

31 January 2018

DECEMBER 2017 QUARTERLY REPORT

HIGHLIGHTS:

- Western Australia Phase 1 drilling program completed in December 2017
- 94 air-core holes and total 3,958m drilled
- Weathered pegmatites intersected under cover in 3 licenses
- Botswana 5-hole RAB drill program completed and sampled

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

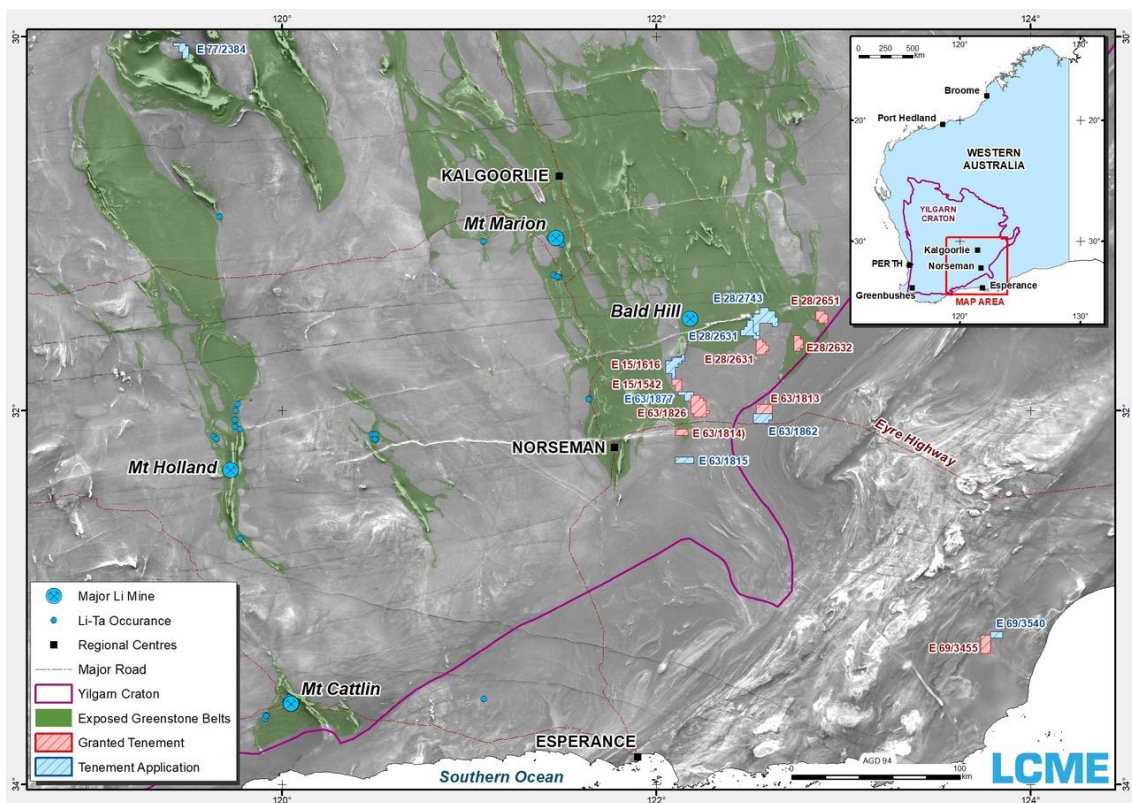
PROJECTS

1. Yilgarn Lithium Project (“YLP”), Western Australia, Australia

YLP is a hard-rock lithium project located in the Yilgarn Province of Western Australia.

YLP consists of 16 Exploration Licenses, including 8 granted Exploration Licenses and 8 pending Exploration License Applications, covering 747 km² (see Figure 1).

