ASX Announcement

ASX: Li3

4 September 2017

Nevada Projects Update

- **Gravity infill data acquisition and data remodelling completed**
- **3 lithium brine trap targets identified in the southern part of TLP from the remodelled gravity data**
- **Southern part of TLP evaluated as the most prospective part of the Nevada projects**
- **Nevada claims optimisation**
- **Southern part of TLP exploration program is in progress**
- **Magnetotelluric resistivity survey to commence**

Lithium Consolidated Mineral Exploration Ltd ("Lithium Consolidated") is pleased to provide an update on the Nevada projects.

Gravity infill data survey and data remodelling completed

A gravity infill data survey has been completed over the northwest Clayton Valley basin in the southern part of TLP.

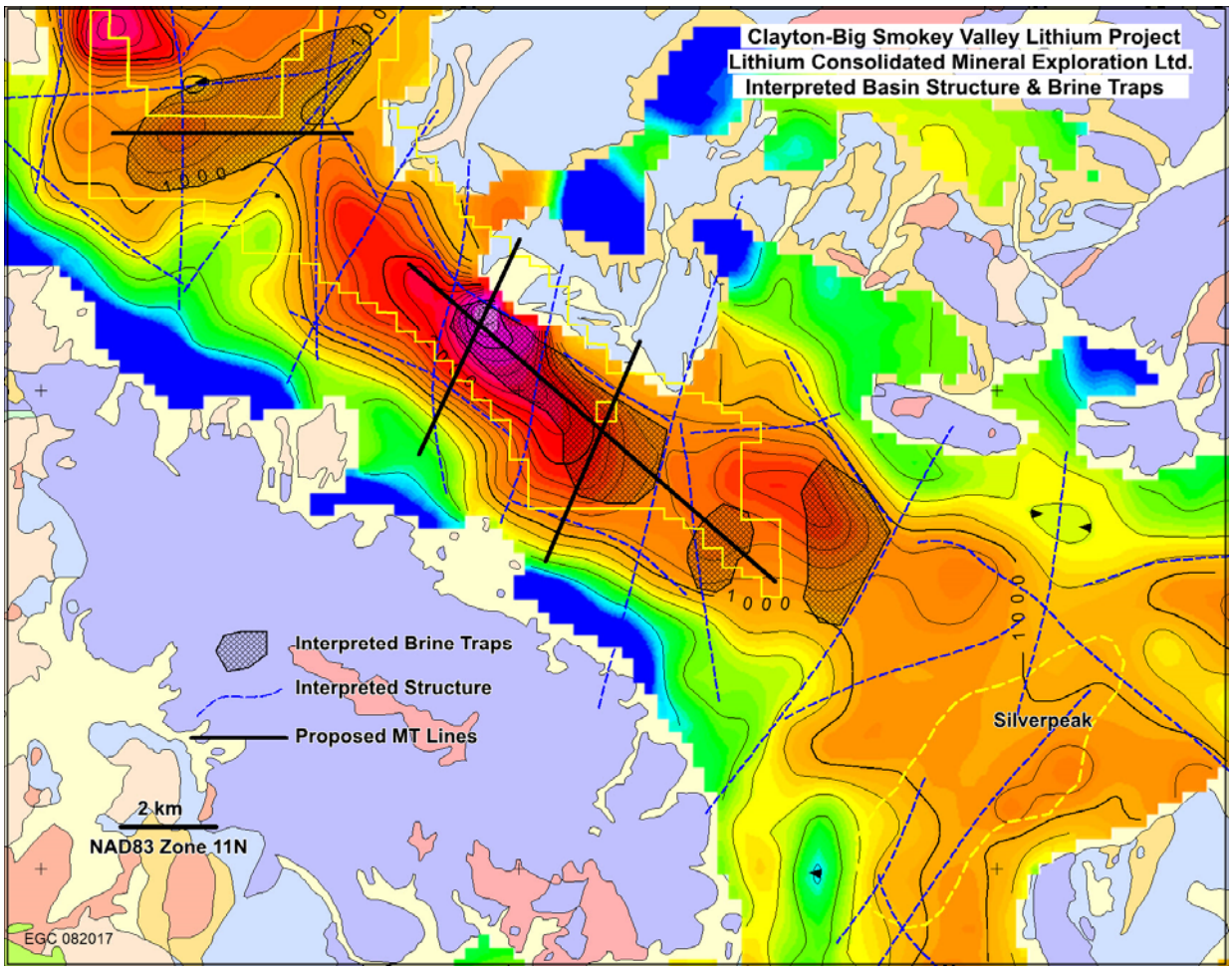
The new infill gravity data and already available gravity data sets were merged and remodelled by R.B. Ellis to create a 3D depth inversion model of the basin to define sub-basins that may be sites for lithium brine accumulation.

The 3D inversion model shows:

- northeast depth gradients crossing the northwest Clayton Valley basin caused by normal faults which define boundaries of sub-basins;
- the sub-basins are targets for traps for the concentration of lithium brine from groundwater flow from the northwest toward the Silver Peak lithium brine mine; and
- that the northwest Clayton Valley basin in the southern part of TLP has basement depths of greater than 3,000m.

