LITHIUM CONSOLIDATED MINERAL EXPLORATION LIMITED

ACN 612 008 358

CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017

Contents

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 Mineral Exploration Ltd 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 report 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 report that relates to the Yilgarn Lithium Project (in Western Australia) 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.

Corporate Information

Directors and Company Secretary
Mr Shanthar Pathmanathan (Managing Director)
Mr Brian Moller (Non-executive Chairman)
Mr Vincent Mascolo (Non-executive Director)

Mr Duncan Cornish (Company Secretary and CFO)

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Stock Exchange Listing
Australian Securities Exchange Ltd
ASX Code: LI3

Australian Business Number
32 612 008 358

Directors' Report

The directors submit their report on the consolidated entity ("Group") consisting of Lithium Consolidated Mineral Exploration Limited ("Company") and the entities it controlled at the end of, and during, the half-year ended 31 December 2017.

Directors

The following persons were Directors of the Company during or since the end of the financial period:
- Mr Vincent Mascolo (appointed 19 May 2016)
- Mr Shanthar Pathmanathan (appointed 13 October 2016)
- Mr Brian Moller (appointed 13 October 2016)
- Mr Jim McKerlie (appointed 2 November 2016 and resigned 17 November 2017)

Review of Operations

The Group's operating loss for the financial period, after applicable income tax was $740,712. Exploration and evaluation expenditure capitalised during the period totalled $614,115.

At 31 December 2017, the Group's net assets totalled $6,728,942 which included cash assets of $2,515,637. The movement in net assets largely resulted from the following factors:
- Operating losses of $740,712;
- Cash outflows from operating activities were $469,576.
- Cash outflows on exploration and evaluation assets were $475,191.

During the period, the Company's principal activity was lithium exploration.

Tonopah Lithium Project, Nevada, USA

The Company owns a 100% interest in LCME Holdings Inc., which has an 80% ownership interest in the Tonopah Lithium Project ("TLP") in 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.

Land Management

LCME's own evaluation of geologic potential and an independent opinion by SRK lead to a decision to relinquish the northern part of TLP and the whole of the Teels project.

A total of 1,587 claims were relinquished.

A total of 439 placer claims in the southern part of TLP ("South TLP") were retained and renewed.

Exploration

SRK completed a technical review of the Nevada projects and provided positive validation of the lithium brine resource potential at South TLP.

SRK has recommended progressing with the early-stage exploration of South TLP.

A gravity infill data survey was acquired over South TLP in August 2017.

The newly acquired infill gravity data was merged with the existing gravity data and remodelled in August 2017.

The next stage of exploration of South TLP would involve further geophysical surveys, including magnetotelluric resistivity and 2D seismic surveys to locate the best sites for drilling.

Yilgarn Lithium Project, Western Australia, Australia

The Company owns a 100% interest in West Resource Ventures Pty Ltd, which has a direct ownership interest in the Yilgarn Lithium Project ("YLP") located in the Yilgarn Province of Western 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 km^2.

The YLP Exploration Licenses are located over extensions of known lithium-fertile belts, within covered areas of Archean Yilgarn Craton which have potential for hard-rock spodumene bearing pegmatite mineralisation.

Land Management

6 new Exploration License applications were made during the half-year ending 31 December 2017, to expand our position over concealed pegmatite targets, which extend outside of our existing granted licenses.

The new applications include E 63/1862 ("Ten Mile South"), E 15/01616 ("Wanoc"), E 28/2732 ("Junction North"), E 63/1877 ("Dundas North"), E 69/3540 ("Esmond Northeast") and E28/2743 ("Salmon").

Exploration

A Phase 1 Drilling Program at YLP was completed in December 2017.

94 air-core holes were drilled for a total of 3,958m at 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.

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 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.

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).

3 holes intersected pegmatites at the Dundas License. On the northern drill line, 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 1: 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

A 2m pegmatite was intersected from 88m in WRVAC023 at the Bedonia License. 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. A thin pegmatite vein was intersected in drill hole WRVAC039 between 35m and 36m within a chlorite schist at the Cool License.

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.

Eucla Basin Project, South Australia, Australia

The Company owns a 100% interest in West Resource Ventures Pty Ltd, which has a direct ownership interest in 5 Exploration License applications which cover a total of 5,680 km^2 of the Eucla Basin in South Australia.