Figure 1: Regional Tenement Location



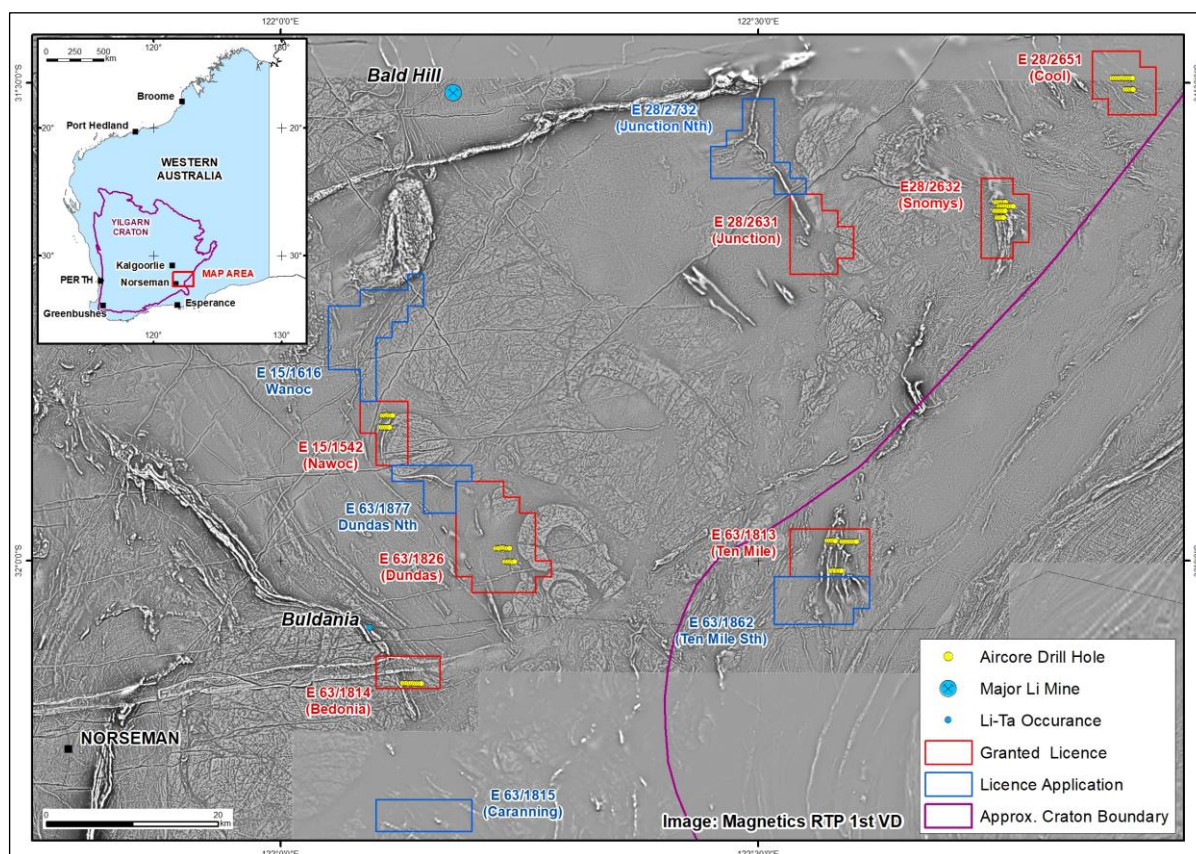
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The Phase 1 Drilling Program at YLP was completed in December 2017. 94 air-core holes were drilled for a total of 3,958m on 6 of our licenses.

The Ten Mile, Snomys, Cool, Bedonia, Dundas, and Nawoc licenses were drilled as planned. The 22 planned holes at the Junction license were not drilled due to delays from stormy weather conditions.

Figure 2: Regional Location of the Drilling



1.1. Drilling Program

1.1.1. Drill Program Parameters

The air-core drilling was a first pass exploration program designed to identify the lithium potential of the area by drilling through the barren cover rocks and sampling the underlying older, weathered Archean basement for Li-bearing pegmatites or indications of Li-bearing pegmatites in the area. As a result of this approach, all of the pegmatites intersected were strongly weathered and no spodumene was observed.

The drilling parameters were as follows:

- east-west drill traverses, with 200m spaced holes, over zones interpreted to be prospective for spodumene bearing lithium-cesium-tantalum (“LCT”) pegmatites;
- holes drilled to blade refusal;
- a number of holes were extended into the basement using a hammer drill;
- the Air-core sample piles were logged at 1m intervals; and
- the analytical samples were collected in 1m single samples and composites up to 5m, based on logged geology, and forwarded to ALS Global for multi-element analysis, including lithium and other associated elements.

