



Argosy Minerals Limited Enters into Agreement to purchase Tonopah Lithium Project

ASX: Li3

14 August 2019

- 100% interest in the Tonopah Lithium Project to be sold to Argosy
- The Sale enables Li3 to exit from the lithium brine exploration sector
- Li3 is now well positioned to develop our globally significant portfolio of hard rock lithium exploration assets

Lithium Consolidated Ltd (**Li3** or the **Company**) through its wholly owned subsidiary, LCME Holdings Inc. (**LCME**), has entered into a binding agreement with Argosy Minerals Limited (**Argosy**) (the **Agreement**) to sell the Tonopah Lithium Project (**TLP**) for an upfront cash payment and an additional milestone payment upon definition of a JORC compliant lithium reserve at TLP (the **Sale**). Big Smokey Exploration LLC, ProspectOre LLC, and ProspectOre Inc., companies which are associated with Mr Gordon Addie (together, the **Addie Group**), are also parties to the Agreement (which, together with LCME, are the **Vendors**).

The TLP is located in the Clayton Valley, West Central Nevada, in the United States of America. The TLP consists of 425 placer claims (the **Mining Claims**).

Subject to Argosy exercising its option, completion of the Sale under the Agreement will result in Argosy acquiring a 100% interest in the TLP and the Mining Claims for a total purchase price of up to approximately A\$585,000¹ split between the Vendors, which consists of a cash payment upon completion and a further milestone-based payment.

Agreement Key Terms

The key terms of the Agreement, include:

1. Argosy will pay an option fee of US\$10,000.00 to have the right to purchase the TLP and the Mining Claims, by exercising the option on or before 26 August 2019.
2. The Sale is expected to close not less than 5 business days after Argosy exercises its option on a date specified by Argosy.
3. The purchase price consists of an upfront cash payment of US\$50,000.00, payable at completion and a further milestone payment of A\$500,000.00 payable upon Argosy announcing:

¹ US\$ amounts have been converted at a rate of US\$0.70/ A\$

- a. a JORC Code-compliant Ore Reserve (as defined in the JORC Code) of at least one million tonnes of lithium carbonate equivalent product at TLP; or
 - b. the commencement of commercial production of lithium product at TLP.
4. The proceeds of the Sale will be allocated in equal portions to Li3 and the Addie Group.
 5. Argosy must pay the renewal cost for maintaining the Mining Claims on or before 1 September 2019.
 6. Argosy is entitled to undertake due diligence on and from the date of the Agreement.

Commenting on the Sale, Li3's Chairman, Mr Brian Moller said:

"The Sale enables Li3 to exit from the lithium brine exploration sector, leaving it well positioned to execute on its strategy to develop a globally significant portfolio of hard rock lithium exploration assets and potential, future lithium mines."

Next Steps

Argosy is expected to commence its due diligence enquiries.

If after conducting due diligence Argosy wishes to proceed with the Sale, Argosy is required to deliver to the Vendors an exercise notice on or before 26 August 2019, specifying a date not less than 5 business days later for completion of the Agreement.

Upon completion of the Agreement and payment of the purchase price, the Company will use the proceeds of the Sale for general working capital purposes.

About Li3

Li3 is an ASX listed lithium exploration company, with hard rock lithium assets in known lithium provinces, including 16 licenses over 747km² in the Yilgarn Province of Western Australia, 5 granted licenses over 31,481 ha and 8 exploration assets over an area of 2,803 ha in the Mutare Greenstone Belt in eastern Zimbabwe. Li3 has a multiple assets strategy to provide our shareholders with greater exposure to the global growth in demand for lithium.

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Cautionary Statements

Forward-looking statements

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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. Li3 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).

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