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 half-year ending 31 December 2017.

Botswana projects

The Company owns an 80% ownership interest in South Resource Ventures Pty Ltd, which has a direct interest in the Botswana Lithium Project ("BLP"), which consists of 6 Prospecting Licenses and 2 Prospecting License Applications in the Sua and Ntwetwe Pans in the Makgadikgadi Depression in north eastern Botswana.

Land Management

The Department of Mines in Botswana (the "Department") has cancelled portions of Prospecting Licenses 263/ 2016, 265/ 2016, 267/2016 and 268/2016, due to what the Department has advised is the Department's mistake in issuing the same ground for the same mineral commodity to another company.

The cancellations relate to 4 of the 6 Prospecting Licenses in Botswana.

Exploration

A limited drilling program on Prospecting Licences 264/2016 and 266/2016 situated over the Ntwetwe Pan, in the Makgadikgadi Depression, in northern Botswana was completed in January 2018.

The drilling program was designed to test for the presence of lithium bearing brines. 5 holes were drilled for a total of 338m using a down-the-hole hammer air percussion rig.

The drilling program was hindered by the early onset of the wet season which caused certain of the preferred drill sites to become inaccessible due to pan surfaces becoming too soft (for the drilling rig).

The Prospecting Licenses on the Sua Pan were not drilled due to certain of the preferred drill sites being affected by the partial License cancellation or the early onset of the wet season.

Highly saline groundwater was found in all the holes, with true brines (TDS >100,000 mg/l) in 3 holes.

The SRV-BH/5 hole had the strongest air lift yields of up to 60 m3/hr, as measured at the drill site.

A total of 34 water samples were submitted to X-Lab Earth Science (Pty) Ltd, in Johannesburg, South Africa.

Assay results confirmed the presence of hypersaline brines with TDS values up to a maximum of 150,000 mg/l and conductivities up to 163,000 µS/cm.

4 samples recorded lithium values in excess of 1.0 mg/ L with the highest being 4.1 mg/L.

Corporate

Lithium Consolidated Mineral Exploration Ltd is an Australian incorporated company that was incorporated as a proprietary company limited by shares on 16 April 2016. It converted to a public company on 18 November 2016.

On 8 November 2016 the Company lodged a prospectus with the Australian Securities and Investments Commission seeking a listing on the ASX and an Initial Public Offering ("IPO") to raise between $8.0 million to $9.0 million. The Company issued first, second and third supplementary prospectuses dated 12 December, 2016, 12 January 2017 and 27 January 2017 respectively, before lodging a further 'refresh' prospectus on 3 February 2017 ("Supplementary Prospectuses"). The main outcome of these Supplementary Prospectuses was to change the proposed IPO raising from $5.0million to $8.0million and extend the IPO closing date to 6 March 2017.

The Company successfully met all the conditions required to list on the ASX, listing on 27 March 2017, raising $5,321,299.

The Group continues to review opportunities as they arise.

Subsequent Events

No other material events or circumstances have arisen since the balance date.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included in this financial report.

Signed in accordance with a resolution of the Board of Directors.

Shanthar Pathmanathan
Director

7 March 2018
Brisbane

Auditor's Independence Declraation

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DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF LITHIUM CONSOLIDATED MINERAL EXPLORATION LIMITED

As lead auditor for the review of Lithium Consolidated Mineral Exploration Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lithium Consolidated Mineral Exploration Limited and the entities it controlled during the period.

T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 7 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2017

	Note	31 Dec 2017 $	31 Dec 2016 $
Revenue		27,241	-
Corporate and administrative expenses	2	(598,012)	(511,373)
Tenement acquisition expenses		-	(58,945)
Foreign exchange loss		(18,973)	(18,922)
Share-based payments	10	(150,968)	(186,944)
Loss before income tax expense		(740,712)	(776,184)
Income tax expense		-	-
Loss for the period		**(740,712)**	**(776,184)**
Other comprehensive income			
Other comprehensive income/(loss) for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		**(740,712)**	**(776,184)**
Loss for the period attributable to:			
Owners of the parent company		(740,656)	(776,182)
Non-controlling interests		(56)	(2)
		(740,712)	**(776,184)**
Total comprehensive income for the period attributable to:			
Owners of the parent company		(740,656)	(776,182)
Non-controlling interests		(56)	(2)
		(740,712)	**(776,184)**
Loss per share attributable to owners of the parent company		**Cents**	**Cents**
Basic and diluted earnings per share		**(0.82)**	**(1.77)**

The accompanying notes form part of this financial statement.

