

ASX Announcement

ASX: Li3

10 July 2017

Tonopah Lithium Project: Update

- **Geophysical program underway**
- **Technical consultants appointed to manage exploration program**
- **Zonge International selected as preferred contractor for magnetotellurics survey**

Lithium Consolidated Mineral Exploration Ltd (“Lithium Consolidated”) is pleased to provide an update on the exploration program at the Tonopah Lithium Project, in Nevada (the “Tonopah Exploration Program”).

Lithium Consolidated is implementing the Tonopah Exploration Program based on the recommendations of SRK Consulting (U.S.), Inc. (“SRK”).

The southern part of the Tonopah Lithium Project will be the initial focus for exploration and this will be further defined through the geophysical program.

Technical consultants

The Tonopah Exploration Program will be managed by two high calibre, Nevada based technical consultants.

E. Max Baker will manage the overall exploration program and Bob Ellis will manage the geophysical program.

Max Baker has over 40 years of experience and was the Chief Geologist at Newcrest Mining Limited and more recently the CEO and President of Gunpoint Exploration Limited.

Bob Ellis is a consultant geophysicist with over 45 years of experience, including as a senior geophysicist with Molycorp Inc. and Meridian Gold Company (now Yamana Gold Inc.).

Geophysical program

The geophysical program is underway and consists of:

- reprocessing and re-interpretation of the existing gravity data;
- a magnetotellurics (“MT”) survey; and
- 2D seismic surveys, based on the reprocessed gravity data and MT survey results.

The reprocessed gravity data will determine sediment fill thickness through 3D inversion modelling and intrabasin density contrasts relating to geological structures. The reprocessed gravity data will enable the MT lines to be more precisely located over the targeted lithium brine formations.

A magnetotellurics survey will be carried out as an alternative to the initially planned controlled source audio-frequency magnetotellurics survey (“CSAMT”). The MT will test the electrical resistivity of the targeted lithium brine formations, which tend to have lower resistivity compared to other geological formations. MT resistivity mapping is preferred over CSAMT as it measures lower frequencies used for mapping of resistivity information from deeper parts of



the basin. Resistivity mapping with CSAMT is commonly depth-limited to the middle of the initial low resistivity layer, whereas MT provides resistivity information below the initial low resistivity layers (i.e. deeper parts of the basin).

Zonge International (“Zonge”) has been selected as the preferred contractor for the MT survey.

The MT survey will be delayed to October 2017 to fit with Zonge’s schedule and this will also lead to a delay in the drilling program to the fourth quarter of 2017.

Lithium Consolidated can take advantage of Zonge’s significant experience with CSAMT and MT surveys at other lithium brine projects in Nevada. A short delay with the MT survey will be justified by potentially higher quality MT survey results through working with Zonge. The quality of the MT data will be important in precisely locating the best drill sites for testing this portion of the basin.

LCME’s Managing Director, Shanthar Pathmanathan said:

“We are making strong progress in Nevada. The additional geophysical data will be invaluable in implementing the upcoming drilling program. We are taking the necessary steps to maximize the value of our Nevada assets.”

For more information, please contact:

Duncan Cornish

Company Secretary

Phone: +61 7 3212 6299

Email: investors@lithiumconsolidated.com

Please visit us at: www.lithiumconsolidated.com

Cautionary Statements

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company’s control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. LCME undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Competent Person Statement

The information in this release that relates to Exploration Results has been reviewed and approved by Jerry Aiken, who is a Registered Member of the Society for Mining, Metallurgy and Exploration (SME). Jerry Aiken is a geologic consultant to the Company, and has extensive experience relevant to the styles of mineralisation and type of deposit under consideration. Mr Aiken is a Competent Person (CP) as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC). Jerry Aiken consents to the inclusion in the release of the concepts and geologic principles expressed in this press release, based on his review in the form and context in which it appears.

Table A1: Nevada Team Biographies

<p>Dr Max Baker B.Sc Hons, PhD</p>	<p>An exploration geologist with over 40 years of exploration experience throughout Australia, Asia, North and South Americas and Europe. Max was former Chief Geologist with Newcrest Mining Ltd and more recently the President and CEO of Gunpoint Exploration Ltd.</p>
<p>Bob Ellis MS & BS In Geophysics- University of Arizona Registered Geophysicist (California GP1048) Registered Geologist (Wyoming PG2683)</p>	<p>Former senior geophysicist with Molycorp Inc. and Meridian Gold Company (now Yamana Gold Inc.). Bob started EGC Inc. and has provided geophysical consulting services in sediment and volcanic hosted, epithermal high and low-sulfidation, VMS, stratiform & structurally controlled, and porphyry gold deposits in Canada, the U.S., Chile, Argentina, Uruguay, Mongolia, Brazil, Peru, Columbia, and Australia. Bob also has porphyry copper exploration experience in Chile and Arizona and diamond and gold exploration in Brazil.</p>