lake Seabrook

4 Greenbushes

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Company advantages

VALUE-ADDING FACTORS

Alliance with Strategic Metallurgy
- Access to technology protected by patent applications
- Ongoing technical support

First-mover advantage
LIT is the leader in the production of battery-grade lithium carbonate from micas, and this has enabled a rapid accumulation of assets.



Opportunities previously overlooked
- Tailings
- Current mine-waste discharge streams
- Primary lithium mica deposits

Escalating demand
- Revolutionary innovations in transport
- New renewable-energy storage solutions
- Emergence of smart-grid systems

Cinovec – non-binding HoA
- Giant lithium mica deposit in the Czech Republic
- Scoping study complete
- High-purity lithium carbonate produced
- Advancing to feasibility

FURTHER INFORMATION

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