Geochemical analysis will be used to determine whether the weathered pegmatites are Li-bearing.

1.1.2. Phase 1 Drill Program: observations

Pegmatites were intersected in:

- 3 holes at the Dundas license (E63/1826);
- 1 hole at the Bedonia license (E 63/1814); and
- 1 hole at the Cool license (E 28/2651).

1.1.2.1. Dundas License

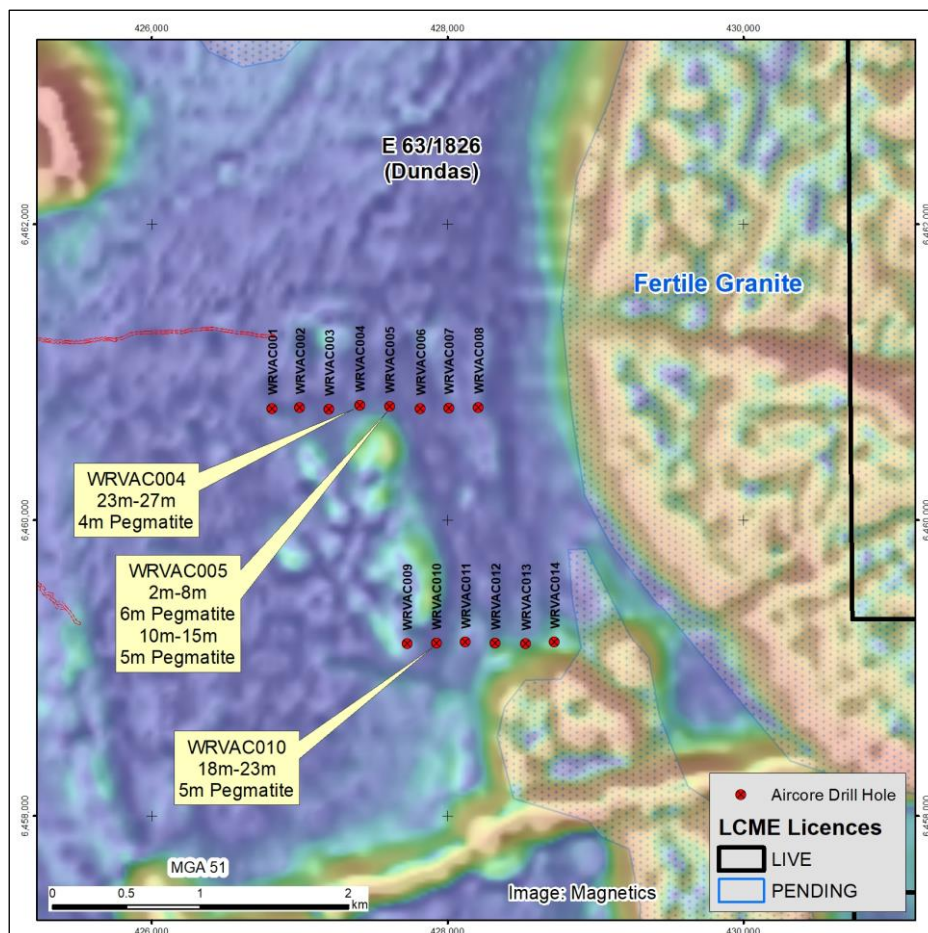
3 holes intersected pegmatites at the Dundas License (see Figure 3). On the northern drill line (see Figure 4), the drill hole WRVAC004 intersected a 4m pegmatite and the adjacent drill hole WRVAC005, 200m to the east, intersected a 6m pegmatite and 3m pegmatite for a combined 11m pegmatite intersection.

On the southern line, 1.6km to the south, WRVAC010 had a 5m pegmatite intersection from 18m.

