

ASX: Li3
31 January 2020

DECEMBER 2019 QUARTERLY REPORT

- Extensive Gold and Copper Portfolio Secured with the acquisition of Warrigal Mining Pty Ltd
- 510km² secured at the highly prospective Yalgoo & Mount Magnet mining districts
- High Grade and shallow targets being prioritised for follow up including:
 - 8g/t gold surface quartz vein chips reported at Warriedar (Yalgoo)
 - 15m @ 2.33 g/t (including 7m @ 3.4g/t) historical drill results at Euro
- Most permits located within 20km of established processing facilities with capacity
- High-quality projects being prioritised for 2020 programs
- Company assets review completed

Lithium Consolidated Limited (ASX: LI3) (**Li3** or **Company**) is pleased to report on its activities in the December 2019 quarter.

Acquisition of Warrigal Mining Pty Ltd

In December 2019, Li3 completed its purchase of a 100% interest in the Western Australian based exploration company Warrigal Mining Pty Ltd (Warrigal). (Refer previous ASX release [“Completion of Warrigal Mining Acquisition”](#) dated 13 December 2019)

Li3 now has an extensive landholding of 510km² in the Murchison Province of Western Australia in the Mount Magnet and Yalgoo mineral fields, some 500km North-East of Perth.

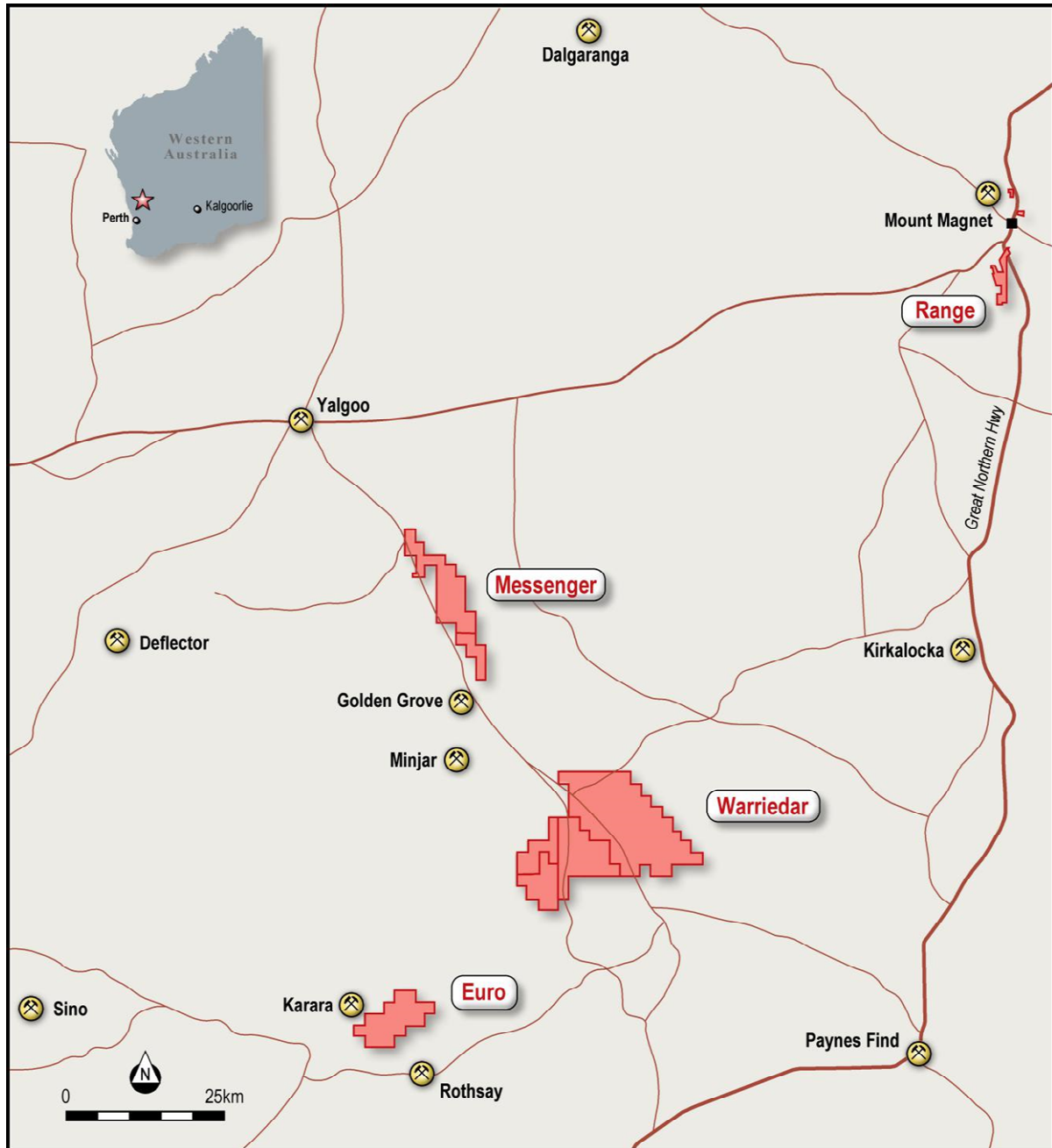


Figure 1. Mt Magnet and Yalgoo tenement location map

Warriedar Project

The Warriedar Project is based on 333km² of granted tenure located in the Warriedar Fold Belt of the Yalgoo-Singleton greenstone belt and sits within 20km of two milling and processing facilities – namely the Minjar Golden Dragon Mine and the EMR Capital Golden Grove polymetallic mine. The Warriedar Project is flanked by greenstones and volcanics and a significant intrusive related gold system (IRGS) at the Western prospect area has been surface sampled with grades up to 8g/t.

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

Historical gold production at the Warriedar Mining Centre and State Battery occurred between 1913-1935 reported an average grade of 10.7g/t Au. The Warriedar Mine produced copper between 1958-1969 at a grade of 9.83% Cu.

