LITHIUM CONSOLIDATED

New Mozambique Lithium Assets

ASX: Li3 25 March 2019

- 2 new lithium assets secured in the Alto Ligonha Pegmatite Province in Mozambique
- First ASX listed company to enter Mozambique for hard rock lithium
- The Licenses contain historical beryl, tantalite and rare-element mineral mines
- Large license areas with potential multiple pegmatite clusters
- Outcropping pegmatites have significant potential, which can be realized through modern lithium-focussed exploration
- Northern Mozambique has well-developed infrastructure coverage for mining
- Mozambique is a pro-mining jurisdiction

Lithium Consolidated Mineral Exploration Ltd ("**Lithium Consolidated**", **"Li3"** or the "**Company**") is pleased to announce it has successfully secured 2 new, granted lithium exploration licenses in the Alto Ligonha Pegmatite Province in northern Mozambique (the "**Mozambique Assets**") (see Figure 1) and is the first ASX listed company to enter Mozambique for hard rock lithium.

The Alto Ligonha Pegmatite Province ("**ALPP**") contains a large concentration of pegmatites in Mozambique, including many examples of **L**ithium **C**aesium **T**antalum ("**LCT**") family of pegmatites, which have been mined since the 1920's.

Mozambique was the world's second largest beryl producer in the 1960's, but the lithium-bearing minerals were not exploited during the beryl and tantalite mining.

The Alto Ligonha Pegmatite Province has:

- Pegmatites famous for their gemstones, rare-element minerals such as beryllium, tantalum and niobium, and for being a source of rare and unique mineral specimens.;
- limited modern day exploration of potentially flat-lying pegmatites with open-pit mining potential for lithium and tantalum;
- additional potential for unidentified LCT pegmatites in the vicinity of previously mined pegmatites;
- a number of abandoned historical workings which may have early, small-scale lithium and tantalum production potential allowing for quick start-up; and
- the potential for delineation of larger, pegmatite hosted lithium mineralisation through systematic exploration.

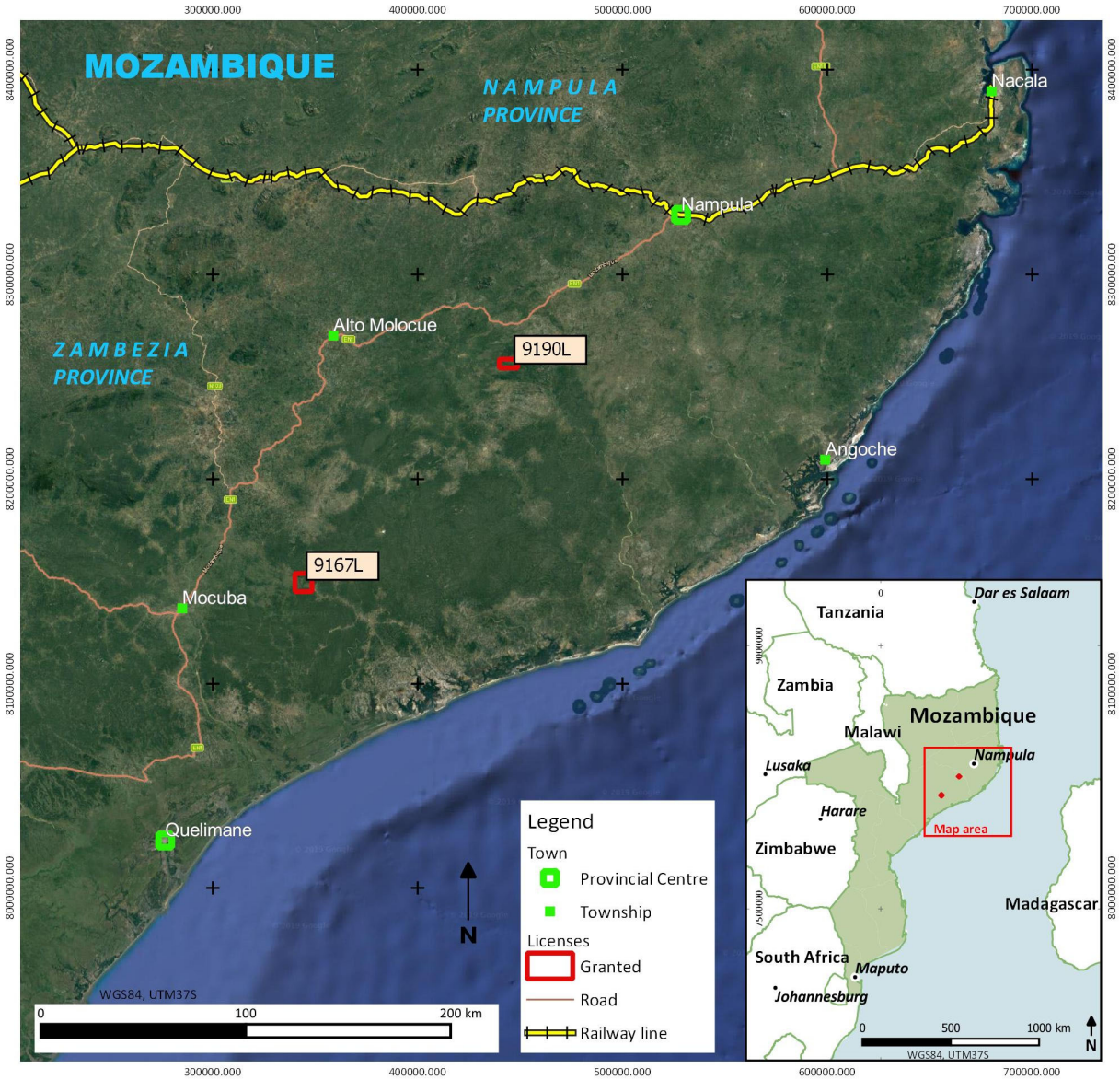
The ALPP's current exploration maturity is analogous to that which existed in the Pilbara and Yilgarn Craton pegmatites of Western Australia, approximately 10 years or so ago, prior to the modern lithium-based exploration, which resulted in the definition of large lithium resources in the Pilgangoora, Wodgina, and Earl Grey pegmatites.

