

HIGHLIGHTS

- Large coincident Base Metals zone identified in potential Golden Grove setting
- **25 kilometre** long newly-identified greenstone belt mapped and sampled
- Above-background gold identified along 5 km of strike
- Two of three regional mapping and soil geochemical surveys now completed
- Assays received for 319 samples from Program 1
- Assays pending for 224 samples from Program 2
- Infill follow up program being planned for gold and base metals

Base Metal anomaly identified – 100% owned Warriedar Project

Lithium Consolidated Ltd (**Li3**) is now exploring an extensive landholding of 510 km² in the Mount Magnet and Yalgoo mineral fields of the Murchison Province, Western Australia, some 500 km northeast of Perth. The first of 2 Programs of mapping and geochemical sampling have been completed with assays received for the first program.

The first program focussed on a previously unidentified 25 km long greenstone belt, wrapping around the eastern margin of a monzonite intrusion. The second program focussed on the south-western corner of the intrusion, in an area of alteration, quartz veining and small-scale gold mining in adjacent tenements.

A coincident copper, lead and zinc zone has been identified in the north-western area of the tenement from hand auger sampling. Surface sampling in between auger lines also revealed some anomalism, but of a less definitive nature than the hand auger results.

Warriedar Project

The eastern side has more than 25 km of previously unrecognized (and unexplored) greenstone - considered highly prospective for volcanogenic massive sulphides (VMS) and gold.

