



30 April 2018

MARCH 2018 QUARTERLY REPORT

HIGHLIGHTS:

- **Yilgarn Lithium Project Phase 1 drilling program completed**
- **Yilgarn Lithium Project Aircore drilling identifies anomalous Li and Li associated pathfinder elements in weathered basement rocks at 3 Licenses**
- **Dundas License drilling identifies a potentially large LCT pegmatite under cover and highlights a prospective 35km long corridor**
- **Botswana drilling program completed**

Lithium Consolidated Mineral Exploration Limited (ASX: LI3) (“Lithium Consolidated” or the “Company”) is pleased to report on activities during the March 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.

The Phase 1 drilling program at YLP was completed in December 2017 and the geochemical results were received and interpreted during the March 2018 Quarter.

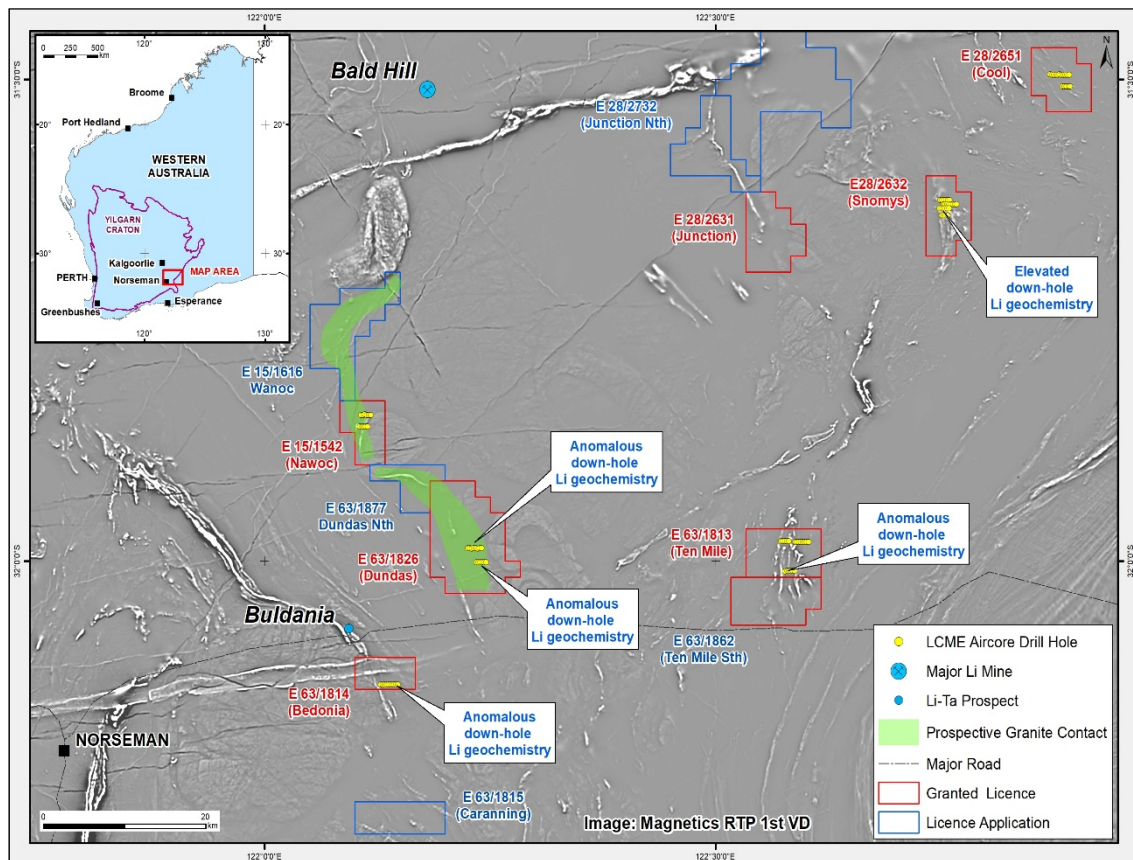
The results confirm the presence of **Lithium-Caesium-Tantalum (LCT)** pegmatites, under cover in at least 3 Licenses.