Consolidated Statement of Financial Position as at 31 December 2017

	Note	31 Dec 2017 $	30 June 2017 $
CURRENT ASSETS			
Cash and cash equivalents		2,515,637	3,480,927
Trade and other receivables		474,223	552,592
Other current assets		825	3,667
Total Current Assets		2,990,685	4,037,186
NON-CURRENT ASSETS			
Exploration and evaluation assets	3	4,065,755	3,451,640
Total Non-Current Assets		4,065,755	3,451,640
TOTAL ASSETS		7,056,440	7,488,826
CURRENT LIABILITIES			
Trade and other payables	4	327,498	104,403
Total Current Liabilities		327,498	104,403
TOTAL LIABILITIES		327,498	104,403
NET ASSETS		**6,728,942**	**7,384,423**
EQUITY			
Issued capital	9	8,879,907	8,945,644
Reserves		543,402	392,434
Accumulated losses		(2,694,305)	(1,953,649)
Equity attributable to owners of the parent company		6,729,004	7,384,429
Non-controlling interests		(62)	(6)
TOTAL EQUITY		**6,728,942**	**7,384,423**

The accompanying notes form part of this financial statement.

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2017

		Attributable to Owners of Parent Company					
	Note	Issued Capital	Accumulated Losses	Share-Based Payments Reserve	Total	Non-controlling Interests	Total Equity
		$	$	$	$	$	$
Balance at 1 July 2016		**930,001**	**(457,218)**	**141,510**	**614,293**	**(6,705)**	**607,588**
Loss for the period		-	(776,182)	-	**(776,182)**	(2)	**(776,184)**
Acquisition of non-controlling interests		-	(306,705)	-	**(306,705)**	6,705	**(300,000)**
Total comprehensive income		**-**	**(1,082,887)**	**-**	**(1,082,887)**	**6,703**	**(1,076,184)**
Issue of shares	9	1,344,063	-	-	**1,344,063**	-	**1,344,063**
Issue of shares to non-controlling interests		-	-	-	**-**	2	**2**
Share-based payments	10	52,500	-	134,444	**186,944**	-	**186,944**
Share issue costs	9	(26,500)	-	-	**(26,500)**	-	**(26,500)**
Balance at 31 December 2016		**2,300,064**	**(1,540,105)**	**275,954**	**1,035,913**	**-**	**1,035,913**
Balance at 1 July 2017		**8,945,644**	**(1,953,649)**	**392,434**	**7,384,429**	**(6)**	**7,384,423**
Loss for the period		-	(740,656)	-	**(740,656)**	(56)	**(740,712)**
Total comprehensive income		**-**	**(740,656)**	**-**	**(740,656)**	**(56)**	**(740,712)**
Issue of shares		-	-	-	**-**	-	**-**
Share-based payments	10	-	-	150,968	**150,968**	-	**150,968**
Share issue costs	9	(65,737)	-	-	**(65,737)**	-	**(65,737)**
Balance at 31 December 2017		**8,879,907**	**(2,694,305)**	**543,402**	**6,729,004**	**(62)**	**6,728,942**

The accompanying notes form part of this financial statement.

Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2017

	31 December 2017 $	31 December 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Other receipts	86,247	(54,460)
Interest received	19,363	
Payments to suppliers and employees	(575,186)	(456,757)
Net cash used in operating activities	**(469,576)**	**(511,217)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(475,191)	(386,750)
Net cash used in investing activities	**(475,191)**	**(386,750)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,017,562
Payments for (IPO) share issue costs	(20,523)	(198,502)
Net cash provided by/(used in) financing activities	**(20,523)**	**819,060**
Net increase/(decrease) in cash held	(965,290)	(78,907)
Cash at Beginning of Period	3,480,927	262,518
Cash at End of Period	**2,515,637**	**183,611**

The accompanying notes form part of this financial statement.

Notes to the Financial Statements for the Half -Year Ended 31 December 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". The historical cost basis has been used.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Lithium Consolidated Mineral Exploration Limited (the "Company") and its controlled entities (together the "Group") as at 30 June 2017, together with public announcements made by the Company during the interim period in accordance with its continuous disclosure obligations.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2017 Annual Report. There has been no new or revised Australian Accounting Standards issued by the AASB that materially affected the Company in the current period.

