

19 August 2016**ASX ANNOUNCEMENT****Lithium Australia expands support for LiGeneration**

Lithium Australia NL (ASX: LIT) has continued to advance its caustic based Liena™ process for the recovery of lithium from spodumene and other lithium silicates. LIT recognizes the configuration of the Liena™ process provides significant advantages over other hydrometallurgical process in some locations. Location specific considerations include logistics, power costs and reagent costs, amongst other things. The Liena™ process may also provide a more convenient route to production of high value lithium hydroxide.

With the above factors in mind, and the potential for Canada to provide some of the potential advantages for operation of the Liena™ process, LIT has included access to the Liena™ process in the technical support package provided to LiGeneration Limited (LiGeneration).

LiGeneration is planning its IPO on the ASX prior to the end of 2016. LIT shareholders will be offered priority subscriptions in the LiGeneration IPO.

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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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