Anomalous levels of Li and associated LCT pegmatite pathfinder elements (i.e. Cs, Nb, Rb, Sn, Ta) were intersected in holes in the E63/1826 (Dundas), E63/1814 (Bedonia) and E63/1813 (Ten Mile) licenses. Elevated levels of LCT pegmatite pathfinder elements were also intersected in several holes at Snomys (see Figure 1).

Anomalous LCT pegmatite pathfinders were identified at the Dundas License in and around the intersected weathered pegmatites in both Aircore lines, approximately 1.6km apart. Airborne magnetic data used to target the Dundas area indicates that the prospective zone is open to the north and south of the current drilling.

LCME believes that the Dundas area is the southern part of a buried LCT pegmatite corridor. LCME currently holds the Licenses to the north of the current Aircore lines over an area covering approximately 40km of the prospective granite contact zone and potential LCT pegmatite corridor (see Figure 1). These Licenses have had limited previous gold exploration and until recently no lithium exploration.

Figure 1: Regional Location of the Drilling



1.1. Dundas License Drill Program: Results

Elevated to anomalous Li and LCT pegmatite pathfinders were identified under cover in highly weathered pegmatites and host meta-sediments on both lines of Aircore drilling (see Figure 2). These results indicate that the Dundas License may contain a covered LCT pegmatite swarm. Sampling at this stage was limited to the upper, highly weathered rock horizons, where the Li and associated pathfinders have been remobilised and dispersed around the LCT pegmatite source.

The Aircore geochemistry shows anomalous Li (up to 224ppm) and Cs (up to 131 ppm) in haloes around the weathered pegmatites and anomalous Ta (up to 57.2ppm), Rb (up to 1930ppm), Nb (up to 90.3ppm) and Sn (up to 35.7ppm) within the pegmatites. Li and Cs are generally more chemically mobile than elements such as Ta, Nb and Sn. Anomalous LCT pegmatite pathfinder elements in the upper parts of WRVAC004 and WRVAC008 were found to correspond to zones containing angular quartz fragments that most likely represent extremely weathered pegmatites. Figures 3 and 4 show cross-sections along the drill lines with the interpreted geology and downhole Li and Ta geochemistry.

The geochemistry indicates the potential for spodumene bearing pegmatites in the deeper fresh rock. The base of weathering was only intersected in WRVAC004 at 33m, this hole and holes WRVAC005 and WRVAC006 ended with anomalous Li values.

The LCT pegmatite zone, based on anomalous Li and pathfinders, has a potential 1.6km long strike which is open to the south and east. Pegmatite intersections on the 6460750N Aircore line suggest the zone has a width of at least 200m. The drilling results suggest that the identified pegmatite has an apparent shallow dip of 3° to the west and an apparent thickness between 3.5m to 12m and that the weathered cover is shallow, varying between 20m – 40m (see Figure 3).

Dundas is located 15km NE, on the opposite granite contact, from the Buldania prospect where Liontown Resources Limited's recent deep RC drilling has intersected wide mineralised Li intervals in partial covered LCT pegmatites.

