



31 July 2017

JUNE 2017 QUARTERLY REPORT

HIGHLIGHTS:

- SRK has completed a technical review of the Tonopah Lithium Project
- Tonopah exploration program has commenced
- 8 WA Exploration Licenses granted in June 2017: hard rock lithium potential
- WA hard rock lithium exploration program will commence in August 2017
- SRK has completed a technical review of the Botswana Project
- Botswana shallow pit sampling program will commence in August 2017
- New WA Exploration License Applications: cover extensions of target pegmatite bodies outside of our existing granted Exploration Licenses

Lithium Consolidated Mineral Exploration Limited (ASX: LI3) (“Lithium Consolidated” or the “Company”) is pleased to report on activities during the June quarter, including the advancement of our exploration projects.

The Company is now in position to commence significant exploration activities across our key projects in Nevada, Western Australia and Botswana.

PROJECTS

1. Nevada, USA

Lithium Consolidated is the largest land holder for lithium brine exploration in Nevada, USA.

Lithium Consolidated holds a total of 2,026 placer claims covering 40,480 acres in Nevada in the South Big Smoky Valley and Teels Marsh basins.

The targeted lithium brine reservoirs of the South Big Smoky Valley and Teels Marsh basins remain unexploited and underexplored, while the Clayton Valley basin reservoirs to the south have produced lithium brine for +50 years.

The Tonopah Lithium Project (“TLP”) and Teels Project (“Teels”) have multiple lithium brine reservoir targets for exploration.

SRK Consulting (U.S.), Inc. (“SRK”) has completed a technical review of the Nevada projects. This technical review resulted in a positive validation of the lithium brine resource potential at our Nevada projects and the prioritisation of lithium brine reservoir targets for exploration.

The southern part of TLP has been selected by SRK and the Company as the highest priority area for exploration given its proximity to the Silver Peak lithium brine mine, which has been in production for +50 years.

The Nevada Division of Water Resources and other sources have indicated that groundwater flows into the Clayton Valley in part from the Big Smokey Valley. This would indicate both a geological and hydrological relationship between the southern part of TLP and the Silver Peak lithium brine mine.

The Tonopah exploration program over the southern part of TLP will be further defined through the current geophysical program.

Tonopah Lithium Project (80% ownership interest)

TLP consists of 1,241 placer claims, covering a total area of 24,459 acres in the Big Smokey Valley, where the south end of TLP is less than 2 miles (3.2km) from Albemarle's Silver Peak lithium mine, which is North America's only producing lithium brine and located in the Clayton Valley.

The Tonopah exploration program is being managed by two high calibre, Nevada based technical consultants.

E. Max Baker is managing the overall exploration program and Bob Ellis is managing the geophysical program.

The Tonopah exploration program has commenced with an initial stage of additional geophysical surveys:

- gravity infill acquisition, merge with previous data, 3D density inversion modeling, and interpretation;
- a magnetotellurics ("MT") survey; and
- 2D seismic surveys located based on the reprocessed gravity data and MT survey results.