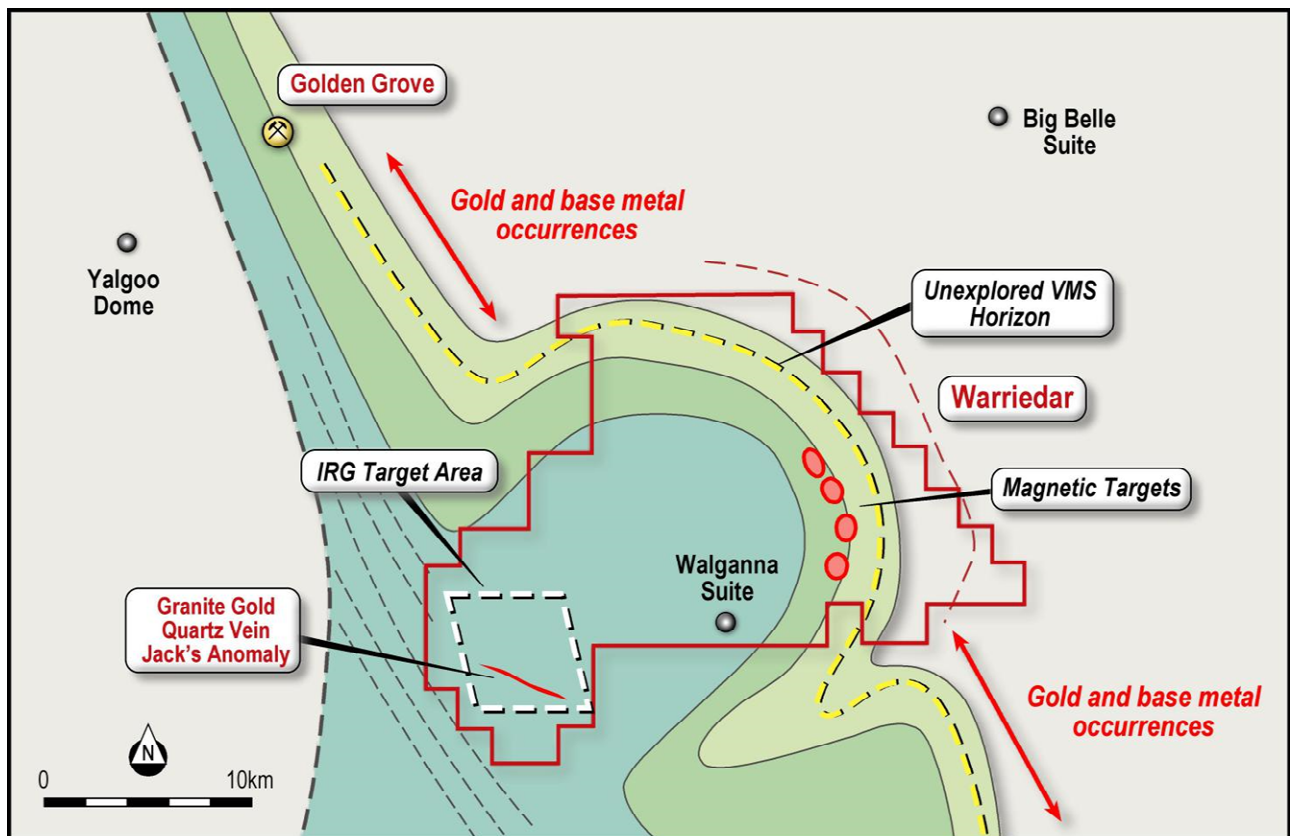


Figure 2. Warriedar schematic geology

Field programs are being prioritised for commencement in the March 2020 Quarter.

Messenger Project

The Messenger project covers an area of 93m² along the eastern margin of the Warriedar fold belt and is adjacent to the EMR Golden Grove base and precious metal deposit.

The Messenger Project geology is primarily sedimentary and felsic volcanics including outcrops of the highly desirable Golden Grove and Scuddles Units which host the major VMS mineralization in the district. Large outcrops of underexplored greenstone hosted quartz lodes are also present on the eastern portion of Messenger.

With the original discovery of gold in 1907, Messenger has had an extensive history of artisanal gold production with minimal modern systematic exploration despite being proximal to a world-class VMS camp. Messenger offers outstanding exploration potential for the discovery of greenstone hosted gold, shear hosted gold and VMS.

