

Partnership with MetalsTech to advance Lithium Australia's technology

✘ Lithium Australia NL (ASX: LIT) has been extremely busy since the beginning of the month culminating in a partnership with MetalsTech Ltd., which was revealed on the 19th of October.

MetalsTech is focused on developing a portfolio of new hard rock projects that are in various stages of development in Quebec. These projects all have access to infrastructure, including low cost power and hydropower. The portfolio includes the following projects:

- **Wells-Lacourciere Lithium Projects** (NI-43-101 compliant: Measured and Indicated resource of 33.24 Mt at 1.19% Li20 and an Inferred resource of 13.76 Mt at 1.21% Li20)
- **Cancet Lithium Project** (1.71%, 1.85%, 1.94% and 3.79% Li20 from surface assays)
- **Terre Des Montagnes Project** (contiguous with Whabouchi Deposit which has a NI 43-101 Measured, Indicated and Inferred resource of 37.6Mt @ 1.56% Li20)
- **Adina Lithium Project** (up to 3.12% Li20 in surface assays)

In terms of the partnership with Lithium Australia , the idea is for Lithium Australia to provide MetalsTech with the exclusive right to use and apply Lithium Australia's extraction technologies including its Sileach™ and LieNA™ processes for the processing of spodumene concentrates.

In return for the technology leverage, Lithium Australia will be rewarded with \$1m priority offer in MetalsTech IPO as well as 2% gross revenue on royalty on any products that are

produced using Lithium Australia's lithium extraction technologies as well as equity in MetalsTech. As such, the partnership enables Lithium Australia to become a shareholder in a company that controls several lithium pegmatite projects as well as potentially lucrative royalty income.

In addition to the partnership with MetalsTech, Lithium Australia has completed the transfer of lithium rights from Lefroy Exploration, continuing to consolidate its lithium interests in Lake Johnston area. In terms of the arrangement, Lithium Australia issued 9m shares to Lefroy Exploration for the company's lithium rights. This arrangement grants Lithium Australia the rights to access most of Lake Johnston's lithium pegmatite fields.

Moreover, the company announced that it gained permission to drill at Sonora in Mexico. The plan is to test two target areas on their Tecolote concession. This follows the announcement on the 1 July 2016 that Lithium Australia had discovered lithium-bearing clays on the Tecolote concession of the Electra Project. Lithium Australia holds 25% of the joint venture with Sonora and is anticipating that funding the planned drill program would increase its shareholding to 49% equity.

Lithium Australia's share price closed at \$0.185 on the 21st of October.