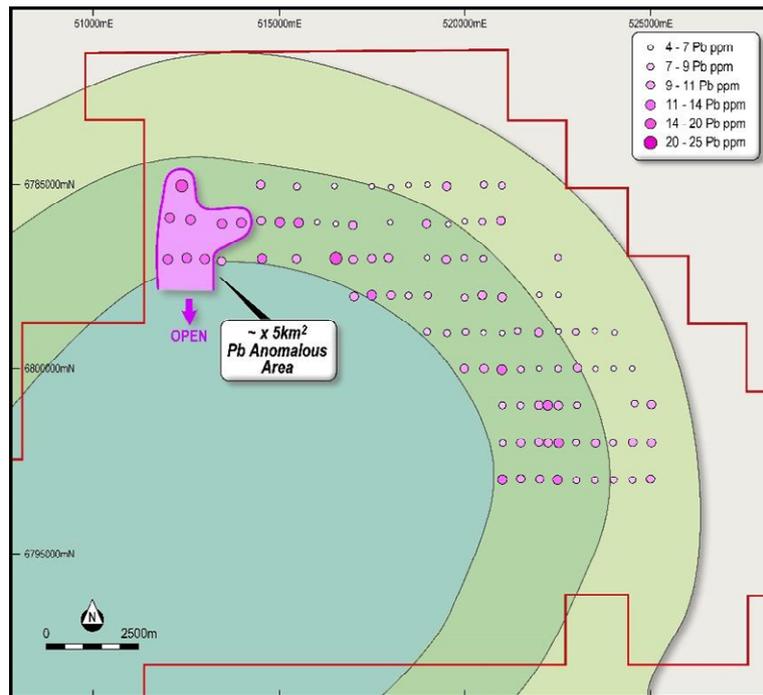


Figure 1. Elevated Lead from hand auger samples on Warriedar schematic geology

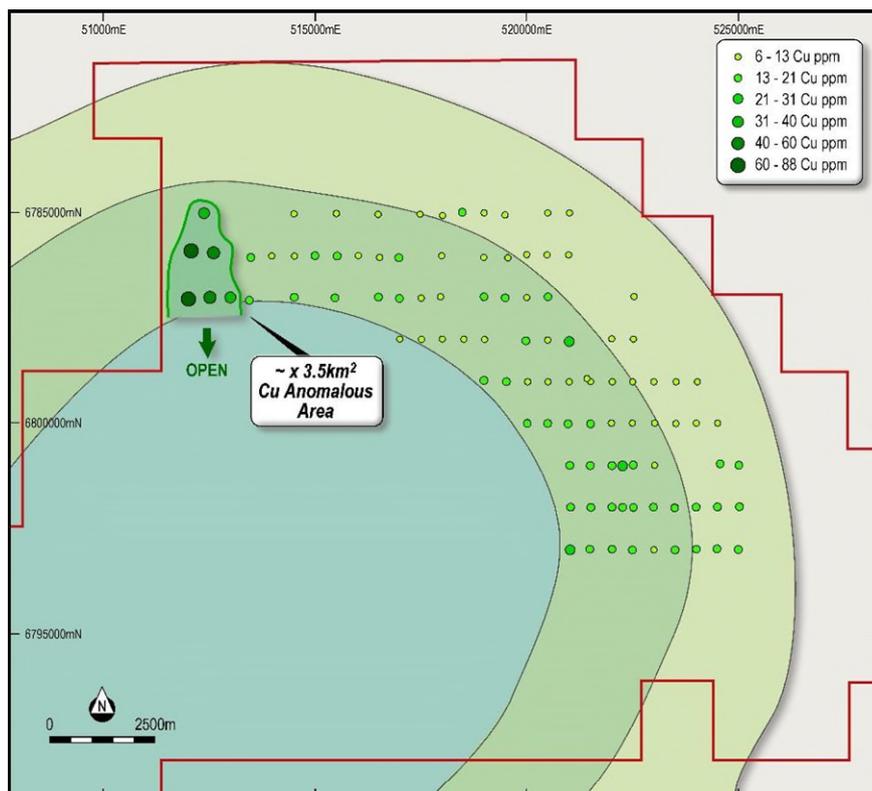


Figure 2. Elevated Copper from hand auger samples on Warriedar schematic geology

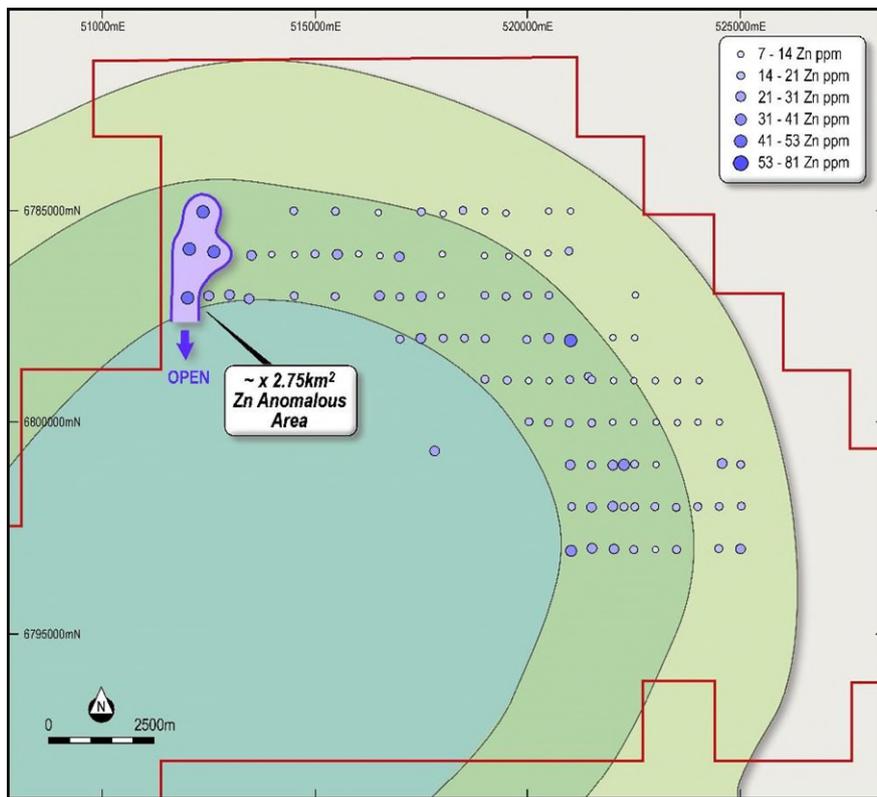


Figure 3. Elevated Zinc from hand auger samples on Warriedar schematic geology

2