The fair values of financial assets and financial liabilities approximate their carrying values due to their short-term nature.

Share Capital Costs

Costs incurred in issuing own equity instruments are to be accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs incurred by the Company for the intended issue of equity instruments have been capitalised and recorded as prepayments in the Statement of Financial Position until such time as the equity is raised and they can be accounted for as a deduction from equity.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. For the half-year ended 31 December 2017 the Group generated a consolidated loss of $740,712 and incurred operating cash outflows of $469,576. As at 31 December 2017 the Group has cash and cash equivalents of $2,515,637 and net assets of $6,728,942.

NOTE 2: RESULTS FOR THE PERIOD

	31 Dec 2017 $	31 Dec 2016 $
The following (corporate and administration) expense items are relevant in explaining the financial performance for the interim period:		
ASX, ASIC, share registry expenses	49,629	2,948
Audit and external accounting fees	18,654	11,436
Business development and investor relations	17,527	87,593
Consulting fees	55,000	118,391
Depreciation	-	345
Employee benefits expense comprises:		
Salaries, wages and superannuation	95,000	-
Directors and senior management fees	155,170	117,500
Provision for leave entitlement	7,625	-
Insurance	40,350	72,737
Legal fees	77,283	75,765
Travel expenses	18,058	70,093

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 Dec 2017 $	30 June 2017 $
Exploration and evaluation expenditure carried forward in respect of the areas of interest are:		
Exploration and evaluation expenditure	4,065,755	3,451,640
Movement in exploration and evaluation assets:		
Opening balance – at cost	3,451,640	353,788
Option fee paid to acquire tenements	-	2,500,000
Capitalised exploration expenditure	614,115	597,852
Total exploration and evaluation expenditure	4,065,755	3,451,640
Carrying amount at the end of period	**4,065,755**	**3,451,640**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively through the sale of the areas of interest.

NOTE 4: TRADE AND OTHER PAYABLES

	31 Dec 2017 $	30 June 2017 $
Current:		
Trade payables and accrued expenses	316,536	101,066
Short term employee benefits	10,962	3,337
Total payables (unsecured)	**327,498**	**104,403**

NOTE 5: COMMITMENTS

(a) Exploration Commitments

The Group has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The following commitments exist at balance date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Group has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

	31 Dec 2017 $	30 June 2017 $
Not later than 1 year	172,000	172,000
Later than 1 year but not later than 5 years	860,000	688,000
Later than 5 years	-	-
Total commitment	**1,032,000**	**860,000**

(b) Operating Lease Commitments

The Group has no operating leases.

(c) Capital Commitments

The Group has no capital commitments.

NOTE 6: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the reporting period.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to reporting date that required disclosure in this financial report.

NOTE 8: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geographical locations as these locations have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are similar with respect to any external regulatory requirements.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(d) Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Derivatives
- Net gains on disposal of available-for-sale investments
- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities
- Intangible assets
- Discontinuing operations

NOTE 8 OPERATING SEGMENTS (Continued)

(e) Segment performance

	USA $	Australia $	Botswana $	All Other Segments $	Total $
31 December 2017					
REVENUE					
Interest revenue	-	-	-	-	-
Total segment revenue	**-**	**-**	**-**	**-**	**-**
Reconciliation of segment revenue to Group revenue					
Total Group revenue				**27,241**	**27,241**
Reconciliation of segment result of Group net loss after tax					
Segment net loss before tax	**(10,139)**	**-**	**(12,749)**		**(22,888)**
Amounts not included in segment result but reviewed by Board					
- Corporate charges				(717,824)	(717,824)
- Depreciation and amortisation				**-**	**-**
Net Loss after tax from continuing operations					**(740,712)**

NOTE 8 OPERATING SEGMENTS (Continued)

(e) Segment performance (Continued)

	USA $	Australia $	Botswana $	All Other Segments $	Total $
31 December 2016					
REVENUE					
Interest revenue	-	-	-	-	-
Total segment revenue	**-**	**-**	**-**	**-**	**-**
Reconciliation of segment revenue to Group revenue					
Total Group revenue				**-**	**-**
Reconciliation of segment result of Group net loss after tax					
Segment net loss before tax	**(95,432)**	**-**	**(3,167)**	**-**	**(98,599)**
Amounts not included in segment result but reviewed by Board					
- Corporate charges				(677,585)	(677,585)
- Depreciation and amortisation				**-**	**-**
Net Loss after tax from continuing operations					**(776,184)**