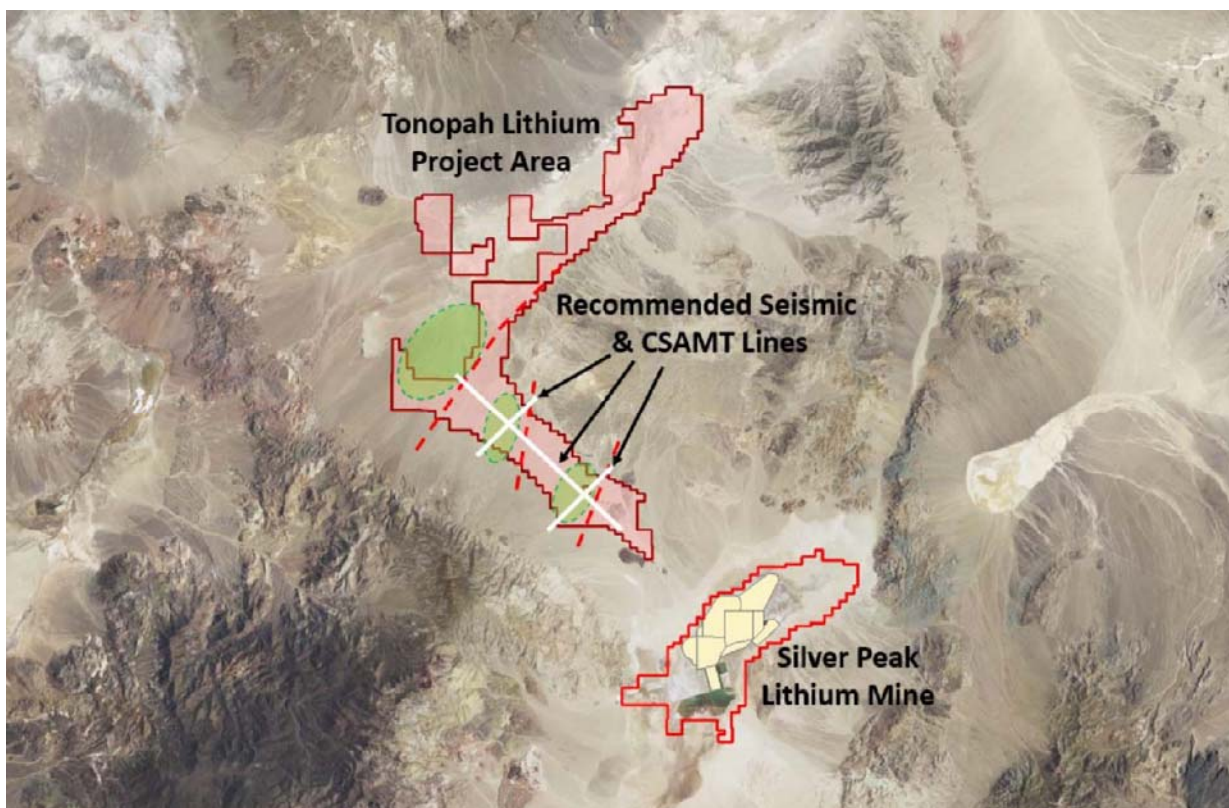
Figure 1 shows the additional geophysical survey lines.

MWH Geo-Surveys Ltd. is carrying out a gravity survey over the southern part of the Tonopah Lithium Project. Bob Ellis is supervising this survey and will merge the data from this survey with existing gravity data to develop a more complete and higher resolution gravity image of the southern part of TLP.

Zonge International has been selected as the preferred contractor for the MT survey and will commence the MT survey in October 2017.

Our maiden drilling program in Nevada will follow the MT survey and commence in the fourth quarter of 2017.

Figure 1: Location of Geophysical Survey Lines



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

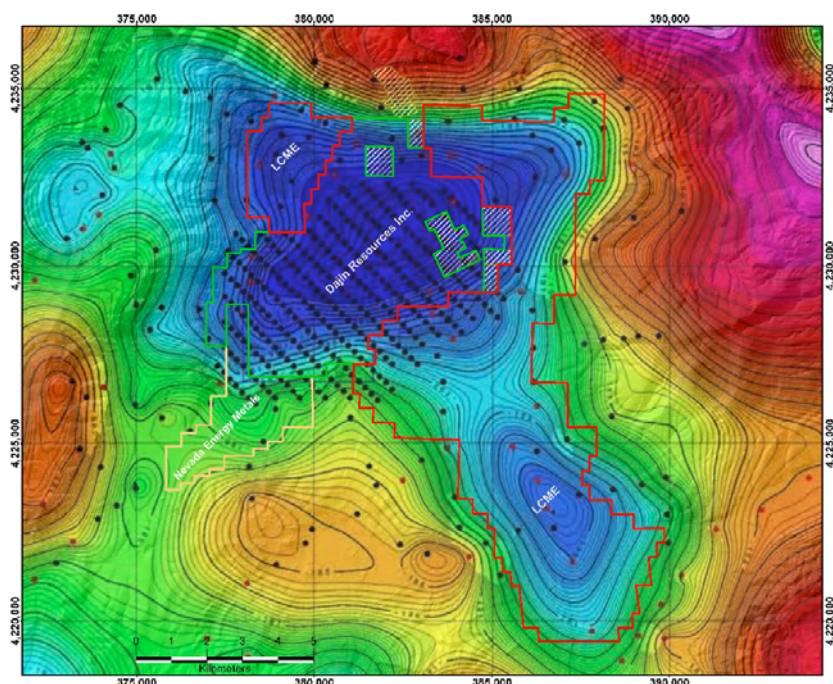
Teels Project (80% ownership interest)

The Teels Project consists of 785 placer claims, covering 16,021 acres in the Teels Marsh Basin in Mineral County, Nevada.

