

23 February 2017

ASX ANNOUNCEMENT

METALSTECH IPO IMMINENT

Highlights

- Partnership with MetalsTech provides LIT with significant equity and technology leverage across six highly prospective hard rock lithium projects in Quebec
- Lucrative licensing structure for LIT's disruptive lithium processing technologies

It is with great pleasure that Lithium Australia NL (ASX: LIT) advises its shareholders that the Official Quotation of MetalsTech Limited (ASX: MTC) securities will occur at 10am WST on 24 February 2017.

Background of MetalsTech Limited

MTC was formed to identify, fund, acquire, explore and develop high grade hard rock lithium projects in Quebec, Canada.

Quebec is an attractive jurisdiction in which to pursue exploration and mining activities and has been consistently ranked in the top 10 mining jurisdictions globally by the Fraser Institute. It boasts clear and transparent mining regulations, well-developed infrastructure including road, rail and port as well as very low-cost power from one of the world's largest hydro-electricity operations.

Quebec has a history of hard rock lithium production and has a track record in not only permitting new lithium mines, but co-investing alongside private enterprise through Investissement Quebec, a Quebec government funded initiative. All-in-all it is a mining friendly jurisdiction that has demonstrated strong support for the 'lithium revolution'.

MTC has assembled a strong board and management team with significant Canadian-specific experience and a track record in discovering resource deposits. Funds raised under the MTC prospectus will allow the Company to accelerate exploration at the portfolio of Projects which MTC has a right to acquire.

Further technical information on MetalsTech projects are available in the Replacement Prospectus dated 7 December 2016.

The Offer was managed by EverBlu Capital Pty Ltd as the Lead Manager.

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Details of the Offer

MTC has raised a total of \$4,308,600 in fresh equity through the issue of 21,543,000 fully paid ordinary Shares in the Company at \$0.20 per Share pursuant to the Replacement Prospectus lodged with ASIC on 7 December 2016 (the "Offer"). LIT shareholders were invited to participate in a Priority Offer. At listing date, LIT will hold 2m shares in MTC as well as an existing agreement, as described in the Offer and summarized below.

Investment highlights associated with MTC include:

- ✓ experienced board of directors with significant expertise in operating and managing junior exploration companies;
- ✓ focused on exploration and development within the established and highly prospective lithium regions of Quebec in Canada: host to a number of prominent lithium developers building world-class mines to supply lithium carbonate and lithium hydroxide to a growing market for consumption in lithium based technologies and products;
- ✓ existing partnership and collaboration agreement with Lithium Australia NL for Sileach™ and LieNa™ as well as the further development of lithium extraction technology specific to the spodumene at the MTC projects;
- ✓ the projects are all located in the mining friendly jurisdiction of Quebec. Quebec is known for its significant mineral potential and a business climate that is very favorable to mining investment;
- ✓ Quebec offers ready access to Asia and Europe via its numerous deep-water ports;
- ✓ Quebec is the world's fourth-largest producer of hydroelectricity. This renewable energy is supplied at competitive rates by a reliable distribution system that covers a large portion of the province;
- ✓ according to research recently completed by Deutsche Bank, global battery consumption is set to increase 5 times over the next 10 years, placing pressure on the battery supply chain and lithium market.

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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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