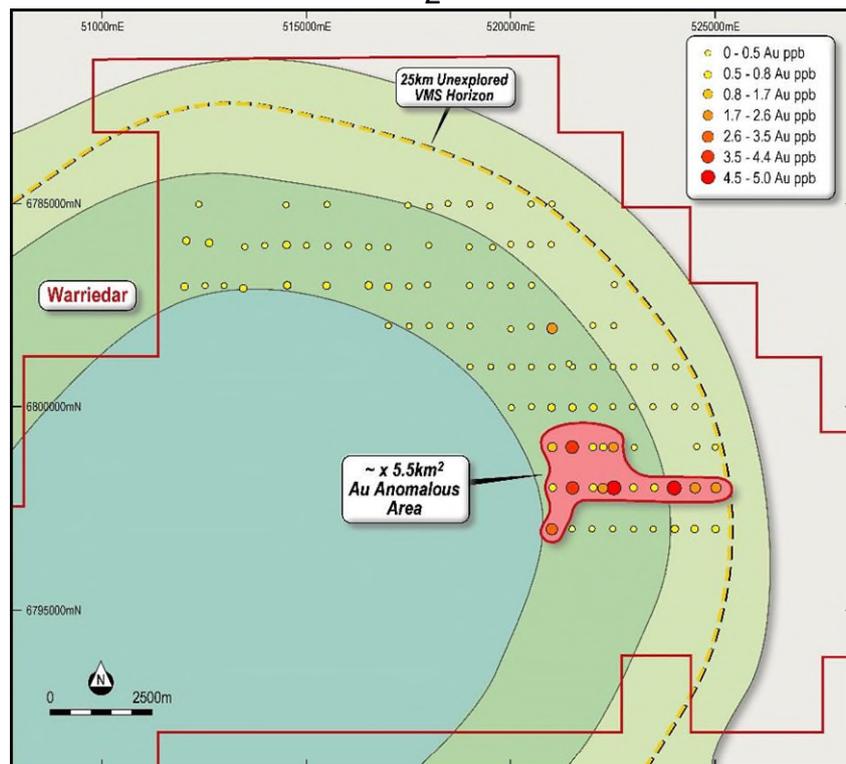


Figure 4. Elevated Gold from hand auger samples on Warriedar schematic geology

Program 2 – South Western Warriedar Gold sampling program

The Warriedar Project is flanked by greenstones and volcanics and a possible intrusion related gold system (IRGS) in the south-western corner. The adjacent area has been surface sampled with grades up to 8 g/t Au.

