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ASX ANNOUNCEMENT

LITHIUM AUSTRALIA TO DEVELOP SILICON ANODES FOR LITHIUM-ION BATTERIES

HIGHLIGHTS

- **Lithium Australia agrees terms for development of advanced anode material**
- **Potential to increase energy density of lithium-ion batteries**
- **Availability of testing facilities at VSPC plant advantageous**
- **Arrangement subject to completion of formal agreement**

Lithium Australia NL (ASX: LIT) has agreed terms in principle to develop advanced anode materials for lithium-ion batteries (LIBs). The agreement, which remains subject to completion of formalities, will also give Lithium Australia access to superior battery management systems. This technology package has the potential to significantly increase LIB performance.

Having agreed in principle to partner with a battery researcher, Lithium Australia plans to establish facilities for the development of graphite/silicon anodes, and in so doing make full use of its VSPC plant at Wacol (in Brisbane, Australia). The agreement involves implementation of a four-stage development and commercialisation programme.

Previously tested prototypes of the advanced anode materials indicate the potential to significantly increase the energy density of LIBs. While the use of silicon to improve battery performance is not new, introducing it into the anode in the quantity needed to obtain the desired improvement in performance while maintaining reliability and longevity has so far proved problematic.

The first stage of the development programme will commence immediately with the establishment of laboratory and testing facilities in Queensland. Operations will commence under the terms of a memorandum of understanding. Full details will be released on execution of binding documents.

COMMENT FROM LITHIUM AUSTRALIA MANAGING DIRECTOR ADRIAN GRIFFIN

"The development of advanced anode materials is an opportunity to significantly increase battery performance, with subsequent environmental benefits. This new arrangement – the perfect adjunct to our existing cathode technology – will target higher-performance products with a more sustainable production profile.

Successful implementation of higher-capacity anodes and better battery management systems will result in improved LIB performance. We plan to be a leader in delivering that outcome."

Adrian Griffin – Managing Director

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ABOUT LITHIUM AUSTRALIA NL

Lithium Australia aspires to 'close the loop' on the energy-metal cycle in an ethical and sustainable manner. To that end, it has amassed a portfolio of projects and alliances and developed innovative extraction processes to convert *all* lithium silicates (including mine waste) to lithium chemicals. From these, the company plans to produce advanced components for the lithium-ion battery industry. The final step for Lithium Australia involves recycling of spent batteries and e-waste. By uniting resources and the best available technology, Lithium Australia seeks to establish a vertically integrated lithium processing business.

For more information visit:

www.lithium-au.com

www.vspc.com

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