

ASX Announcement

ASX: Li3

31 July 2019

JUNE 2019 QUARTERLY REPORT

- 3 new lithium Licenses granted in the Alto Ligonha Pegmatite Province in Mozambique
- Li3 is the only ASX listed company to enter Mozambique for hard rock lithium
- The Mozambique licenses contain historical beryl, tantalite and rare-element mineral mines
- Assay results from sampling in Zimbabwe over the Nels Luck, Tals 5 and Bepe pegmatites returned values of between 1.3% and 8.6% Li₂O from 13 samples within the Nels Luck and Bepe project areas (from a total of 55 samples analysed)
- 9 new Licenses granted in eastern Zimbabwe, to establish a dominant land position at the highly prospective Odzi West project

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

Our portfolio consists of:

- 59 granted Licenses for 8 new hard rock lithium projects in Zimbabwe;
- 5 granted hard rock lithium Licenses in Mozambique;
- 16 hard rock lithium Licenses in Western Australia; and
- the Tonopah Lithium Project in Nevada, USA.

Li3's high priority hard rock lithium assets in each region, include:

- 1) Western Australia: Dundas, Bedonia and Junction
- 2) Mozambique: 9166L
- 3) Zimbabwe: Odzi West

The Company's strategy is to:

- 1) develop a globally significant portfolio of hard rock lithium exploration assets and potential, future lithium mines;
- 2) immediately undertake exploration at our higher priority assets in Western Australia, Mozambique, and Zimbabwe; and
- 3) pursue acquisition opportunities.

1. Mozambique Hard Rock Lithium

The Company announced the grant of three (3) new lithium exploration licenses, including the high priority 9166L license in northern Mozambique.

The three (3) newly granted Licenses are in addition to the two (2) Licenses, which were granted and announced on 25 March 2019, such that the Company now holds a total of five (5) Licenses over an area of 31,481 ha (314.8 km²) in the Alto Ligonha Pegmatite Province in Mozambique.

Li3 is the only ASX listed company to enter Mozambique for hard rock lithium.

There was no exploration activity in Mozambique during the June 2019 quarter. For further information on the new Mozambique Licenses, please see our announcement dated 9 July 2019.

1.1. 9166L License

The 9166 L License has been prioritized for immediate exploration based on extensive artisanal workings over a potentially large pegmatite, which has been interpreted based on detailed spectral analysis of satellite imagery over this area.

The interpreted pegmatite is located within an area of gentle relief on a drainage divide and the license is centred over the most extensive part of the workings.

The interpreted pegmatite is potentially over 1,000m along strike with variable widths of up to 300m being observed.

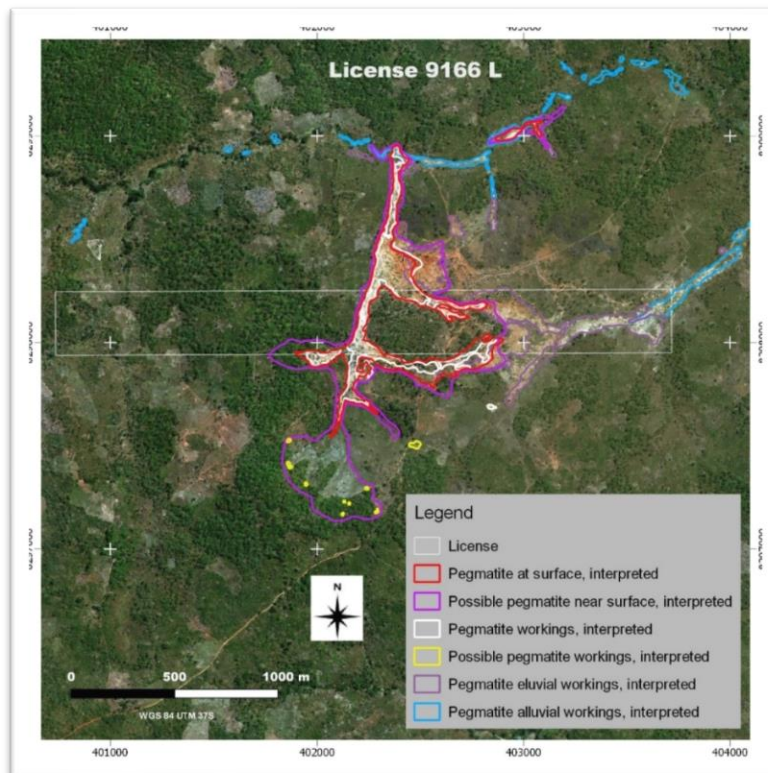


Figure 1. Interpreted pegmatite and associated workings within license 9166L shown over ESRI satellite imagery.