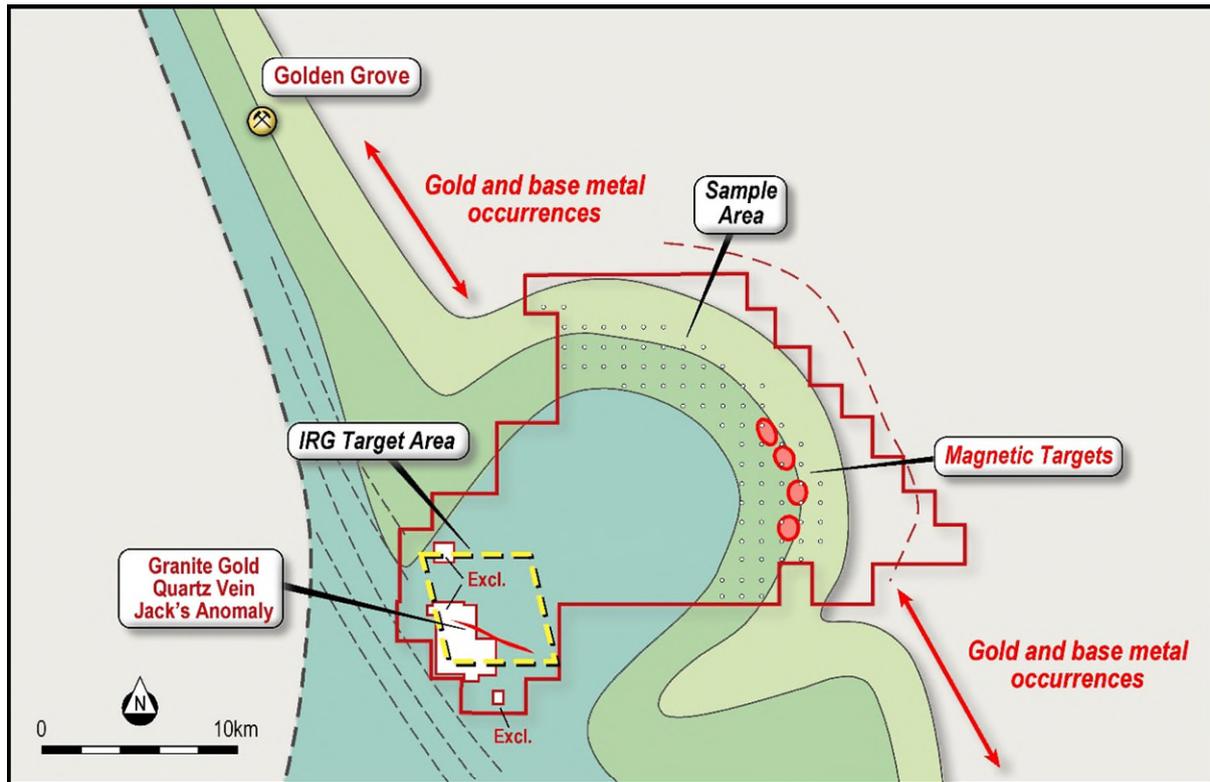


Figure 5. Warriedar schematic geology

Assay results from 224 samples collected from the Warriedar Southwest (Program 2) are awaited.

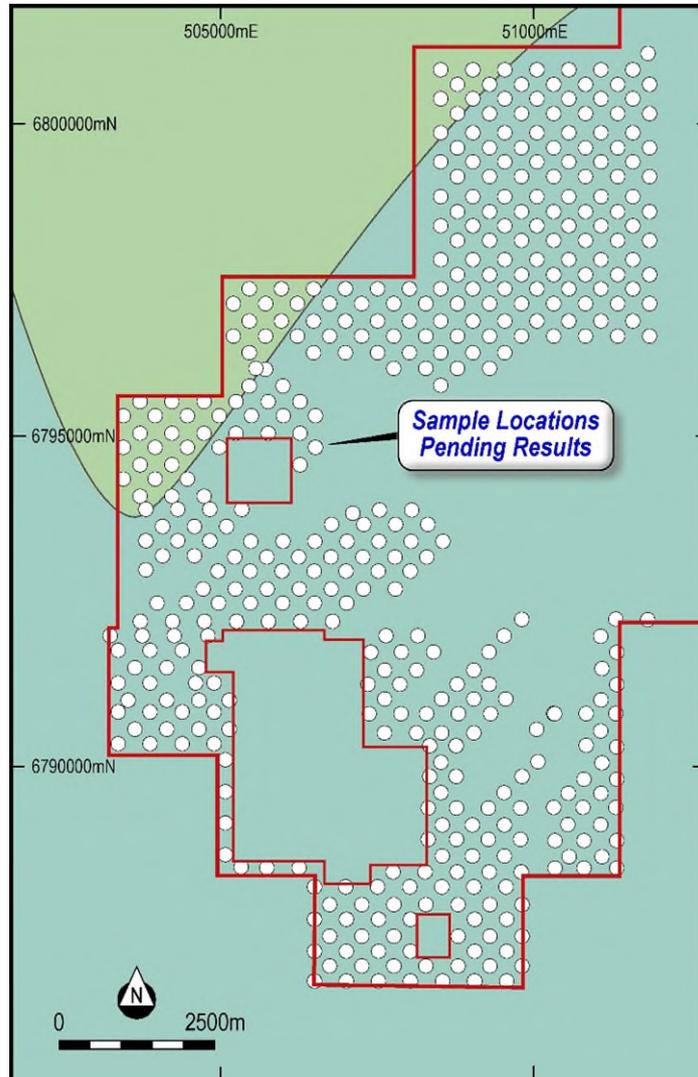


Figure 6. Sample location map Warriedar SouthWest - results awaited

Warriedar Project

The Project is based on 333 km² of granted tenure located in the Warriedar Fold Belt of the Yalgoo-Singleton Greenstone Belt.