Northern Mozambique has well-developed infrastructure coverage for mining. The Mozambique assets are in close proximity to the Mocuba – Nampula main road, a sealed, all weather road. The recently upgraded Nacala railway corridor connects Nampula to the natural deep-water port of Nacala, which is the principal port for the export of coal from mining operations at Moatize.

Commenting on the new Licenses in Mozambique, Shanthar Pathmanathan, Managing Director of the Company said:

> *"We are well on the way to consolidating our land position in northern Mozambique, which we believe will emerge as a globally significant lithium province. Our goal is to have a major share of lithium supply from Mozambique."*

Figure 1
License application areas within the Alto Ligonha Pegmatite Province, Mozambique



Mozambique is a pro-mining jurisdiction; with a favorable fiscal regime and mining code. The corporate tax rate is 32% of net profits and capital gains and an effective royalty on lithium minerals production of 3.0%.

Lithium Consolidated has been granted two (2) [(a)] new Licenses (the "**Licenses**") over an area of 10,977 ha (10.98km^2).

Figure 2
ALPP Granted Exploration Licenses

	License	Status	No. of Licenses	Area	Historical or artisanal mining
1.	License 9167 L	Granted	1	7,137 ha	Tantalite and beryl
2.	License 9190 L	Granted	1	3,840 ha	Beryl and tantalite
	Total		**2[(a)]**	**10,977ha**	

Note:

(a) Additional Licenses under application for new areas of interest.

The Mozambique Licenses in the ALPP

The Mozambique Assets comprise 2 granted Licenses, 9190L and 9167L, which cover a total area of 10,977 ha (109 km^2) (see Figure 2).

Aerial image analysis has identified potential pegmatite outcrops with artisanal workings and pegmatite outcrops, which require systematic mapping, sampling, and, if initial appraisal is encouraging, evaluation through programs of surface sampling for indicator element geochemistry, followed by shallow drilling, with or without supporting geophysics.

Some of the abandoned small-scale tantalite or beryl workings may have early development and production potential if economic lithium mineralization is discovered.

License 9190L

License 9190L is located in the northeast of the ALPP within the Alto Ligonha pegmatite field (Figure 3a and b).

The host rocks to the pegmatites largely comprise of gneisses from the Mamala Gneiss, the Molócuè Group and the Culicui Suite of the Nampula Complex. The Molócuè Group comprises metapelites and metapsammites with subordinate interlayered marble, calc-silicates, felsic and mafic rocks and are host to the majority of the known lithium mineralized pegmatites in the region. The younger granites of the Murrupula Suite are considered to be associated with the pegmatites, and outcrop to the north of the license area.

Several artisanal mining sites have been identified from satellite imagery over three main areas within the license. Two (2) of these are close to recorded pegmatite clusters, Piteia and Nahia-Iaia (Figure 3a and b) that were previously mined. Piteia pegmatites have been described as sodalithic type with reported beryl and lithium minerals, a possibly encouraging indication; although these particular pegmatites appear to be narrow and locally steeply dipping. Nahia-Iaia is recorded to contain beryl and columbite-tantalite series minerals, with the pegmatites described as the potassic rare-earth type and if so, may not have any lithium mineralization but may be of interest for other minerals.

Figure 3a.