Figure 3: Dundas license pegmatite intersections

Drill traverse line	Hole ID	Total Depth	Intersection	Thickness
North	WRVAC004	33m	23m-27m	4m
North	WRVAC005	24m	2m-8m	6m
North	Same hole as above		10m-13m	3m
South	WRVAC010	30m	18m-23m	5m

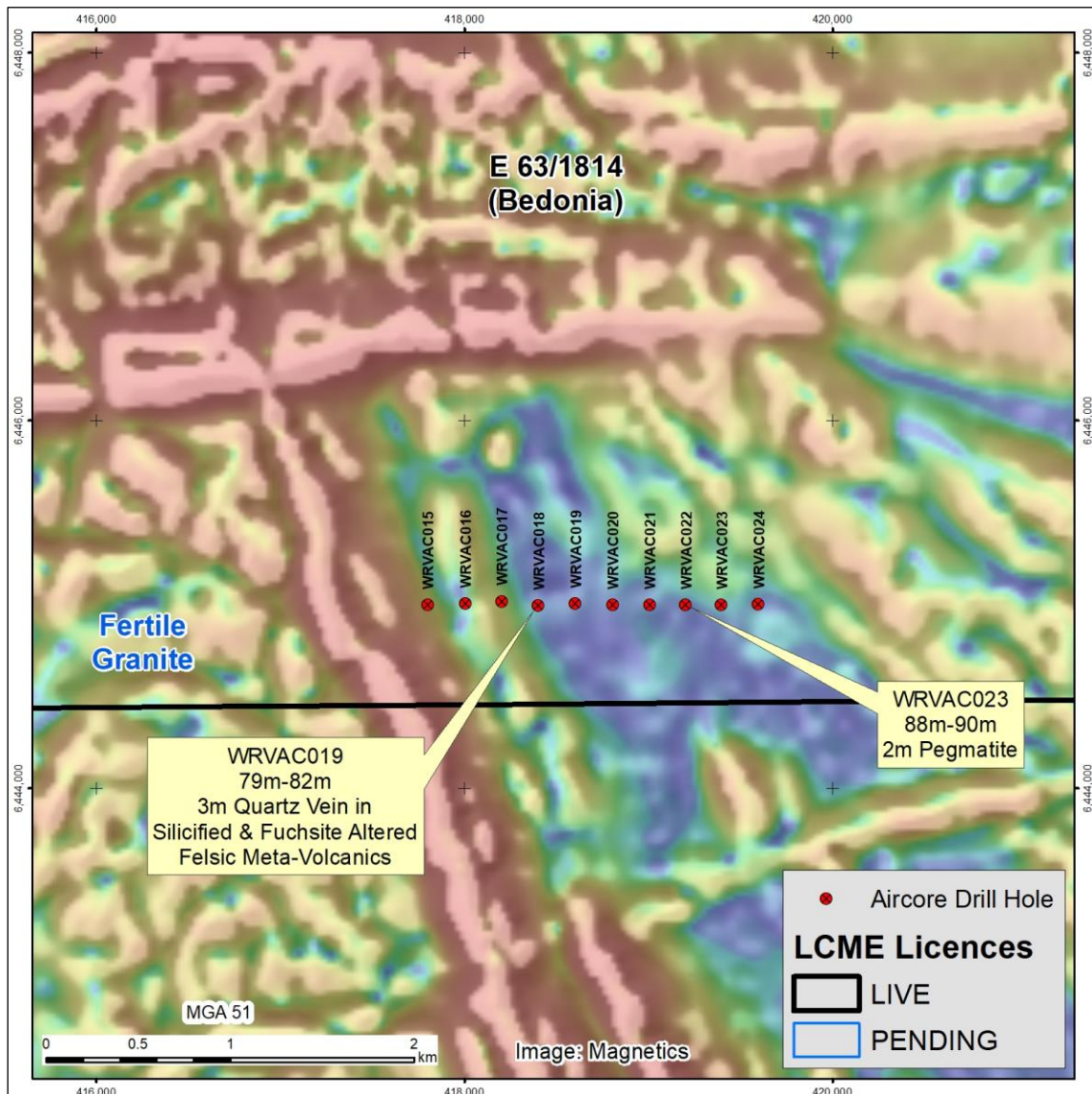
Figure 4: Dundas License drill hole locations



1.1.2.2. Bedonia License

A 2m pegmatite was intersected from 88m in WRVAC023 at the Bedonia License (see Figure 5). Drill hole WRVAC019 intersected a 3m quartz vein from 79m within sulphide bearing strongly silicified, fuchsite altered felsic volcanics which will be analyzed for gold.