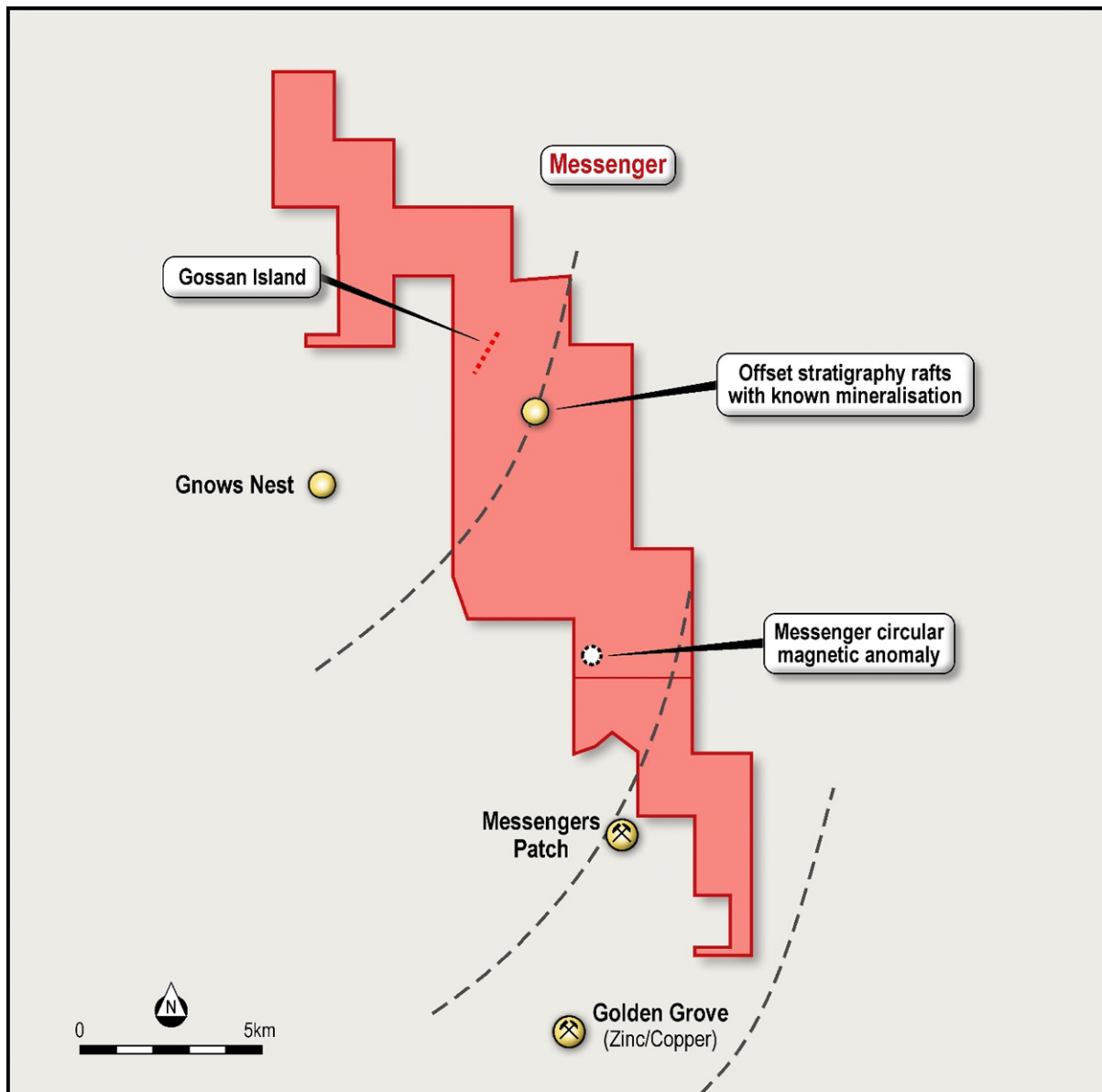


Figure 3: Messenger Project with magnetics and nearby mineral occurrences

Euro Project

The Euro Project is a single 63km² tenement nestled in the hinge of a tightly folded greenstone sequence of the south Yalgoo Greenstone belt. The project is centred upon a number of cross-cutting shear zones known to host significant mineralisation including one major operation and two high profile development projects.

The Karara Iron Ore Mine, Silver Lake Resources' Rothsay Mine; and the Mt Mulgine tungsten/molybdenum deposit are all located within 10km of the Euro Project. Historical drill intercepts of near-surface gold (tabled below) combined with the recent discovery of outcrops of large ultramafic units with spinifex textures (indicative of nickel mineralisation) show the project has significant exploration potential in its own right.

Table 1: Historic drilling highlights

| Hole ID | Depth | Interval |
|---------|-------|--|
| NR017 | 20m | 15m @ 1.15g/t |
| NR020 | 20m | 8m @ 0.87g/t (including 5m @ 1.3g/t) |
| NR018 | 15m | 15m @ 2.33 g/t (including 7m @ 3.4g/t) |