License 9190 L – Location plan with interpreted pegmatites and geology [a]

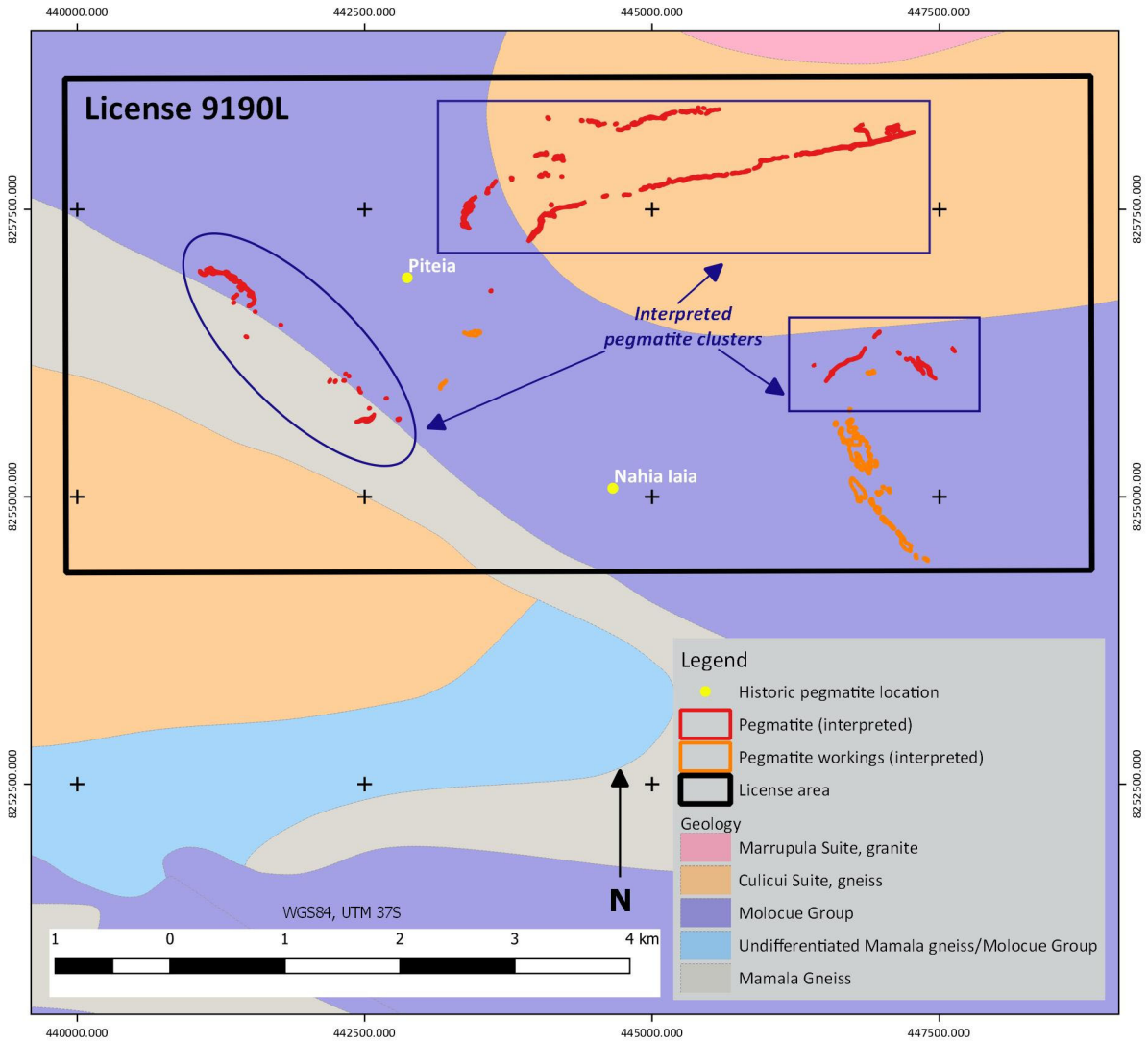
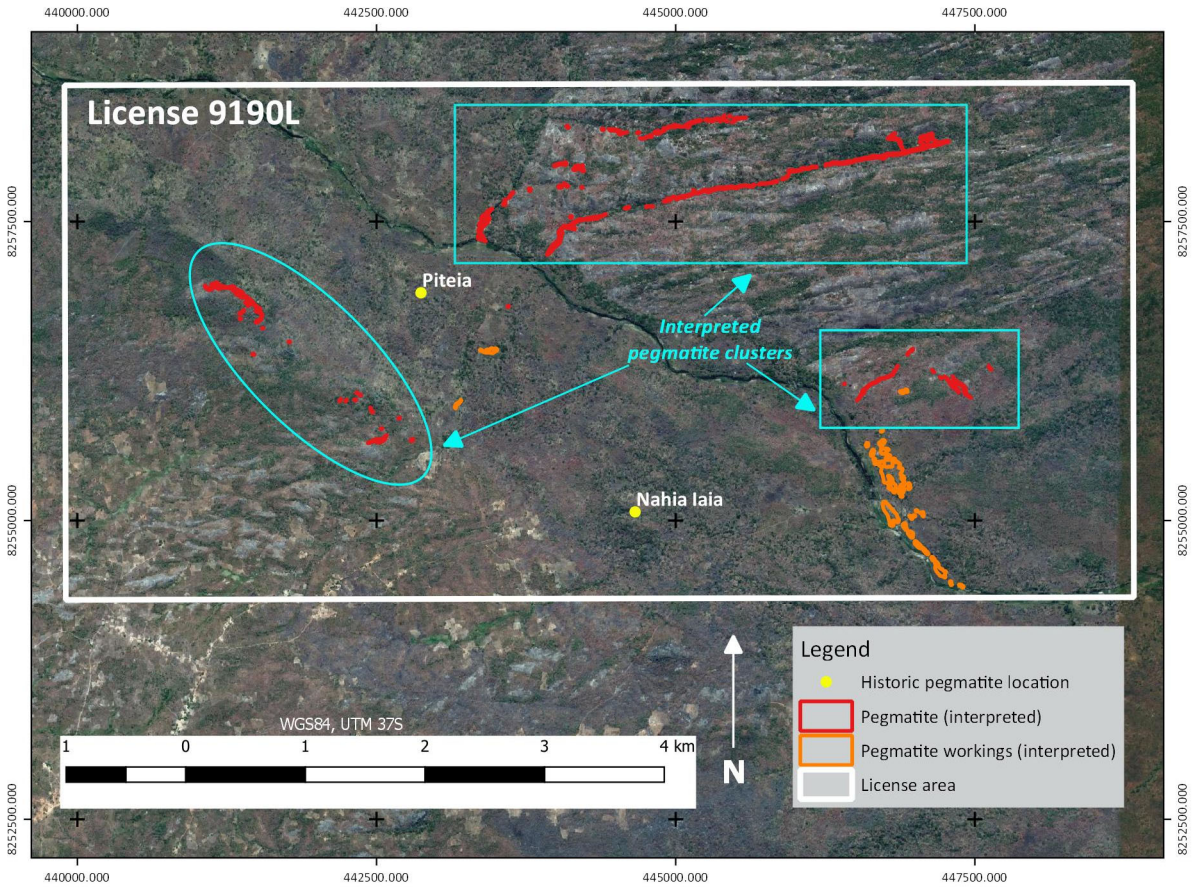