Figure 5: Bedonia License drill hole locations



1.1.2.3. Cool License

A thin pegmatite vein was intersected in drill hole WRVAC039 between 35m and 36m within a chlorite schist at the Cool License.

1.2. Airborne Magnetic Survey

A detailed, 50m line spaced, airborne magnetic survey for an estimated 1,350 line-km was acquired over the remote E 69/3455 (Edmond) license. These airborne magnetic data are being processed.

1.3. New Exploration License Applications

4 new Exploration License applications have been made to expand our position over concealed pegmatite targets, which extend outside of our existing granted licenses.

The new applications include E 28/2732 (“Junction North”), E 63/1877 (“Dundas North”), E 69/3540 (“Esmond Northeast”) and E28/2743 (“Salmon”).

2. Tonopah Lithium Project (“TLP”), Nevada, USA

TLP is in the Clayton Valley, in West Central Nevada, in the United States of America.

TLP consist of 439 placer claims over an area of 8,674 acres.

There were no significant activities at TLP in the December 2017 Quarter.

3. Botswana (80% ownership interest)

A limited drilling program in northern Botswana was completed in December 2017.

The drilling was to test for the presence of lithium bearing brines.

The drilling was only done at Prospecting Licences 264/2016 and 266/2016 in the Ntwetwe Pan, in the Makgadikgadi Depression, in northern Botswana.

A total of 5 holes were drilled for a total of 338 m drilled, using a down-the-hole hammer air percussion drill. Saline waters were found in all holes, with yields as high as 60 m³/hr.

A total of 34 water samples were sent to X-LAB Earth, Johannesburg, South Africa (Pty) Ltd for assaying for major ions, including Li and B, density measurements and TDS (total dissolved solids) determinations.

4. Eucla Projects (South Australia)

LCME’s South Australian Lithium brine tenement portfolio consists of 5 Exploration License Applications which cover a total of 5,680 km² of the Eucla Basin.

The license applications have been placed over a series of partially exposed salt-bearing playa lakes (salt lakes) and their concealed extensions in the Lake Maurice area of the Eucla Basin.

The formal grant of these licenses is subject to completion of the native title process in South Australia.

There was no material activity at the Eucla Basin Project in the December 2017 Quarter.

CORPORATE

The Company continues to review 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, 5.5 million unlisted Options and 7.5 million unlisted Performance Rights on issue.

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Email: investors@lithiumconsolidated.comPlease visit us at: 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. 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.

Competent Person Statement

The information in this release that relates to the Botswana 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 extensive experience relevant to the styles of mineralisation and type of deposit under consideration. Mr Aiken is 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.

The information in this release that relates to the Yilgarn Lithium Project Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Adrian Black. Mr. Black is a director of Newexco Services Pty Ltd, an independent geological consultancy contracted by LCME. Mr Black is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results. Specifically, Mr. Black consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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")	439	80%	Nevada, USA

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
Yilgarn Project			
Bedonia	E 63/1814	100%	Western Australia
Caranning	E 63/1815	100% (Application)	Western Australia
Windarling	E 77/2384	100% (Application)	Western Australia
Esmond	E 69/3455	100%	Western Australia
Junction	E 28/2631	100%	Western Australia
Snomys	E 28/2632	100%	Western Australia
Ten Mile	E 63/1813	100%	Western Australia
Nawoc	E 15/1542	100%	Western Australia
Cool	E 28/2651	100%	Western Australia
Dundas	E 63/1826	100%	Western Australia
Ten Mile South	E 63/1862	100% (Application)	Western Australia
Wanoc	E 15/1616	100% (Application)	Western Australia
Junction North	E28/2732	100% (Application)	Western Australia
Dundas North	E63/1877	100% (Application)	Western Australia
Esmond Northeast	E69/3540	100% (Application)	Western Australia
Salmon	E28/2743	100% (Application)	Western Australia
Eucla Basin Project			
Lake Dey Dey	2016/00127	100% (Application)	South Australia
Lake Maurice	2016/00128	100% (Application)	South Australia
Nurrari	2016/00129	100% (Application)	South Australia
Wyola North	2016/00130	100% (Application)	South Australia
Wyola South	2016/00131	100% (Application)	South Australia

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
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