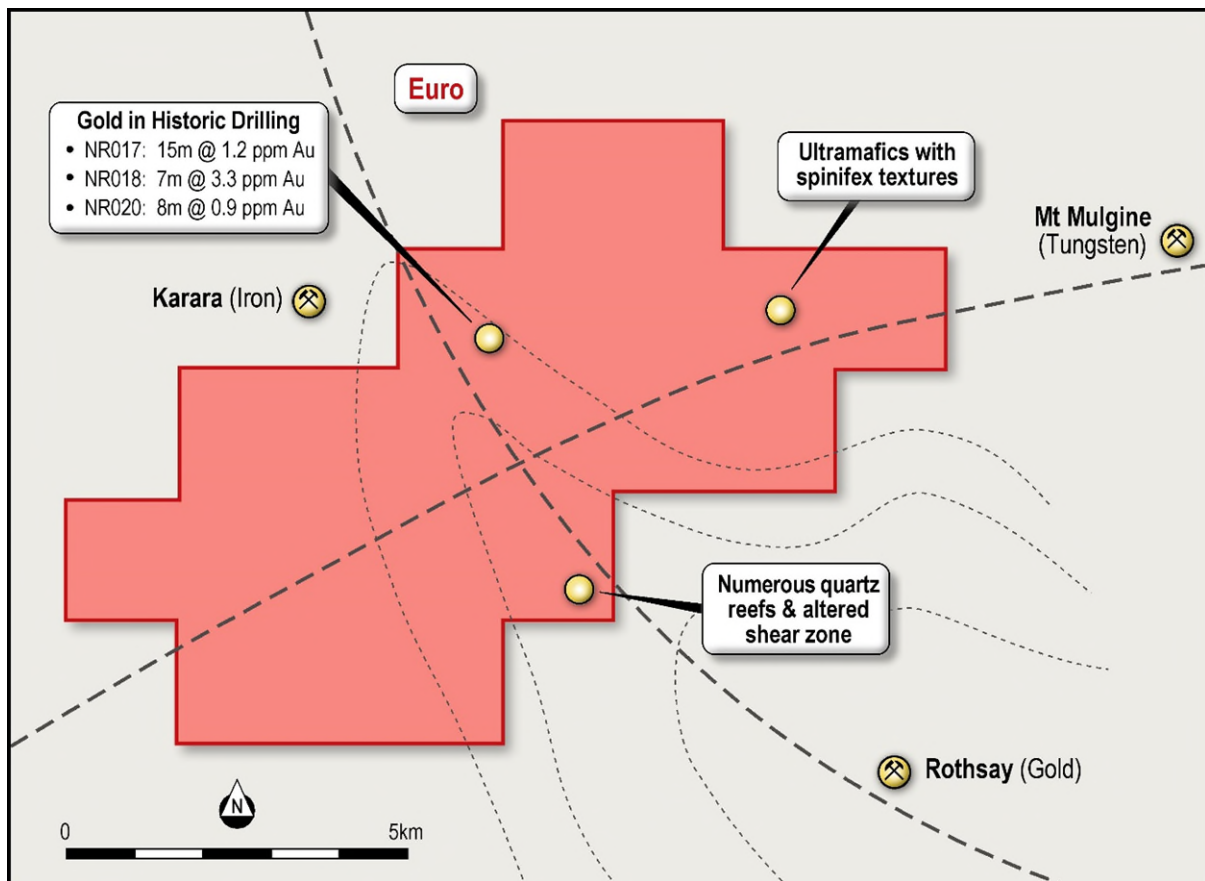


Figure 4: Euro Project with magnetics, structure and nearby operations

Range Project

Located 5km from the town of Mt Magnet which boasts a prolific >6Moz historical production history, the Range Project consists of 20km² of granted tenure covering a continuous 7km long strike length of prime geological real estate.

The project hosts numerous shear hosted and orogenic quartz lodes (which make up the bulk of historic production in the region). More recently the regional exploration focus has been towards larger intrusive and porphyry-style mineralisation. The North East trending Boogardie intrusive gold trend being exploited by Ramelius Resource Ltd (ASX:RMS) and the east-west trending Barimaia porphyry discovery by Genesis Minerals Ltd (ASX:GMD) intersect in the Range Project.

Mapping has outlined the presence of the same intrusives along with high-grade alteration (indicators of high-grade mineralisation in porphyry systems) extending from the neighbouring Britannia open pit and through historic shafts.