Figure 3b.

License 9190 L – Location plan with interpreted pegmatites overlain on Google satellite imagery[a]



Note:

a) The Mozambique Asset maps have the same legend.

License 9167 L

License 9167 L is located in the southwest part of the ALPP within what is known as Mugeba pegmatite field.

The license covers a number of potential pegmatite clusters, and at least nine areas of possible artisanal workings, identified from satellite imagery (Figure 4a and b), three of which are remote from the previously recorded pegmatites around the Murrule-Nigula cluster. These interpreted clusters will be confirmed during the upcoming exploration program.

Recorded pegmatites in License 9167 L have been described as potassic with occurrences of gem quality beryl, columbite-tantalite, tourmaline, and rare-earth minerals. However, all recorded pegmatites as well as the areas of artisanal workings on apparently unrecorded pegmatite occurrences, require inspection, mapping and sampling to confirm their nature and mineral potential.

The pegmatites are hosted within the metapelitic and psammitic gneisses of the Molócuè Group and the granitic gneisses of the Culicui Suite, both forming part of the Nampula Complex. The Molócuè Group comprises metapelites and metapsammites with subordinate interlayered marble, calc-silicates, felsic and mafic rocks and are host to

the majority of the known lithium mineralized pegmatites in the region. Some of the possible pegmatites, identified from the imagery, are hosted in the high-grade gneisses of the Mugeba Klippe.

Figure 4a. License 9167 L – Location plan with interpreted pegmatites and geology [a]