(f) Segment assets

	USA $	Australia $	Botswana $	All Other Segments $	Total $
31 December 2017					
Reconciliation of segment assets to Group assets					
Segment Assets	3,669,590	370,356	25,808	-	4,065,755
Unallocated Assets					
- Corporate				2,990,685	2,990,685
Total Group Assets					**7,056,440**
Segment Asset Increases (Decreases)					
Capitalised expenditure for the period					
- Exploration and Other	217,951	370,356	25,808	-	614,115
	217,951	**370,356**	**25,808**	**-**	**614,115**

NOTE 8 OPERATING SEGMENTS (Continued)

(f) Segment assets (Continued)

	USA $	Australia $	Botswana $	All Other Segments $	Total $
30 June 2017					
Reconciliation of segment assets to Group assets					
Segment Assets	3,451,640	-	-	-	3,451,640
Unallocated Assets					
- Corporate				4,037,186	4,037,186
Total Group Assets					**7,488,826**
Segment Asset Increases (Decreases)					
Capitalised expenditure for the period					
- Exploration and Other	3,097,851	-	-	-	3,097,851
	3,097,851	**-**	**-**	**-**	**3,097,851**

(g) Segment liabilities

	USA $	Australia $	Botswana $	All Other Segments $	Total $
31 December 2017					
Reconciliation of segment liabilities to group liabilities	-	158,925	1,233	-	160,158
Unallocated Liabilities					
- Corporate				167,340	167,340
Total Group Liabilities	**-**	**158,925**	**1,233**	**167,340**	**327,498**
30 June 2017					
Reconciliation of segment liabilities to group liabilities	26,181	275	-	-	26,456
Unallocated Liabilities					
- Corporate				77,947	77,947
Total Group Liabilities	**26,181**	**275**	**-**	**77,947**	**104,403**

NOTE 9: ISSUED CAPITAL

	31 Dec 2017 $	31 Dec 2016 $
(a) Issued and paid up capital		
Ordinary shares fully paid	10,057,863	940,001
Share issue costs	(1,177,956)	(10,000)
	8,879,907	930,001

Ordinary shares participate in dividends and the proceeds on winding up the Company. At shareholder meetings, each ordinary share is entitled to one vote when a poll is called. Otherwise each shareholder has one vote on show of hands.

	31 Dec 2017		31 Dec 2016	
	Number of shares	$	Number of shares	$
Opening balance as at 1 July	89,972,122	8,945,644	37,400,000	930,001
Shares issued: 18 August 2016 (1)	-	-	750,000	75,000
23 August 2016 (2)	-	-	127,500	12,750
20 September 2016 (3)	-	-	2,100,000	210,000
5 October 2016 (4)	-	-	3,000,000	300,000
11 October 2016 (5)	-	-	3,388,128	338,813
17 October 2016 (6)	-	-	500,000	50,000
31 October 2016 (7)	-	-	4,100,000	410,000
	89,972,122	8,945,644	51,365,628	2,326,564
Total transaction costs associated with share issues	-	(65,737)	-	(26,500)
Closing Balance as at 31 December	**89,972,122**	**8,879,907**	**51,365,628**	**2,300,064**

Notes for the above table, relating to the half-year ended 31 December 2016, are

1. Issued at $0.10 each, pursuant to a private placement.
2. 75,000 shares Issued at no consideration, pursuant to a board resolution to advisors of the Company for corporate services rendered. Valued at $0.10 each, being the latest share issue price. Refer to Note 11 for details of share based payments.
   52,500 shares Issued at no consideration, pursuant to a board resolution to advisors of the Company for capital raising services rendered. Valued at $0.10 each, being the latest share issue price.
3. 2,000,000 shares issued at $0.10 each, pursuant to a private placement.
   A further 100,000 issued at no consideration, pursuant to a board resolution to advisors of the Company for corporate services rendered. Valued at $0.10 each, being the latest share issue price. Refer to Note 11 for details of share based payments.
4. Issued as consideration for the acquisition of (the final) 30% interest in West Resource Ventures Pty Ltd. Valued at $0.10 each, being the latest share issue price.
5. 3,175,628 shares issued at $0.10 each, pursuant to a private placement.
   A further 212,500 issued at no consideration, pursuant to a board resolution to advisors of the Company for capital raising services rendered. Valued at $0.10 each, being the latest share issue price.
6. 3,750,000 shares issued at $0.10 each, pursuant to a private placement.
   A further 350,000 issued at no consideration, pursuant to a board resolution to advisors of the Company for corporate services rendered. Valued at $0.10 each, being the latest share issue price. Refer to Note 11 for details of share based payments.
7. Issued at $0.10 each, pursuant to a private placement.