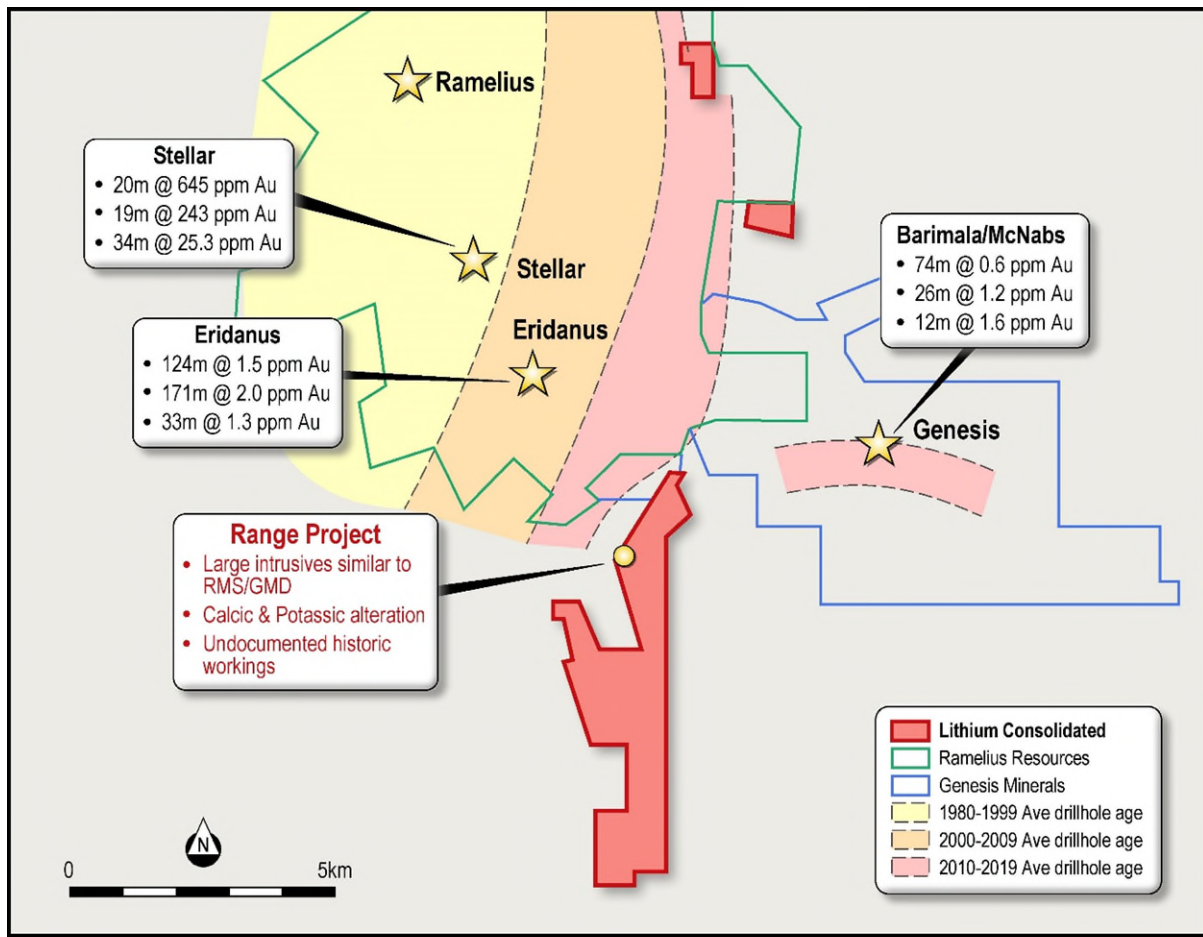


Figure 5: Range Project with neighbouring exploration success

Transaction terms

Under the share sale agreement, Li3 issued a total of 16,637,384 shares in satisfaction of Tranche 1 and 2, with 15,250,672 issued to Warrigal shareholders and 1,386,712 shares issued to Eastern Goldfields Pty Ltd.

Tranche 3 under the share sale agreement which required a cash payment of \$200,089.56 was satisfied by the issue of 4,001,791 Ordinary Shares and 4,001,791 Unlisted Options issued pursuant to the Additional Offer component of the prospectus issued in July 2019.

Tenement Update

The Company's technical team reviewed the Yilgarn and African Lithium projects. Following this review, Li3 retained 8 Permits and applications in Western Australia and surrendered 8 tenements. In addition, Li3 has applied for 1 new WA permit (ELA70/5321) selected for its Lithium and industrial minerals potential.