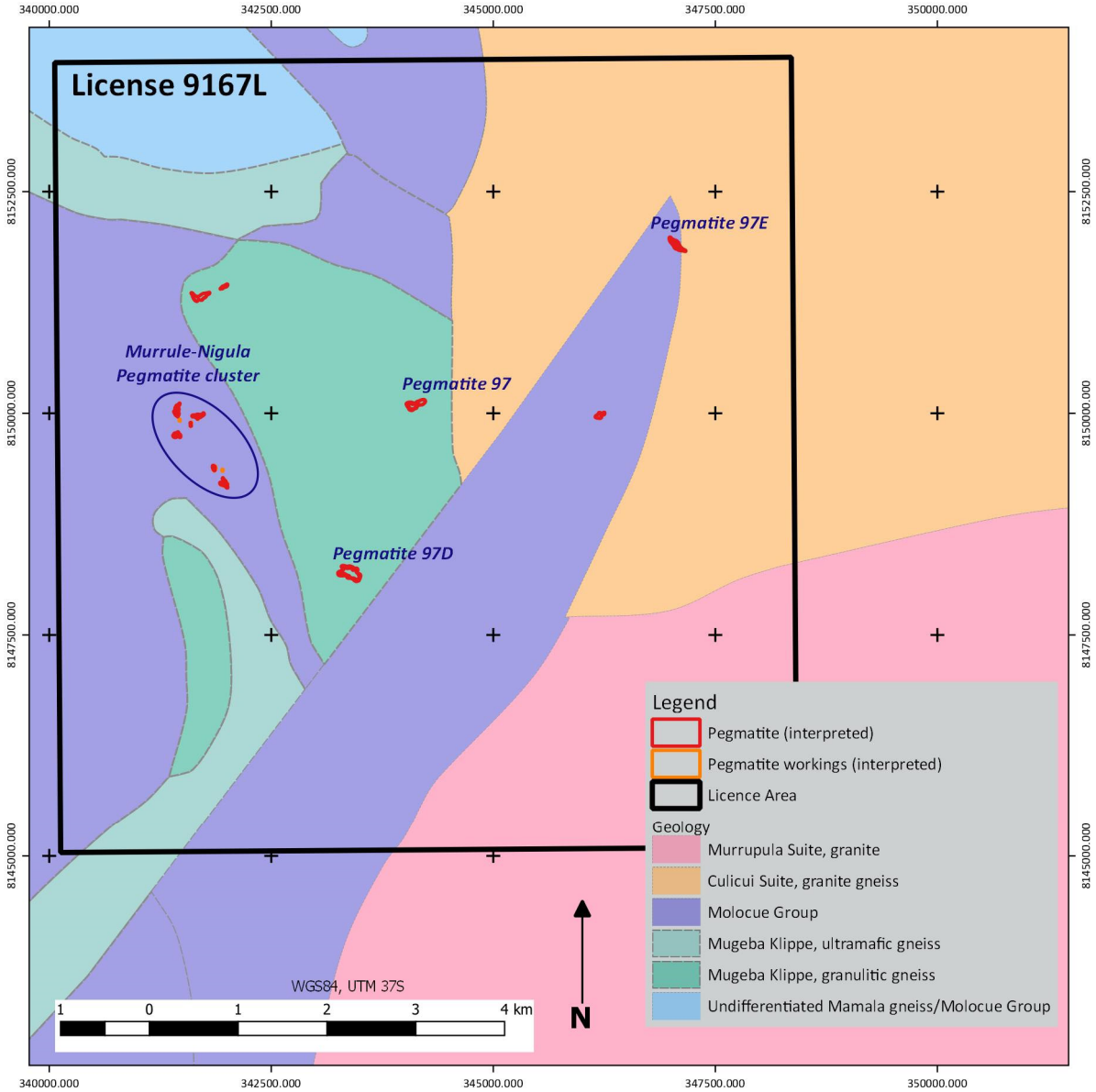