Figure 2: Dundas License drill hole locations

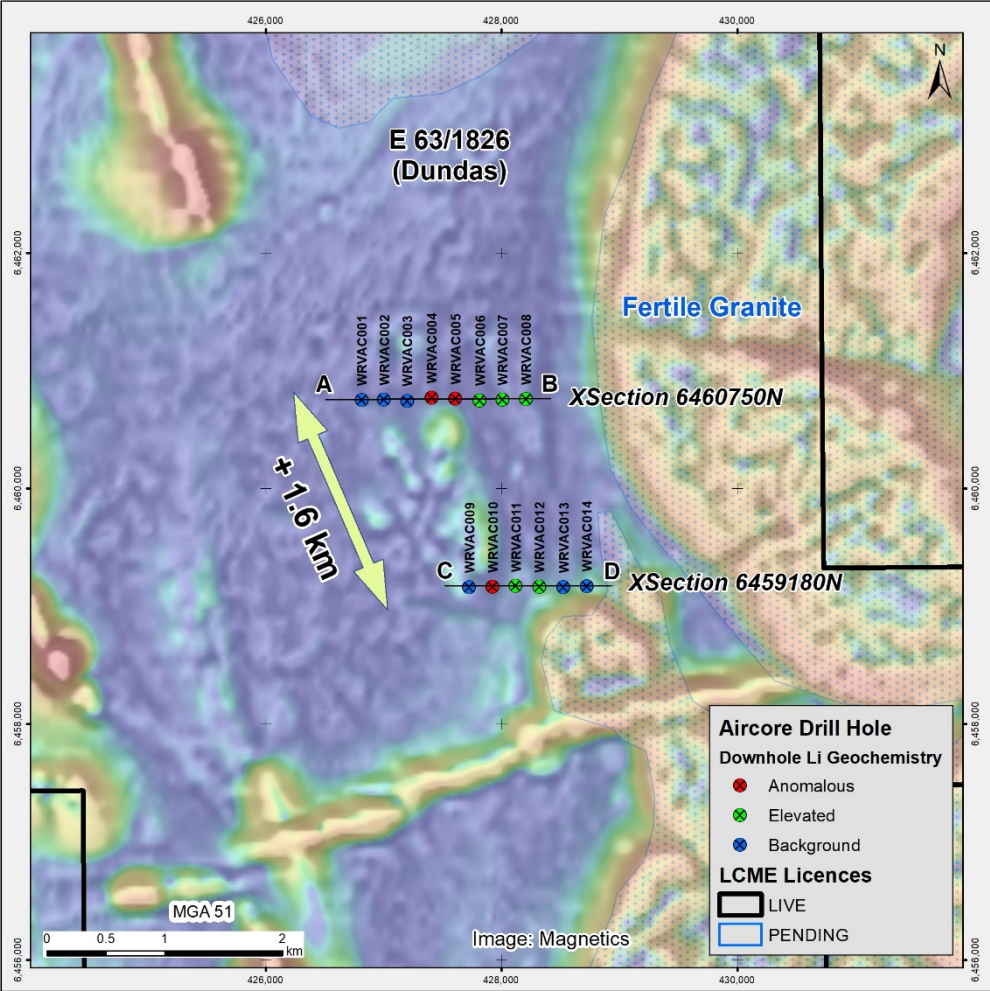


Figure 3: Dundas Cross section 6460750N

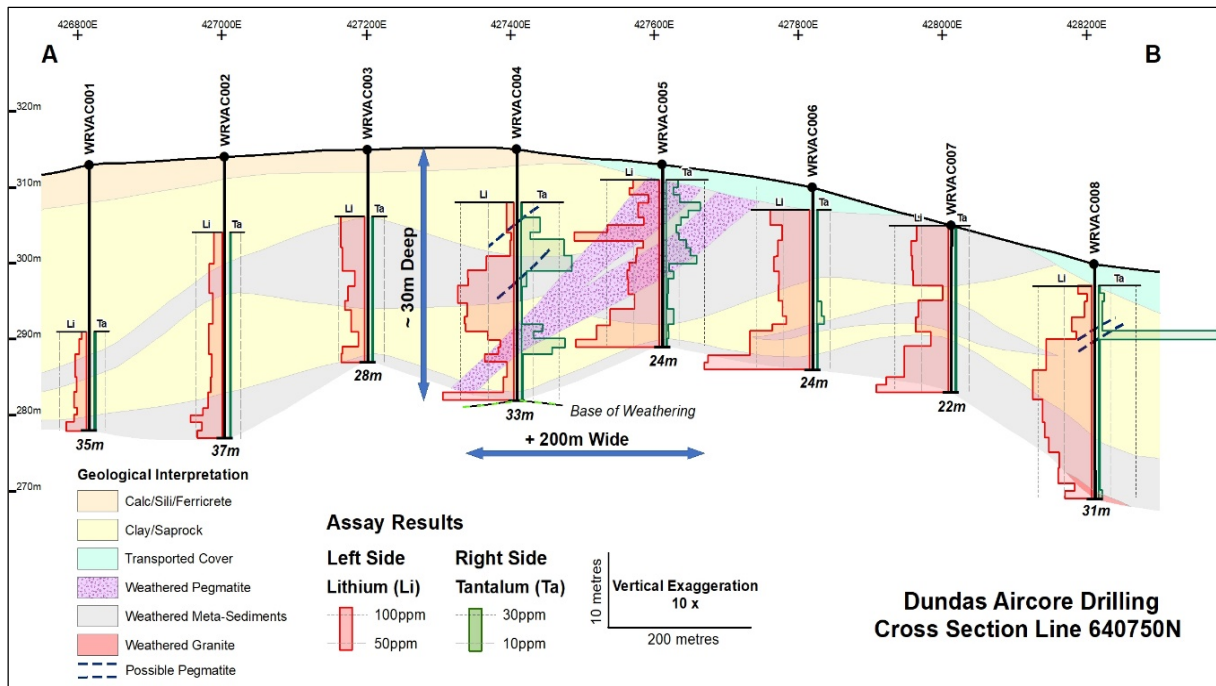
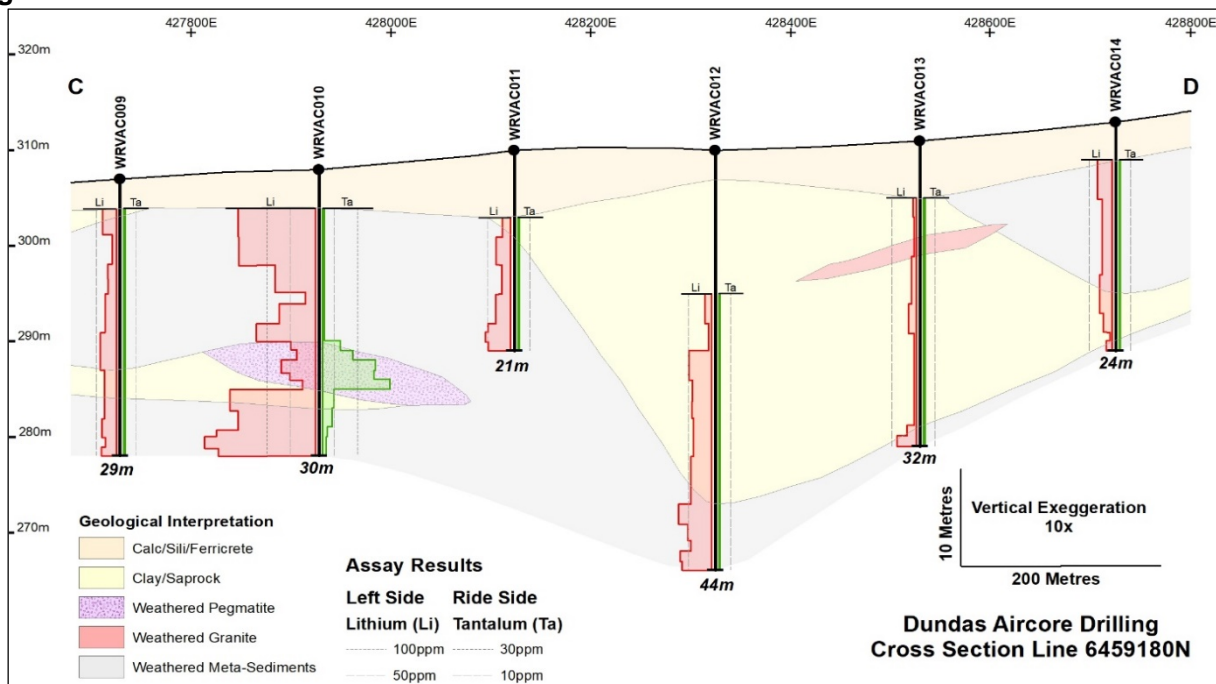


Figure 4: Dundas Cross section 6459180N



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 March 2018 Quarter.

3. Botswana (80% ownership interest)

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

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

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 $\mu\text{S}/\text{cm}$.

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

These lithium values are very low and not indicative of a viable target for further work in that area.

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 March 2018 Quarter.

CORPORATE

The Company continues to assess new opportunities in the lithium exploration sector.

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 90,172,122 fully paid ordinary Shares, 5.5 million unlisted Options and 6.7 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.

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 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 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
TLP	439	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
Junction North	E28/2732	100%	Western Australia
Dundas Nth	E63/1877	100%	Western Australia
Esmond NE	E69/3540	100%	Western Australia
Salmon	E28/2743	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

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
-	264/2016	80%	Botswana
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-	266/2016	80%	Botswana
-	267/2016	80%	Botswana
-	268/2016	80%	Botswana
-	269/2016	80%	Botswana
	270/2016	80%	Botswana