NOTE 9: ISSUED CAPITAL (continued)

	Note	31 Dec 2017 Number	31 Dec 2016 Number
(b) Options			
Unlisted Share Options		5,500,000	4,000,000
Balance at the beginning of the reporting period		4,000,000	3,000,000
Options issued during the period:			
Issued to consultant/s	11	1,500,000	1,000,000
Balance at the end of the reporting period		5,500,000	4,000,000
(c) Performance Rights			
Unlisted Performance Rights		7,500,000	7,500,000
Balance at the beginning of the reporting period		7,500,000	-
Performance Rights issued during the period:			
Issued to directors and consultants	11	-	7,500,000
Balance at the end of the reporting period		7,500,000	7,500,000

NOTE 10: SHARE BASED PAYMENTS

Share based payment expense recognised during the period:

	31 Dec2017 $	31 Dec2016 $
Share based payment expense recognised during the period:		
Shares issued to advisors (1)	-	52,500
Options revaluation (2)	-	42,840
Options issued to a consultant (3)	-	50,580
Performance Rights issued to directors (4)	-	32,915
Performance Rights issued to consultants (4)	97,868	8,109
Options issued to consultants (5)	53,100	-
	150,968	**186,944**

Notes for the above table, relating to the half-years ended 31 December 2017 and 31 December 2016, are:

1. 525,000 shares were issued to various advisors for the services they provided. The shares were valued at $0.10 per share, being the latest capital raising price at the relevant dates of issue.

2. The expiry dates on 3,000,000 options previously issued to a director and advisors (on 17 May 2016) were extended from 1 December 2017 to 1 January 2019. This resulted in an adjustment to the fair value of the options of (an increase of) $42,840.

NOTE 10: SHARE BASED PAYMENTS (continued)

3. 1 million options were granted to a consultant. The options vested on grant date and expire on 31 December 2019.

   The weighted average fair value of options granted during the period was 5.06 cents. The fair values at grant date were determined by using a Black-Scholes option pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, the impact of dilution, the fact that the options are not tradeable. The inputs used for the Black-Scholes option pricing model for options granted during the half year ended 31 December 2016 were as follows:

   - grant dates: 13 October 2016
   - share price at grant date: 10 cents
   - exercise prices: 20 cents
   - expected volatility: 100%
   - expected dividend yield: nil
   - risk free rate: 1.72%

4. 7.5 million performance rights which have various vesting conditions, performance hurdles and expiry dates were granted to directors and consultants. The weighted average fair value of performance rights granted during the December 2016 half year was 9.04 cents. The fair values at grant date were determined by an independent valuator taking into account the share price at grant date, expected volatility, vesting conditions, expiry dates, expected dividends, the risk free rate, the impact of dilution and the fact that the performance rights are not tradeable. The values are spread over future accounting periods based on the various vesting periods.

5. 1.5 million options were granted to consultants. The options vested on grant date and expire on 30 June 2019.

   The weighted average fair value of options granted during the period was 3.54 cents. The fair values at grant date were determined by using a Black-Scholes option pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, the impact of dilution, the fact that the options are not tradeable. The inputs used for the Black-Scholes option pricing model for options granted during the half year ended 31 December 2017 were as follows:

   - grant dates: 3 July 2017
   - share price at grant date: 9 cents
   - exercise price: 20 cents
   - expected volatility: 110.06%
   - expected dividend yield: nil
   - risk free rate: 1.752%

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Shanthar Pathmanathan
Director

7 March 2018
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lithium Consolidate Mineral Exploration Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Lithium Consolidate Mineral Exploration Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

BDO

Tim Kendall

T J Kendall
Director

Brisbane, 7 March 2018