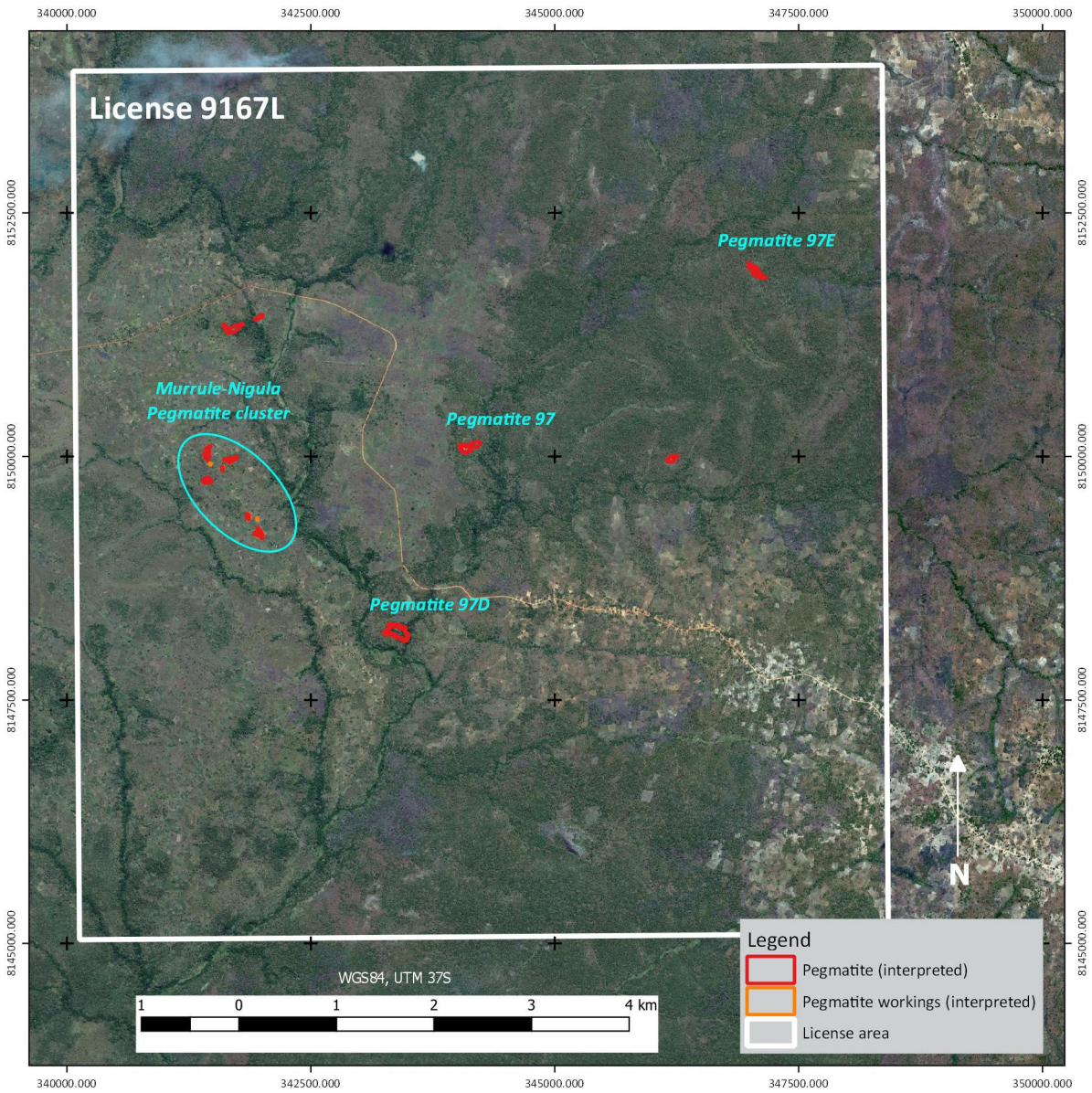