2. Yilgarn Lithium Project, Western Australia, Australia

Yilgarn Lithium Project (**YLP**) is a hard-rock lithium exploration asset located in the Yilgarn Province of Western Australia.

YLP consists of 16 Exploration Licenses, including 14 granted Exploration Licenses and 2 pending Exploration License Applications, covering a total of 747 km².

There was no significant exploration activity at YLP in the June 2019 Quarter.

3. Zimbabwe Hard Rock Lithium

During the June 2019 Quarter, the Company was granted 9 new Prospecting Licenses in eastern Zimbabwe, to establish a dominant land position at the highly prospective Odzi West project and at the Chisuma project.

For further information on the new Zimbabwe Licenses, please see our announcement dated 8 July 2019.

3.1. Odzi West Project

22 licenses cover this area at the south-western end of the Mutare Greenstone Belt in eastern Zimbabwe.

The Odzi West project has been prioritized for immediate exploration in Zimbabwe based on historical observations of spodumene at surface and the increased potential for flat-lying pegmatites for future open-pit mining.

At least seven (7) clusters of artisanal workings have been interpreted from satellite imagery with spodumene having been recorded historically in the beryl and tantalite workings.

The Odzi West area is particularly significant due to the increased potential for flat-lying, near surface sheet-like configuration of the interpreted pegmatites, for future open-pit mining.