3 lithium brine trap targets (see Figure 1) have been identified from the 3D inversion modelling, in the southern part of TLP and selected for follow-up magnetotelluric ("MT") resistivity survey.

Figure 1: Image of Basin Depth based on 3D Inversion Modelling



Source: Lithium Consolidated

Nevada Claims Optimisation

Lithium Consolidated has undertaken an extensive evaluation and sought an independent opinion from SRK Consulting (U.S.), Inc. ("SRK") to determine the most prospective part of the Nevada projects.

The southern part of the Tonopah Lithium Project ("TLP") has been evaluated to be the most prospective and it is the only part of the Nevada projects where we will be carrying out exploration activities in the next 12 months.

Further to our own evaluation and SRK's opinion, we have identified parts of the Nevada projects to be relinquished, based on the lower evaluated geological prospectivity and lack of exploration activity in these parts, as follows:

- the northern part of TLP; and
- the whole of the Teels project.

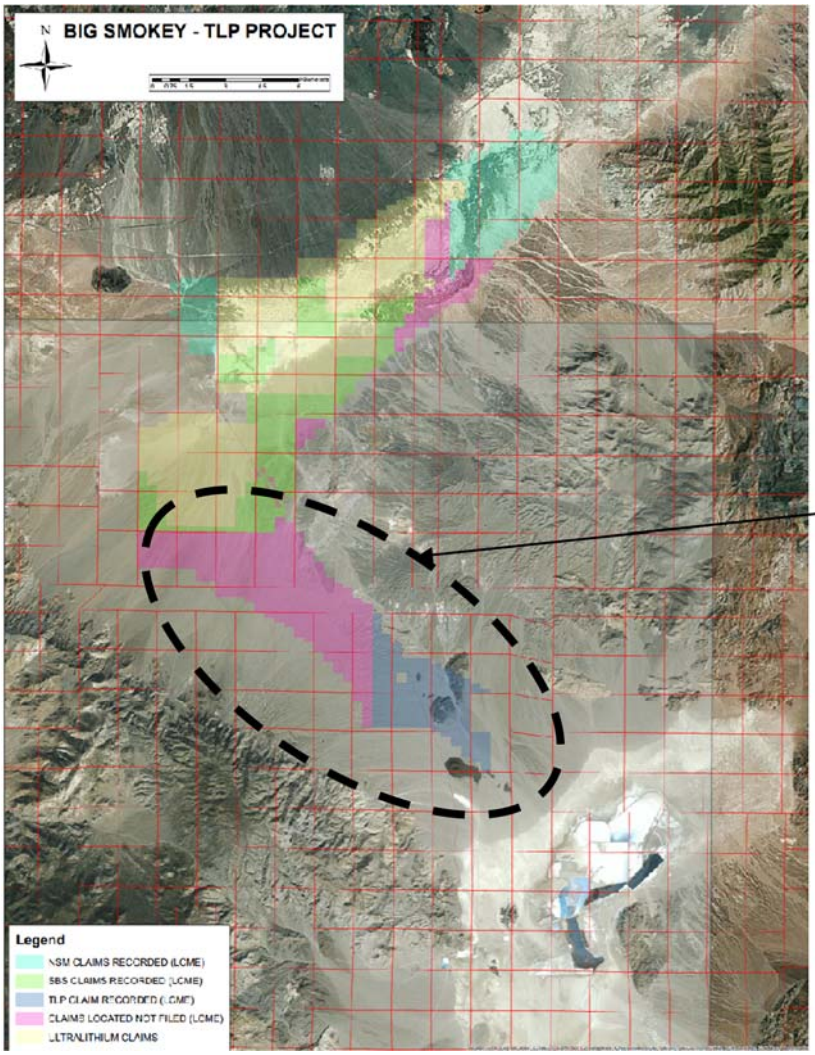
Lithium Consolidated has decided to renew the claims in the southern part of TLP (as shown in the blue and pink shaded areas on the map in Figure 2).

A total of 1,587 claims will be relinquished.

A total of 439 claims in the southern part of TLP will be renewed.

There will be a considerable saving on claims holding costs, from the claims which will be relinquished.

Figure 2: Map of TLP Claims



Source: Lithium Consolidated

Nevada Exploration Program

SRK has recommended progressing with the early-stage exploration of the southern part of TLP with the objective of discovering lithium brines.

The remodelled gravity data has been used to precisely locate the MT survey lines over the lithium brine trap targets.

The MT survey will include 4 lines covering a total of 25 line-km (see Figure 1) to define low resistivity anomalies.

The MT survey could define low resistivity anomalies potentially caused by saline ground brine solutions such as lithium brine, which tend to have lower resistivity compared to other geological formations.

2D seismic survey would be done along segments of low resistivity anomalies, to better define the lithium brine trap targets.

Zonge International has been selected as the preferred contractor for the MT survey and will complete this survey in the fourth quarter of 2017.

The geophysical surveys, including the planned MT and 2D seismic surveys and the recently remodelled gravity data will be used together to precisely locate the best sites for drilling to test the lithium brine trap targets.

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Competent Person Statement

The information in this release that relates to Exploration Results has been reviewed and approved by Max Baker, who is a Registered Member of the Australasian Institute of Mining and Metallurgy. Max Baker 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). Max Baker 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.