Figure 4b. License 9167 L – Location plan with interpreted pegmatites over Google satellite imagery [a]



Note:

A) The Mozambique Asset maps have the same legend.

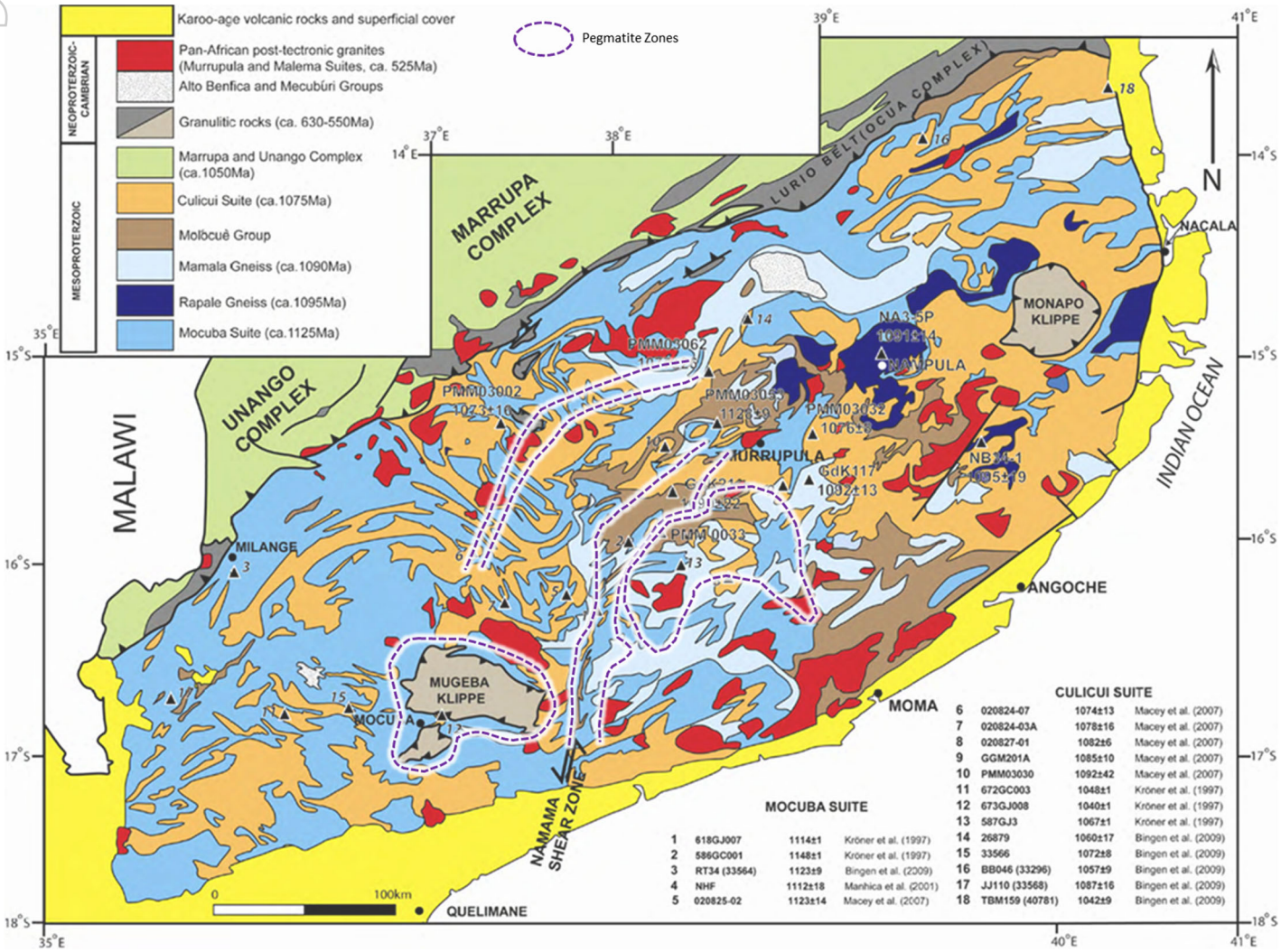
Alto Ligonha Pegmatite Province Geology

The Alto Ligonha Pegmatite Province is largely located in the NNE - SSW trending Namama Thrust Belt/Shear Zone and extends from Mocuba in the southwest to approximately 100km northeast of Alto Molocue in the northeast in the Zambézia Province of northern Mozambique (Figure 5).

The geology is dominated by rocks of the Nampula Complex within the Mesoproterozoic Mozambique Belt, predominantly medium to high-grade gneisses. These rocks were reworked during the Pan-African Orogeny involving the amalgamation of east and west Gondwana. The orogeny involved the emplacement of several nappe sheets, which have been preserved, followed by deformation, metamorphism and granitic magmatism. The

pegmatites were emplaced late to post-orogenic and are distributed in four main zones, of which three coincide with major structural features.

Figure 5 – Geology of the ALPP (Source: Macey et al, 2010)



The pegmatites have characteristics of the **LCT** family with some having characteristics of the **NYF** (**N**iobium-**Y**ttrium-**F**luorine) family, and further subdivided into sodalithic and potassic beryl types, which correspond to the Complex and, the Beryl types respectively, both of which belong to the Lithium subclass of the Rare-Element pegmatites. Other types of pegmatites present include potassic rare-earth amazonite and tourmaline bearing sub-types (which belong to the mixed NYF-LCT family of pegmatites).

The ALPP is known to contain several large sodalithic-type pegmatites that are currently being mined on a small scale, and which were previously mined for tantalite and gemstones. A number of these are currently also being explored for their lithium potential.

The sodalithic pegmatites are preferentially hosted in the paragneisses of the Molócuè Group which comprises metapelites and metapsammites with subordinate interlayered marble, calc-silicates, felsic and mafic rocks.

The Company's exploration focus will be on the definition and capture of large, previously unexplored or previously under-explored pegmatites of the Complex Type (i.e. the sodalithic type).

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. 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's Statement:

The information in this announcement that relates to the geological descriptions of the Mozambique Assets (Appendix 1) is based on information compiled by Michael Cronwright, a Competent Person who is a fellow of The Geological Society of South Africa and Pr. Sci. Nat. (Geological Sciences) registered with the South African Council for Natural Professions. Mr Cronwright is a Principal Consultant with The MSA Group (Pty) Ltd, a South African based consultancy. Mr Cronwright has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cronwright consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Glossary of selected geological terms:

Sodalithic Pegmatite: a sub-class of the LCT pegmatite family, typically containing Nb-Ta (as the "columbite-tantalite" mineral series), Be (as beryl) and Li (in a number of minerals, including spodumene or petalite) corresponding to the "Complex Type" of the Rare Element Class of the LCT family of pegmatites.

Potassic-Beryl-Pegmatite: a sub-class of the LCT pegmatite family containing Be (as beryl) and Nb-Ta (as the "columbite-tantalite" mineral series).

Potassic-REE-Pegmatite: a sub-class of the NYF pegmatite family typically rich in metamict (non-crystalline) U, Th, and rare-earth-element (REE) bearing minerals.