The Eastern side has more than 25 km of previously unrecognized (and unexplored) greenstone and felsic volcanics - considered highly prospective for volcanogenic massive sulphides (VMS) and gold.

Reported historical production at the Warriedar Mining Centre and State Battery in the period 1913 - 1935 was at an average grade of 10.7g/t Au. The Warriedar Mine produced copper between 1958-1969 at a grade of 9.83% Cu.

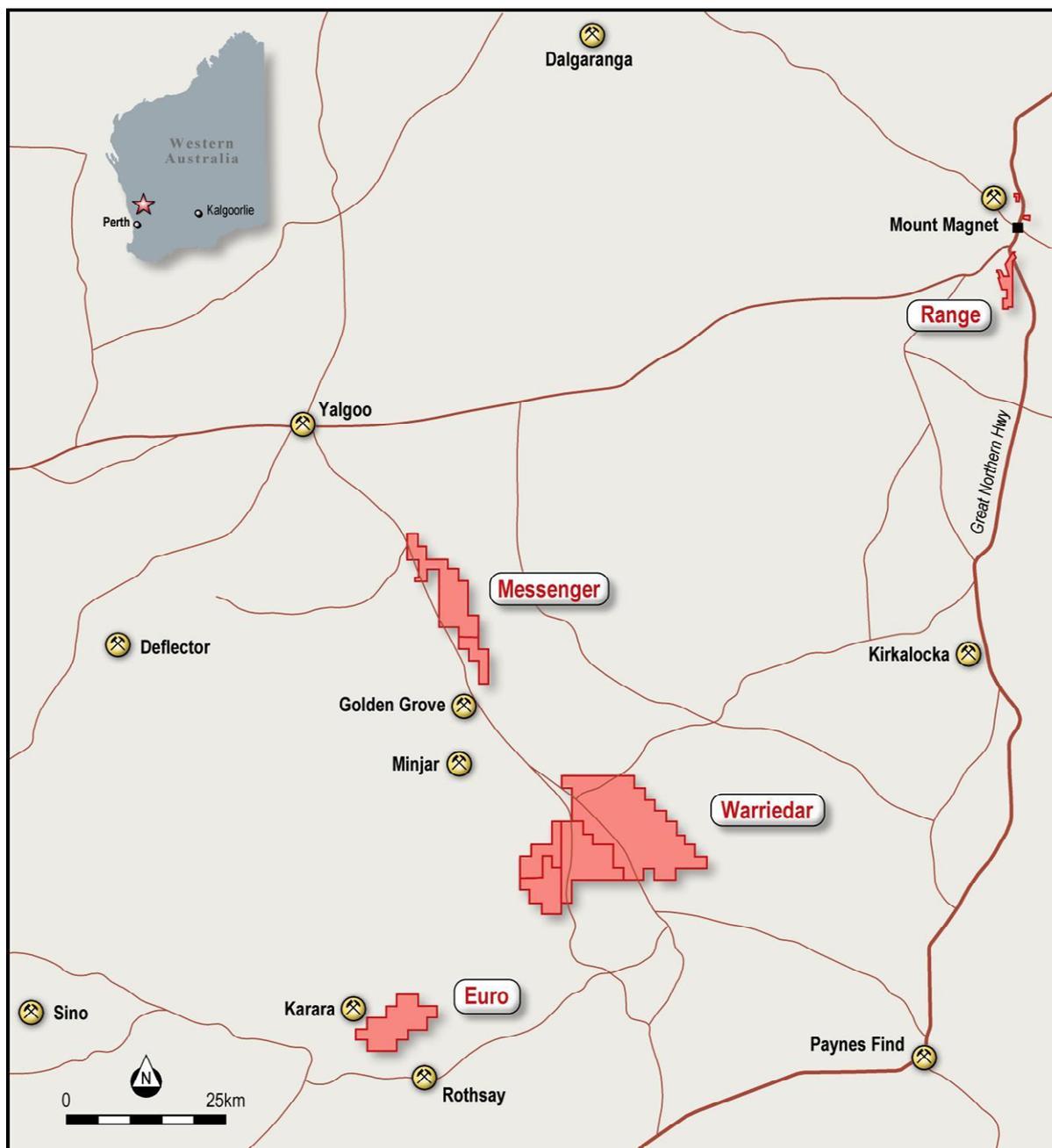


Figure 7. Tenement location map

The Board of the Company has authorised the release of this announcement to the market.