The gravity survey data shows that our Teels Project is in a terminal basin with evaporation appearing to be the only exit path for water in the basin, which may cause the water to become concentrated with dissolved minerals to form a brine solution.

Our Teels Project claims encircle the claims held by TSXV listed Dajin Resources Corp. ("Dajin"), over the main Teels Marsh basin and also over another sub-basin immediately south of the main Teels Marsh basin.

Figure 2: Location of the Teels Project in relation to Dajin's claims



Source: Internal Company Data

2. Australia

Yilgarn Projects (Western Australia) (100% ownership interest)

Lithium Consolidated was granted 8 Exploration Licences ("ELs") by the Western Australia Department of Mines and Petroleum, in June 2017. These ELs cover 367km² of known lithium-fertile "belts" undercover in the Yilgarn Craton in Western Australia and have potential for hard-rock lithium mineralisation.

Lithium Consolidated has executed an Agreement for Heritage Protection Over Mining Tenure with the Ngadju Native Title Aboriginal Corporation RNTBC for the ELs.

The remaining 2 Exploration License Applications overlap conservation reserves and have been referred to the Department of Parks and Wildlife for the Minister's comment and recommendation and cannot be granted until that process is finalised.

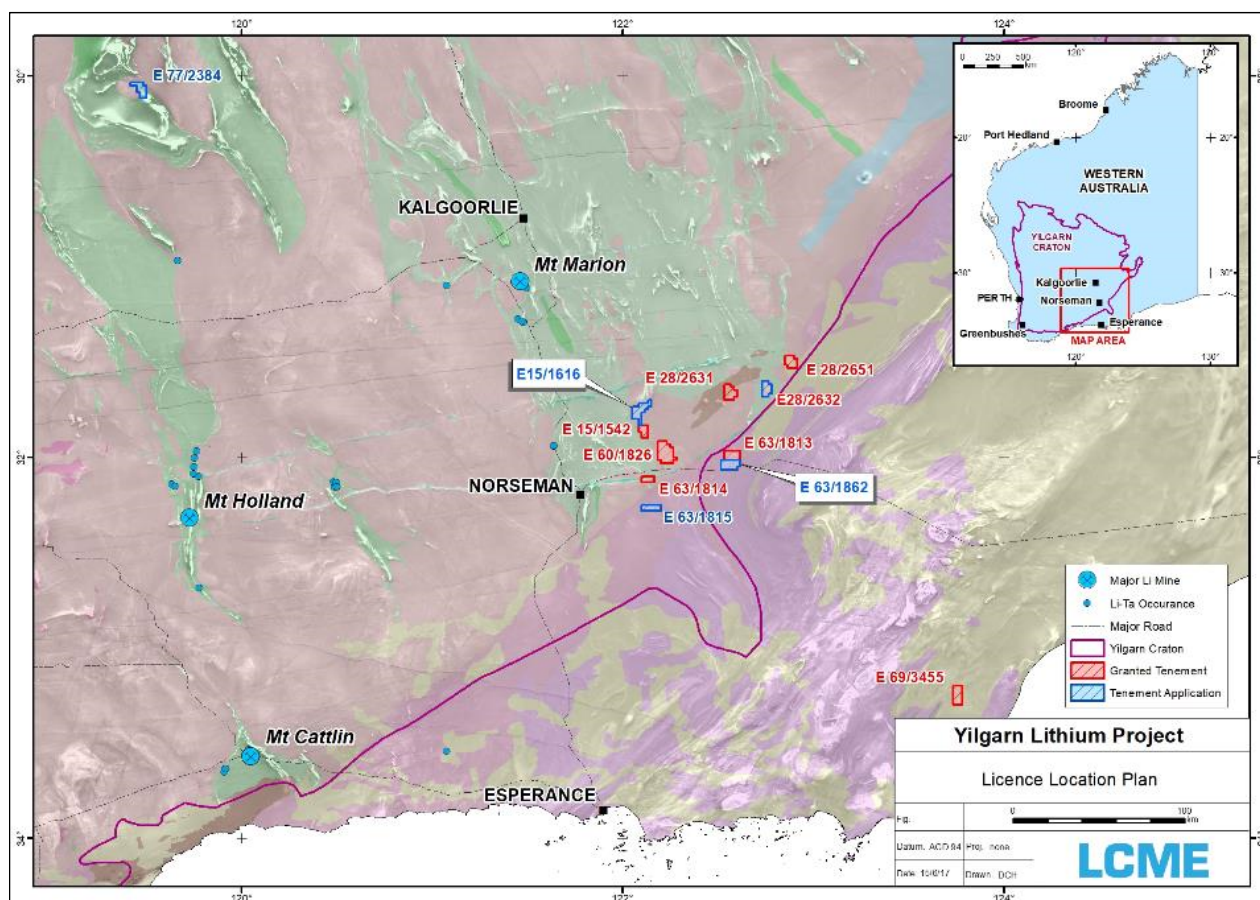
The WA hard rock lithium exploration program will commence in August 2017.