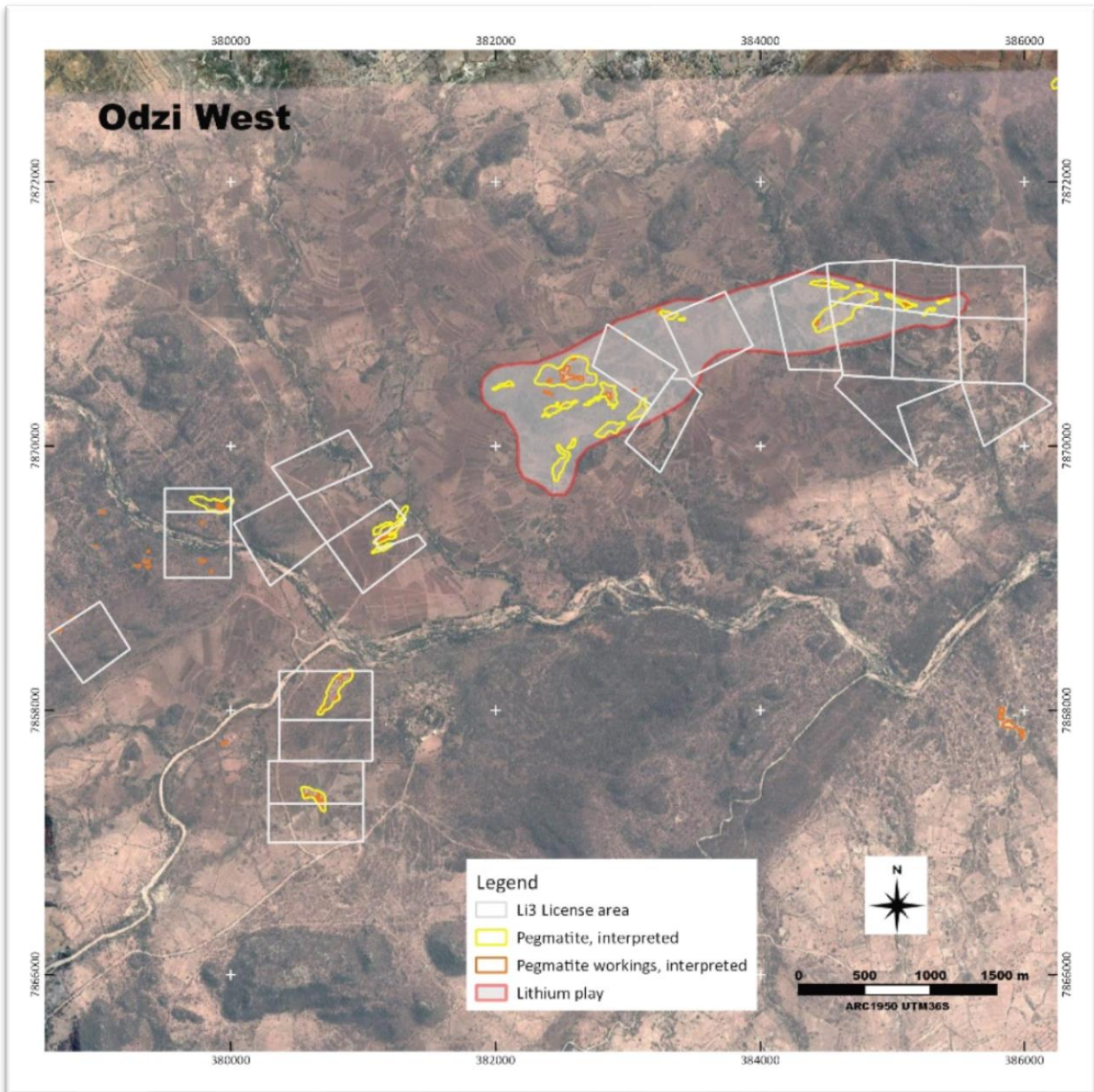


Figure 2. Interpreted pegmatite and pegmatite workings within the larger pegmatite play within the Odzi West license area (shown over Google imagery).

3.2. Zimbabwe – Bepe and Kondo Mines Acquisition

The Company has terminated the agreement to acquire the Bepe and Kondo mines in Zimbabwe, due to various conditions precedent under the Agreement not being satisfied.

For further information on the termination of the agreement to acquire the Bepe and Kondo mines, please see our announcement dated 26 June 2019.

3.3. Initial sampling Assay Results

During the June 2019 Quarter, the Company received results from initial sampling conducted over the Nel's Luck, Bepe and Tals 5 projects confirming lithium mineralization at Nel's Luck and Bepe.

For further information on these results, please refer to both the March 2019 Quarterly Report, dated 30 April 2019, and our announcement dated 23 April 2019.

4. Tonopah Lithium Project, Nevada, USA

Tonopah Lithium Project (**TLP**) is in the Clayton Valley, in West Central Nevada, in the United States of America.

TLP consists of 425 placer claims which were renewed on 31 August 2018.

The Company is currently in discussions with interested parties with a view to divestment of TLP.

The Company remains hopeful that these discussions may be concluded prior to the renewal date of the claims (being 31 August 2019). However, no assurance can be given that the Company will be successful in divesting its interests in these claims on appropriate commercial terms, failing which, in order for Company to prioritise its focus on its Western Australian, Mozambique and Zimbabwean project interests, it intends to relinquish the 425 placer claims and focus on its hard rock lithium assets.

There was no significant exploration activity at TLP in the June 2019 Quarter.

5. Corporate

The Company continues to assess new lithium exploration opportunities.

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

6. Capital structure

At the end of the quarter, there were 94,322,122 fully paid ordinary Shares, 4.0 million unlisted Options and 5.7 million unlisted Performance Rights on issue.

End

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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's Statement:

The information in this announcement that relates to the geological descriptions of the Zimbabwe and Mozambique Assets 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 CSA Global in South Africa. 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.



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Exploration Tenements

Lithium Consolidated held the following interests in claims and tenements at the end of the quarter:

Project Name	Number of Claims	Lithium Consolidated Interest	Location of Claims
TLP	425	80%	Nevada, USA

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
Yilgarn Project			
Bedonia	E63/1814	100%	Western Australia
Caranning	E63/1815	100% (Application)	Western Australia
Windarling	E77/2384	100% (Application)	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
Ten Mile South	E63/1862	100%	Western Australia
Wanoc	E15/1616	100%	Western Australia
Junction North	E28/2732	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

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
Grey Lady	Various	100% (Granted)	Zimbabwe
Odzi West	Various	100% (Granted/apps)	Zimbabwe
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

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