For more information, please contact:

Andrew Haythorpe
Managing Director
Phone: +61 (0) 8 9200 0435
Please visit us at: www.li3limited.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. 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).

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 announcement that relates to Exploration Results and general project comments is based on information compiled by Nicholas Revell, a Competent Person who is a Member of The Australian Institute of Geoscientists. Mr. Revell is a geologist consultant to Lithium Consolidated. Mr. Revell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Revell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> • Sampling was conducted in the following manner: <ol style="list-style-type: none"> a) Conventional soil geochemical samples excavated using shovel or mechanical post hole digger b) 1-2kg samples of bottom of hole were collected in calico bags c) Sieved to <2mm d) 100g subsamples placed into standard geochemical satchels e) Submitted for laboratory analysis (Intertek Perth)
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • Not applicable
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Not applicable
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> • Sampling not applicable to mineral resource estimation or mining studies • All sample sites were photographed and/or geologically logged

	<ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	for lithology, alteration, structure and other factors
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Soil samples were sampled dry (1-2 kg) and sieved to <2 mm • 100g subsamples placed into packaged geochemical sample bags • Samples were submitted for laboratory analysis (Intertek Genalysis Perth) • A 3 directional representative sample of each fine fraction subsample was taken using a trowel • All equipment was brushed and air blown after each sieving process • Approximately 5% of samples were taken for QAQC (duplicates etc)
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Laboratory assays were carried out at the Intertek Genalysis facility in Perth, Western Australia. • Up to 300 grams (g) of the sieved sample was pulverised. At least 85% of the sample was pulverised to 75 microns. • Twenty five grams of the pulverised sample was then taken for aqua regia digestion (considered a partial digest). • The partial digest was then analysed for 33 elements using an inductively coupled plasma mass spectrometer (ICP-MS). • Intertek lab codes are PU01 and AR25/MS33.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Data entry procedures were standardised using a predetermined list of appropriate soil and rock description codes, digitally captured and uploaded to a cloud server on a daily basis. • The sample description was collected on a combined digital entry and GPS device so that no sample mismatch could occur. • The assay data were unadjusted.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. 	<ul style="list-style-type: none"> • Soil sample sites were defined using a conventional GPS device. Sample location errors were typically +/- 3 meters, which is considered as appropriate for the nature of this geochemical survey.

	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Coordinates were collected using a WGS 84 coordinate reference system and collected in decimal longitude and latitude values.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Sample sites were defined along east-west oriented lines. The line spacing was a nominal 1000 meters and sample points along each line was a nominal 500 meters. • This data distribution is considered appropriate for the intended geochemical survey. • No sample compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Not applicable.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Sample names were pre-recorded on each sample bag and digitally geolinked in the field whilst sampling, ensuring no sample mismatch could occur. • Samples were stored appropriately to avoid any damage or contamination during transit to the assay laboratory.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audit results available.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • E59 /2224, E59 /2308, E59 /2375 • 100% Warrigal Mining Pty Ltd (a subsidiary of Li3) • Granted tenure, Western Australia
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Not applicable
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The geological setting is most likely an ancient submarine setting that has since undergone burial, polyphase deformation and metamorphism followed by exhumation. Associated rock likely comprises altered felsic magmatic rocks and sedimentary sequences. • The targeted styles of mineralisation are volcanogenic massive sulphide (VMS) and orogenic vein- and shear zone-associated gold.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Not applicable.

<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Not applicable.
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> • Not applicable.
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Not applicable.
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Not applicable.
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Schematic geologic interpretation maps accompany the geochemical assay data.
<p><i>Further work</i></p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further work has been assessed within the press release and diagrams indicate where ongoing work will be concentrated.