

LCME

Ms Lisa Banh

ASX Listing Compliance
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Lisa

Lithium Consolidated Mineral Exploration Limited – Pre-Quotation Disclosure

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the admission to the official list and official quotation of the fully paid ordinary shares (**Shares**) in Lithium Consolidated Mineral Exploration Limited (ACN 612 008 358) (the **Company**, or **LCME**).

Capitalised terms which have not been otherwise defined in this document have the meaning given to them in the Prospectus lodged with ASIC on 8 November 2016 (as amended by any Supplementary Prospectuses lodged with ASIC) (the **Prospectus**).

Big Smokey Exploration LLC (**Big Smokey**) as the holder of 12,000,000 Shares issued by LCME to Big Smokey (the **restricted securities**), and Gordon Addie (**Addie**) as the controller of Big Smokey, entered into a restriction agreement in the standard form required by the ASX (in the form set out in Appendix 9B of the ASX Listing Rules), which agreement will expire 12 months from the date of issue of the Shares (the **Mandatory Restriction Agreement**).

Pursuant to the terms of a secured loan agreement entered between the Company, Big Smokey Exploration LLC (**Big Smokey**) and ProspectOre LLC (**ProspectOre**), the Company agreed to lend Big Smokey and ProspectOre the amount of up to AUD375,000 (the **Loan**) for the purposes of paying US withholding tax (the **Loan Agreement**), to be levied in respect of the consideration payable to each of Big Smokey and ProspectOre for the purchase of various mining tenements in the US state of Nevada. This purchase has taken place pursuant to the Nevada Option Deed which has been fully disclosed in section 12.2 of the Prospectus.

Pursuant to the terms of the Loan Agreement, the Company entered into a voluntary restriction agreement with Big Smokey as holder of the restricted securities, and Addie as the controller of Big Smokey, pursuant to which:

1. for a period commencing at 12.01am on the day immediately following the expiry of the Mandatory Restriction Agreement (the **further restriction period**);
2. Big Smokey will not during the further restriction period, do any of the following except by way of a permitted disposal (as is defined below):
 - (a) dispose of, or agree or offer to dispose of, the restricted securities;
 - (b) create, or agree or offer to create, any security interest in the restricted securities;
 - (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities; and

3. Addie as the controller of Big Smokey, has agreed to concomitant obligations to those set out immediately above.

A **permitted disposal** means any of the acts or omissions of the holder or the controller described immediately above, if each of the following conditions is satisfied:

- (1) the sole purpose of the disposal is to derive funds to repay all or part of the amount owing pursuant the Loan Agreement; and
- (2) the entity has given its prior written consent to the disposal (which consent may be granted or withheld at the absolute discretion of the entity); and
- (3) the proceeds received or receivable by the holder or the controller from the disposal are applied in or towards the repayment of the amount owing pursuant the Loan Agreement.

The Company will make further disclosure once the Loan has been advanced.

Signed for an on behalf of Lithium Consolidated Mineral Exploration Limited

A handwritten signature in black ink, appearing to be 'BM' followed by a stylized flourish.

Brian Moller
Director