

## ASX Announcement

ASX: Li3

13 June 2017

### Nevada Exploration to Commence

Lithium Consolidated Mineral Exploration Ltd ("LCME") is pleased to announce that the Nevada exploration program will commence shortly.

SRK Consulting (U.S.), Inc. ("SRK") has completed a technical review of the Nevada projects, and provided a positive validation of the lithium brine resource potential at these projects.

The Nevada exploration program will prioritise the southern part of the Tonopah Lithium Project (see Figure 1).

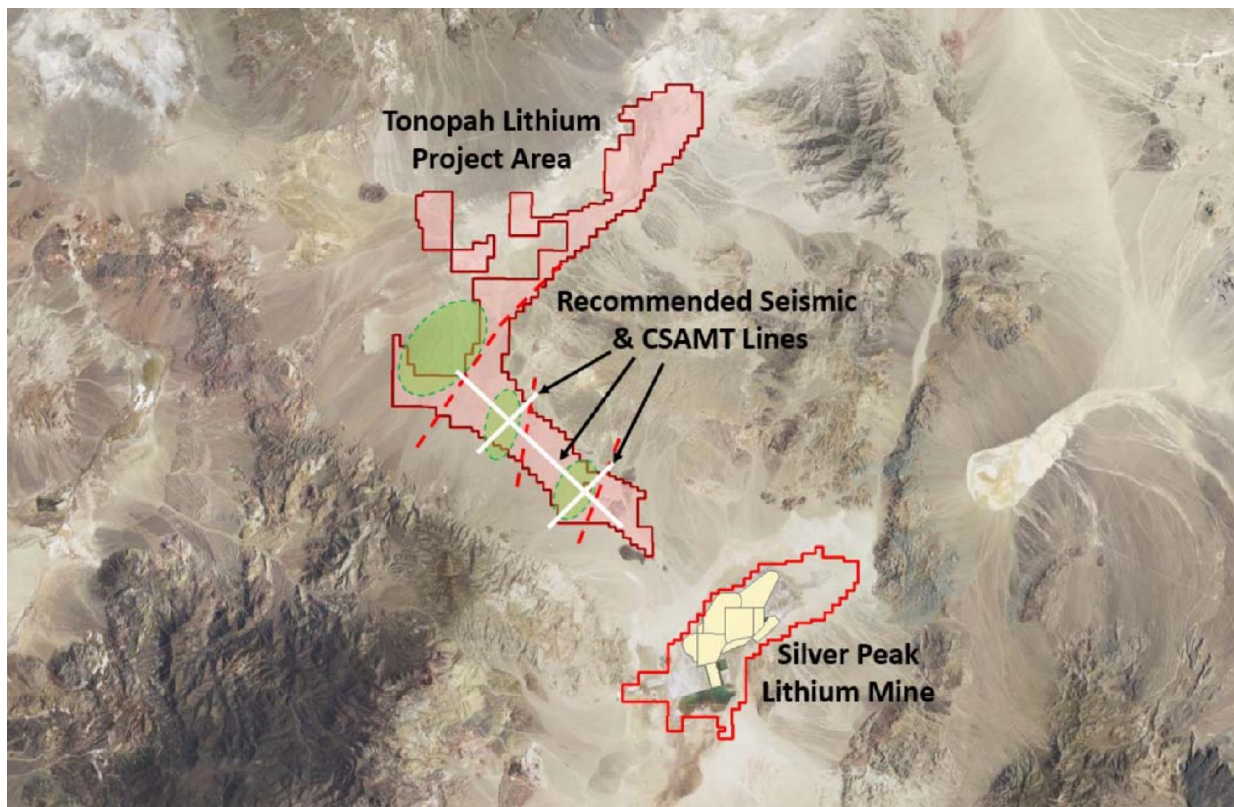
The Nevada exploration program will commence with additional geophysical surveys (see Figure 1) including:

- 3 lines of controlled source audio-frequency magnetotellurics ("CSAMT") or magnetotellurics; and
- 3 lines of 2D seismic surveys.

The Nevada geophysical program will be completed in 12 weeks and lead to the location of 1-2 drilling sites.

The Nevada drilling program is expected to commence in Q3 2017.