Amazonite and Tourmaline-bearing Pegmatite: a sub-type of the LCT pegmatite family containing green feldspar (amazonite) and tourmaline.

LITHIUM CONSOLIDATED
MINERAL EXPLORATION LTD
ACN 612 008 358
Phone: +61 7 3212 6299
Address: Level 6, 10 Market Street, Brisbane Q 4000

Appendix 1: JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	NA, no sampling conducted at this stage.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	NA, no sampling conducted at this stage.
	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*	NA, no sampling conducted at this stage.
Drilling techniques	*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*	NA, no drilling conducted at this stage.

Criteria	JORC Code explanation	Commentary
	is oriented and if so, by what method, etc).	
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	NA, no drilling conducted at this stage.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	NA, no drilling conducted at this stage.
	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.	NA, no drilling conducted at this stage.
Logging	*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.*	NA, no drilling conducted, nothing to log at this stage.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	NA, no drilling conducted, nothing to log at this stage.
	The total length and percentage of the relevant intersections logged.	NA, no drilling conducted, nothing to log at this stage.
Sub-sampling techniques and sample preparation	*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.*	NA, no drilling conducted. No core to sample at this stage.

Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	NA, no drilling conducted, no sampling conducted at this stage.
	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.	NA, no drilling conducted, no sampling conducted at this stage.
	Whether sample sizes are appropriate to the grain size of the material being sampled	NA, no drilling conducted, no sampling conducted at this stage.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	NA, no sampling conducted, nothing to assay at this stage.
	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.	NA, no other tools have been used at this stage.
	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.	NA, not necessary at this stage as no drilling or sampling has been undertaken.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	NA, not relevant at this stage.

Criteria	JORC Code explanation	Commentary
	The use of twinned holes.	
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	NA, not necessary at this stage.
	Discuss any adjustment to assay data.	NA, not relevant at this stage.
Location of data points	*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.*	NA, no data points to record at this stage.
	Specification of the grid system used.	All co-ordinates are recorded in the WGS84 datum, UTM 37 South Zone, unless otherwise specified.
	Quality and adequacy of topographic control	NA, not relevant at this stage.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	NA, no data points at this stage.
	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.	NA, not relevant at this stage.
	Whether sample compositing has been applied.	NA, not relevant at this stage.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	NA, no sampling conducted at this stage.

Criteria	JORC Code explanation	Commentary
	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.	NA, no drilling conducted at this stage.
Sample security	*The measures taken to ensure sample security.*	NA, no sampling conducted at this stage.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	NA, not relevant at this stage. No site visit has been conducted.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.*	Li3 through its 100% ownership of LithiumB, S.A, a Mozambique based company, hold the Licences.
	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.	6 Licenses were lodged and registered with the Mozambique Ministry of Mineral Resources and Energy for the projects in this Announcement. 2 have been granted (over an areas of 10,977 ha (10.98 km^2). and a further 4 are under application over a total area of 31,620 ha (31.62km^2) (see Appendix 2 for License details).
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Artisanal and historic workings and deeper pits, identified from satellite imagery,have been developed over gem-bearing pegmatites. Historical accounts indicate limited shallow beryl, tantalite and rare-earth mineral mining has occurred

Criteria	JORC Code explanation	Commentary
		in some areas. No recent exploration has been conducted on the properties.
Geology	*Deposit type, geological setting and style of mineralisation.*	Potential Li-Ta-Cs (LCT) type pegmatites which may contain lithium mineralisation in the form of spodumene, petalite and/or lepidolite as well as NYF type of pegmatites. These pegmatites are associated with Pan-African granitoids that intruded the Mozambique Belt during the Pan-African Orogeny.
Drill hole Information	*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:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *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.*	No drill hole information at this stage.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and*	NA, not relevant at this stage.

Criteria	JORC Code explanation	Commentary
	cut-off grades are usually Material and should be stated.	
	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.	Not relevant at this stage.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	NA, no assumptions made at this stage.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *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').*	NA, no drilling conducted at this stage.
Diagrams	*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.*	NA, no significant discoveries are being reported. Maps of the satellite image interpretation have been included.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable,*	NA, no exploration results being reported at this stage.

Criteria	JORC Code explanation	Commentary
	representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	*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.*	Detailed interpretation of satellite imagery was used to determine old workings, exposed and sub-cropping pegmatites.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Li3 plan to carry out mapping and preliminary rock chip sampling to establish the presence of lithium bearing pegmatites and the nature of the artisanal workings. Follow-up systematic soil and rock chip sampling will be used to establish drill targets. RC and diamond drilling to confirm surface results and determined thickness and depth extent of mineralisation.

Appendix 2: Mozambique Granted Licenses

	Licence No.	**Area** (ha)	**Status**
1.	9167 L	7,137 ha	Granted
2.	9190 L	3,840 ha	Granted