The Rocky Hill Project is located approximately 100 kms south-east of Perth. Exploration License application (ELA70/5321) covers an area of 30 km² and is well located with nearby to rail and all-weather roads supporting all weather access to container handling at the port of Fremantle

Zimbabwe and Mozambique Hard Rock Lithium Projects

A field trip was undertaken to the five license areas during the quarter in Mozambique to assess the Lithium potential of the identified prospects. Samples were collected where outcrop was encountered and results are anticipated in the March 2020 quarter.

There was no exploration activity undertaken on the Zimbabwe projects during the quarter.

Corporate

Capital Raising

In December 2019, the Company completed a private placement of 1,318,221 at 2.7 cents each to raise \$35,592 for working capital.

Board Changes

In January 2020, the Company announced the appointment of Mr Don Smith and Mr Owen Burchell as Non-Executive directors, pursuant to the acquisition of 100% of Warrigal.

Don Smith is a geologist and entrepreneur with over 20 years in the mining industry. He has worked in operational, development, exploration and consultant roles for junior through to multinational firms spanning over 10 countries and numerous commodities including: base and precious metals and energy minerals.

Don has been involved with a number of private and public resource companies including as a founding director of Platypus Resources and BK Gold Mines where he was involved in project acquisition, development and corporate affairs and management. More recently, as a director of Alderan Resources, he was involved in the development of the company's assets and successful IPO. He is currently involved with several start-ups and works as a consultant.

Don has a Bachelor of Science from Newcastle University and a Master of Business Administration from the Australian Institute of Business. Don is also a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.

Owen Burchell is a mining engineer with 20 years of technical, operational and corporate experience including management positions at Rio Tinto, BHP and Barrick Gold through to numerous mining start-ups, closures and operational turnaround projects.

Owen is currently a director of several private resource companies and draws on his extensive industry knowledge consulting on numerous projects in the resources sector.

Owen holds several post graduate qualifications from the West Australian School of Mines and is the holder of a First Class Mine Managers Certificate of Competency. Owen is also a member of the Australasian Institute of Mining and Metallurgy.

In December 2019, the Company announced the appointment of Mr Paul Jurman as Company Secretary. Mr Jurman is a CPA with more than 15 years' experience and has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles. He has extensive experience including liaison with ASX and ASIC, control and implementation of corporate governance, statutory financial reporting, and shareholder relations. He is currently company secretary of Carnavale Resources Limited and Platina Resources Limited.

Other

The Company continues to assess new lithium and other exploration opportunities.

Details of the Company's financial activities during the quarter are set out in the Appendix 5B cash flow report.

Capital structure

At the end of the quarter, there were 147,266,673 fully paid ordinary Shares, 41.4 million unlisted Options and 0.7 million unlisted Performance Rights on issue.

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

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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.

Appendix 1 Exploration Tenements

Li3 provides the following addendum in relation to additional information required by Listing Rule 5.3.3

Mining Tenements, Beneficial Interests and agreements held as at the end of the quarter:

| Tenement Name | Tenement Number | Li3 Interest | Location of Tenements |
|-------------------|-----------------|---------------------|-----------------------|
| WARRIEDAR PROJECT | E 59/2224 | 100% (Application) | Western Australia |
| WARRIEDAR PROJECT | E 59/2308 | 100% (Application) | Western Australia |
| WARRIEDAR PROJECT | E 59/2374 | 100% (Application) | Western Australia |
| WARRIEDAR PROJECT | E 59/2375 | 100% | Western Australia |
| MESSENGER PROJECT | E 59/2350 | 100% | Western Australia |
| MESSENGER PROJECT | E 59/2381 | 100% | Western Australia |
| EURO PROJECT | E 59/2319 | 100% | Western Australia |
| RANGE PROJECT | P 58/1770 | 100% | Western Australia |
| RANGE PROJECT | P 58/1773 | 100% | Western Australia |
| RANGE PROJECT | P 58/1781 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1783 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1784 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1785 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1786 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1787 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1832 | 100% (Granted) | Western Australia |
| RANGE PROJECT | M 58/229 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1680 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1698 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1753 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1761 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1768 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1769 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1774 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1796 | 100% (Granted/apps) | Western Australia |