**Figure 1: Location of Geophysical Survey Lines**



Note: Both the CSAMT and the 2D seismic surveys will be along the same lines. Source: SRK

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Email: [investors@lithiumconsolidated.com](mailto:investors@lithiumconsolidated.com)Please visit us at: [www.lithiumconsolidated.com](http://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. LCME 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**

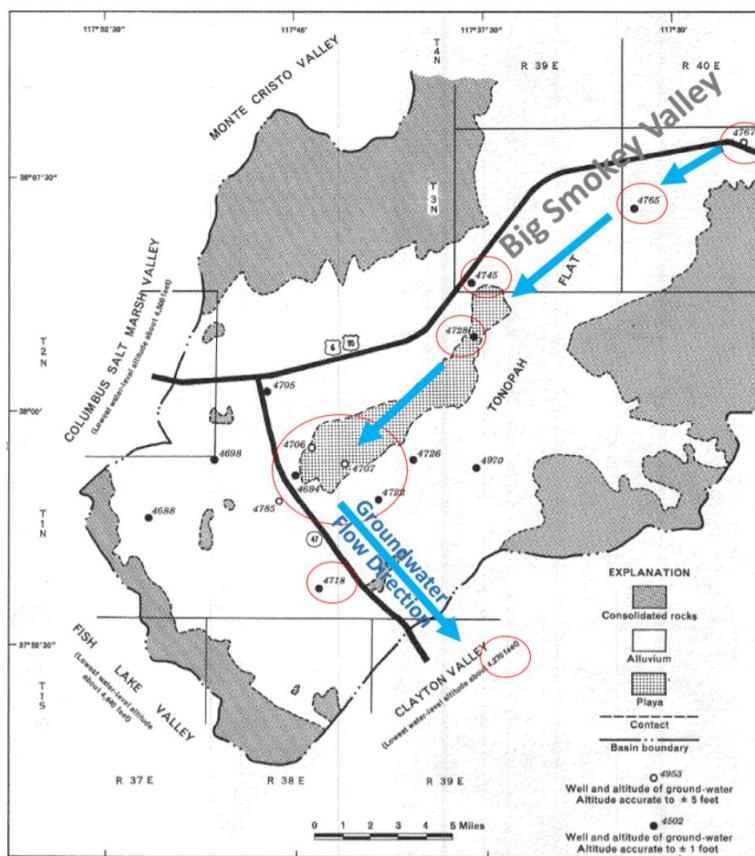
The information in this release that relates to Exploration Results has been reviewed and approved by Jerry Aiken, who is a Registered Member of the Society for Mining, Metallurgy and Exploration (SME). Jerry Aiken is a geologic consultant to the Company, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration, to qualify as a Competent Person (CP) as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC). Jerry Aiken consents to the inclusion in the release of the concepts and geologic principles expressed in this press release, based on his review in the form and context in which it appears.

## Appendix: Conceptual model of the Tonopah Lithium Project

The Tonopah Lithium Project consists of large positions in basins which form part of the Big Smokey Valley drainage system into the Clayton Valley basin which contains the Silver Peak lithium brine field, which has been in continuous production for over 50 years.

The Nevada Division of Water Resources has concluded that groundwater flows into the Clayton Valley in part from the Big Smokey Valley based upon regional water levels (Water Resources - Reconnaissance Series Report 45 - 1968, Water Resources Bulletin No. 41 - 1971).