New Exploration License Applications

Lithium Consolidated applied for E 63/1862 ("Ten Mile South") and E 15/1616 ("Wanoc") Exploration Licenses, in July 2017.

These new Exploration License Applications will expand our presence over target pegmatite bodies which extend outside of our existing granted ELs.

Figure 3: Western Australia ELs and ELAs location



Eucla Projects (South Australia) (100% ownership interest)

Lithium Consolidated has 5 Exploration License Applications (“ELA”) covering 5,680 km² of the Eucla Basin in South Australia.

The Company is seeking the grant of these ELAs, subject to the requirements of the Native Title Act 1993 (Cth) (NTA). The Maralinga Tjarutja people hold native title rights over these ELAs.

Lithium Consolidated plans to commence exploration activities upon the grant of these ELAs.

3. Botswana (80% ownership interest)

Lithium Consolidated has 6 Prospecting Licences and 2 Prospecting License Applications in the Makgadikgadi Pans in north eastern Botswana.

The Makgadikgadi Basin is a large area of low relief. The Sua Pan and Ntwetwe Pan that make up the depocenter of the greater Makgadikgadi Basin have the lowest elevation in the Kalahari at 890 metres above sea level, making it the final collection point for all the rivers and streams in the basin.

The regional and local geology indicate a potential for a mineral rich brine in the Makgadikgadi Pans area.

Lithium concentration results from the only available brine samples are on the northern edge of the Sua Pan and range from negligible levels to 224mg/L of Li.

SRK has completed a technical review of the Botswana project and has recommended an initial shallow pit sampling program for further investigation of the lithium brine resource potential at the Botswana project.

This shallow pit sampling program will give a 'top of brine' geochemical signature to define areas of interest for initial drilling and a deeper sampling program.