| Tenement Name | Tenement Number | Li3 Interest | Location of Tenements |
|--------------------------|-----------------|---------------------|-----------------------|
| Yilgarn Project | | | |
| Caranning | E63/1815 | 100% (Application) | Western Australia |
| Windarling | E77/2384 | 100% (Application) | Western Australia |
| Rocky Hill | E70/5321 | 100% (Application) | Western Australia |
| Ten Mile South | E63/1862 | 100% | Western Australia |
| Wanoc | E15/1616 | 100% | Western Australia |
| Dundas Nth | E63/1877 | 100% | Western Australia |
| Esmond NE | E69/3540 | 100% | Western Australia |
| Salmon | E28/2743 | 100% | Western Australia |
| Zimbabwe Project* | | | |
| Tals 5 | Various | 100% (Granted) | Zimbabwe |
| Nels Luck | Various | 100% (Granted) | Zimbabwe |
| Bepe | Various | 100% (Granted) | Zimbabwe |
| Magoda and Magoda North | Various | 100% (Granted/apps) | Zimbabwe |
| Day Dawn | Various | 100% (Granted) | Zimbabwe |
| Chisuma | Various | 100% (Granted) | Zimbabwe |
| Grey Lady | Various | 100% (Granted) | Zimbabwe |
| Odzi West | Various | 100% (Granted/apps) | Zimbabwe |

*Note: the 8 Zimbabwe projects are comprised of a total 72 prospecting licences, of which 59 have been granted.

| | | | |
|---------------------------|-------|------|------------|
| Mozambique Project | | | |
| License 9167 L | 9167L | 100% | Mozambique |
| License 9190 L | 9190L | 100% | Mozambique |
| License 9166 L | 9166L | 100% | Mozambique |
| License 9168 L | 9168L | 100% | Mozambique |
| License 9188 L | 9188L | 100% | Mozambique |

Mining Tenements, Beneficial Interests and agreements acquired during the quarter

| Tenement Name | Tenement Number | Li3 Interest | Location of Tenements |
|----------------------|------------------------|---------------------|------------------------------|
| WARRIEDAR PROJECT | E 59/2224 | 100% (Application) | Western Australia |
| WARRIEDAR PROJECT | E 59/2308 | 100% (Application) | Western Australia |
| WARRIEDAR PROJECT | E 59/2374 | 100% (Application) | Western Australia |
| WARRIEDAR PROJECT | E 59/2375 | 100% | Western Australia |
| MESSENGER PROJECT | E 59/2350 | 100% | Western Australia |
| MESSENGER PROJECT | E 59/2381 | 100% | Western Australia |
| EURO PROJECT | E 59/2319 | 100% | Western Australia |
| RANGE PROJECT | P 58/1770 | 100% | Western Australia |
| RANGE PROJECT | P 58/1773 | 100% | Western Australia |
| RANGE PROJECT | P 58/1781 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1783 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1784 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1785 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1786 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1787 | 100% (Granted) | Western Australia |
| RANGE PROJECT | P 58/1832 | 100% (Granted) | Western Australia |
| RANGE PROJECT | M 58/229 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1680 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1698 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1753 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1761 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1768 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1769 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1774 | 100% (Granted/apps) | Western Australia |
| RANGE PROJECT | P 58/1796 | 100% (Granted/apps) | Western Australia |
| Rocky Hill | E70/5321 | 100% (Application) | Western Australia |

Mining Tenements, Beneficial Interests and agreements disposed of during the quarter

| Tenement Name | Tenement Number | Li3 Interest | Location of Tenements |
|------------------------|------------------------|---------------------|------------------------------|
| Yilgarn Project | | | |
| Bedonia | E63/1814 | 100% | Western Australia |
| Esmond | E69/3455 | 100% | Western Australia |
| Junction | E28/2631 | 100% | Western Australia |
| Snomys | E28/2632 | 100% | Western Australia |
| Ten Mile | E63/1813 | 100% | Western Australia |
| Nawoc | E15/1542 | 100% | Western Australia |
| Cool | E28/2651 | 100% | Western Australia |
| Dundas | E63/1826 | 100% | Western Australia |
| Junction North | E28/2732 | 100% | Western Australia |