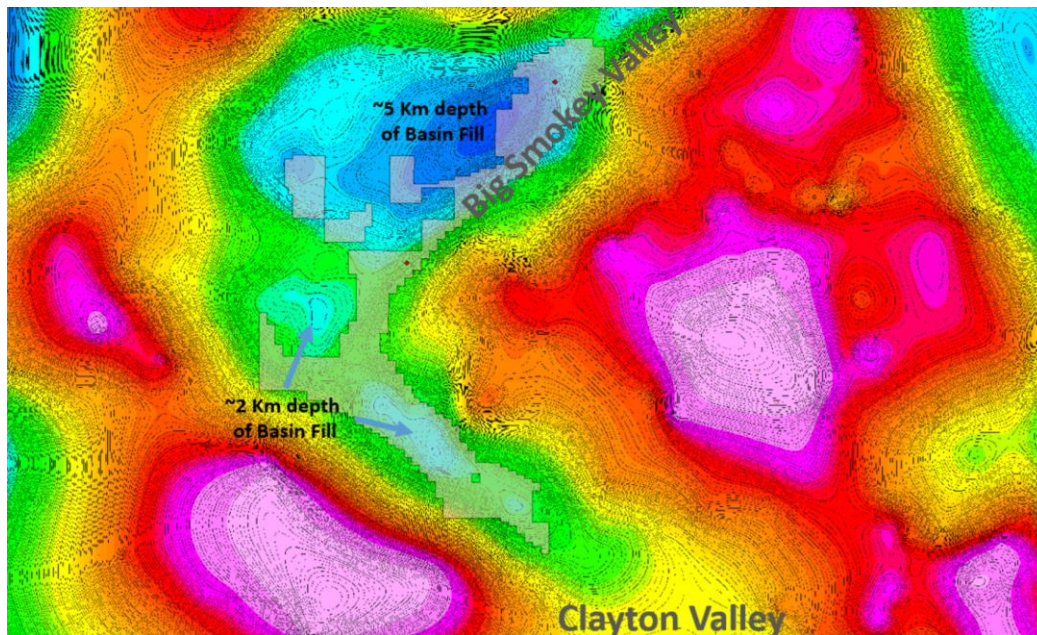
**Figure A1: Diagram of groundwater flow through the Big Smokey Valley**



Source: Water Resources - Reconnaissance Series Report 45 - 1968, Water Resources Bulletin No. 41 - 1971

The regional gravity surveys indicate that the depth to the basement rock in the Big Smokey Valley is approximately 5 km deep near the playa, and about 2 km in the southern limb which is connected to the Clayton Valley basin.

**Figure A2: Gravity Survey Image of Tonopah Lithium Project**



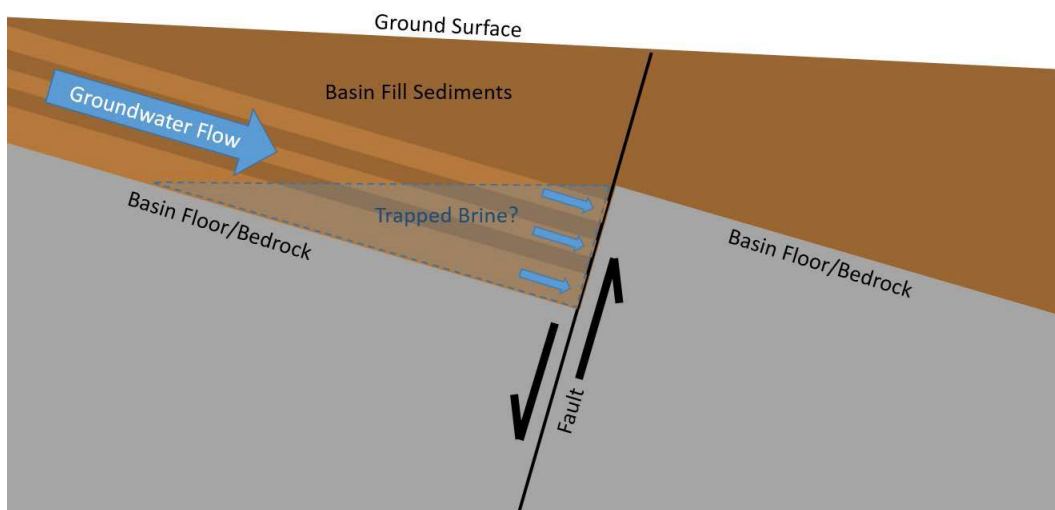
Note: The interpreted basement rock or basin floor depth is identified by the colour on the gravity image. The interpreted depth of the basin floor depth varies by colour in the following order: blue (deepest); green; yellow; red; and pink (shallowest). *Source: SRK*

The material filling these valleys most likely consists of volcanic rock and sediments eroded from the surrounding mountains.

Lithium brines are typically hosted in sedimentary fill material, and the deep sections of the basin may have structural traps (which require further investigation).

SRK have recommended targeting potential faults, which could act as groundwater traps. The faults would partially block flow through the basin fill and result in brine accumulation in the depressions.

**Figure A3: Illustration of Faults as Groundwater Traps**



*Source: SRK*