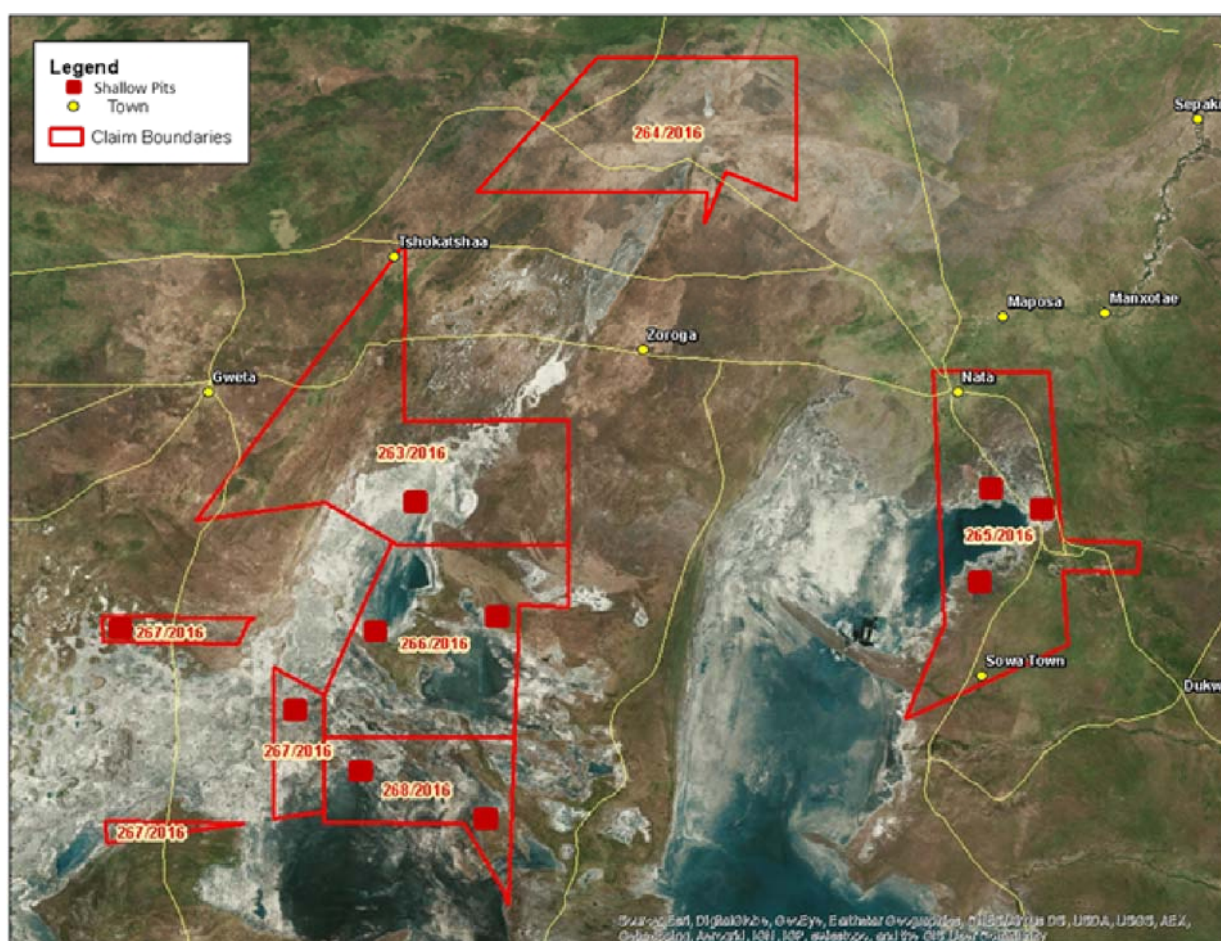
The Botswana shallow pit sampling program will commence in August 2017

Overlapping Prospecting Licences

The Department of Mines in Botswana (the "Department") have cancelled portions of Prospecting Licenses 267/2016 and 268/2016 due to what the Department have advised is the Department's mistake in issuing the same ground for the same mineral commodity to another company.

This cancellation only affects 2 of the 6 Prospecting Licences and a small part of the original Prospecting License area of 5680km².

Figure 4: Sampling Program Pit Locations (shown as 'red areas' on the map)



Source: SRK

CORPORATE

The Company continues to review corporate development opportunities as they arise.

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 89,972,122 fully paid ordinary Shares, 4.0 million unlisted Options and 7.5 million unlisted Performance Rights on issue.

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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. Lithium Consolidated 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.

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
Tonopah Lithium Project ("TLP")	1,241	80%	Nevada, USA
Teels March ("Teels")	785	80%	Nevada, USA

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
Yilgarn Project			
Bedonia	E 6301814	100%	Western Australia
Caranning	E 6301815	100%	Western Australia
Windarling	E 7702384	100%	Western Australia
Esmond	E 6903455	100%	Western Australia
Junction	E 2802631	100%	Western Australia
Snomys	E 2802632	100%	Western Australia
Ten Mile	E 6301813	100%	Western Australia
Nawoc	E 1501542	100%	Western Australia
Cool	E 2802651	100%	Western Australia
Dundas	E 6301826	100%	Western Australia
Ten Mile South	E 631862	100%	Western Australia
Wanoc	E 151616	100%	Western Australia
Eucla Basin Project			
Lake Dey Dey	2016/00127	100%	South Australia
Lake Maurice	2016/00128	100%	South Australia
Nurrari	2016/00129	100%	South Australia
Wyola North	2016/00130	100%	South Australia
Wyola South	2016/00131	100%	South Australia
Botswana Project			
-	263/2016	80%	Botswana
-	264/2016	80%	Botswana
-	265/2016	80%	Botswana
-	266/2016	80%	Botswana
-	267/2016	80%	Botswana
-	268/2016	80%	Botswana
-	269/2016	80%	Botswana
	270/2016	80%	Botswana