



Lithium Australia NL (ASX: LIT, 'the Company') today <u>announced</u> the grant of a US patent covering its SiLeach® process, designed to recover lithium from micas as lithium phosphate. The significance of that is simple – lithium phosphate is the ideal precursor for the manufacture of lithium ferro phosphate ('LFP'), the fastest growing sector of the lithium-ion battery (LIB) industry. The patent is part of a Company IP package that, together with LieNA®, gives it the ability to recover lithium phosphate from the three most common lithium minerals – spodumene, petalite and lepidolite.

But ... why is this significant?

Because LFP – long a prominent component of the LIB industry in China – is trending to become global. That was underscored last week when Tesla announced the introduction of its LFP-powered Tesla 3 to ten European jurisdictions. The rest of the world will follow, and that, ultimately, will disrupt the supply balance between lithium hydroxide (the preferred precursor for high-quality nickel-cobalt-manganese ('NCM') batteries) and lithium carbonate, more popular for the production of low-end NCM batteries and LFP batteries. Demand for lithium phosphate as the preferred LFP precursor will also increase.

Lithium Australia's technology packages not only provide the preferred precursor for LFP but extend as far as production of the LFP cathode powder as well, by virtue of the Company's Brisbane-based VSPC Ltd pilot plant.

Regards

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