Li3 | Warriedar Exploration Update - Large gold anomaly identified

Lithium Consolidated Ltd (Li3) is pleased to announce that anomalous gold and indicator elements have been detected over large areas at the highly prospective Warriedar West Zone which forms part of the Company's 100% owned Warriedar Project in the Murchison region of Western Australia. Initial analysis of these results confirm the company's view that it is prospective for large scale mineralised systems.

Summary

- Large 5km x 2km gold and gold pathfinder element anomaly identified
- Adjacent to gold mineralisation and artisanal workings
- Assays received for 232 samples from reconnaissance program
- Further sampling planned to establish drill targets and extend identified zones

Activities

In February 2020 Li3 conducted a reconnaissance geochemical and geological mapping program at the company's Warriedar West Prospect within the Murchison region of Western Australia. The program was undertaken by multiple teams with sample spacing for the initial work on a 500m offset grid pattern. Sampling was done in conjunction with geological mapping utilising sophisticated digital mapping systems. Parts of the planned program were not completed due to logistical challenges associated with the outbreak of the COVID-19 virus. Also, areas of deeper than expected transported cover were encountered, which will require alternative sampling techniques such as Rotary Air Blast (RAB) drilling.

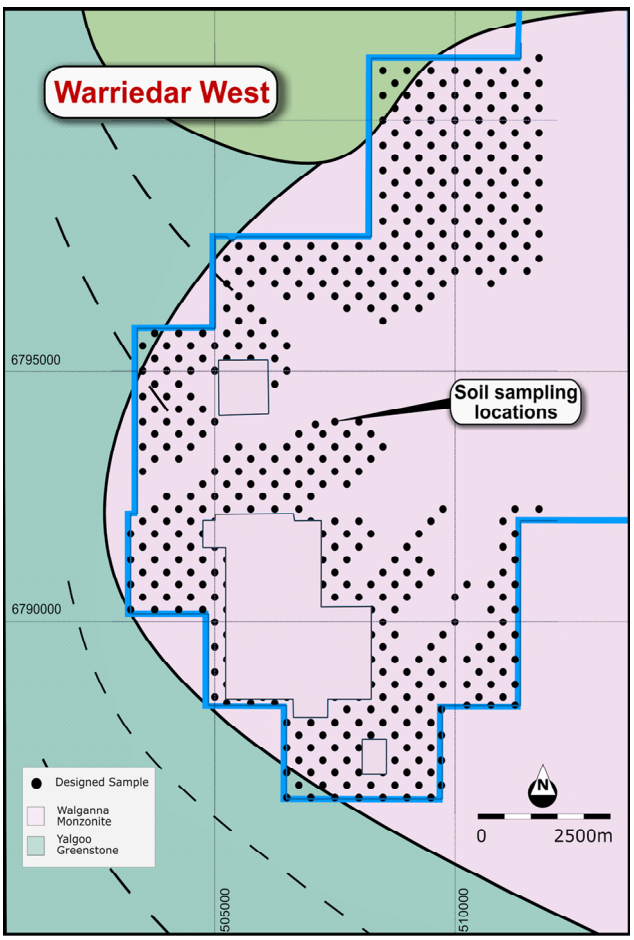

Figure 1: Schematic of planned soil sampling locations

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Project Geology

The Warriedar West prospect is a zone of porphyritic monzonite[1] with a number of known sources of gold mineralization including in-situ primary quartz veins, laterites and alluvials. These have been exploited in modern times by artisanal means.

The aim of the recent surface sampling program at the Warriedar West prospect was to obtain further insight into the geology and source of the mineralization through multi-element geochemistry. Some highlights of this work are shown below:

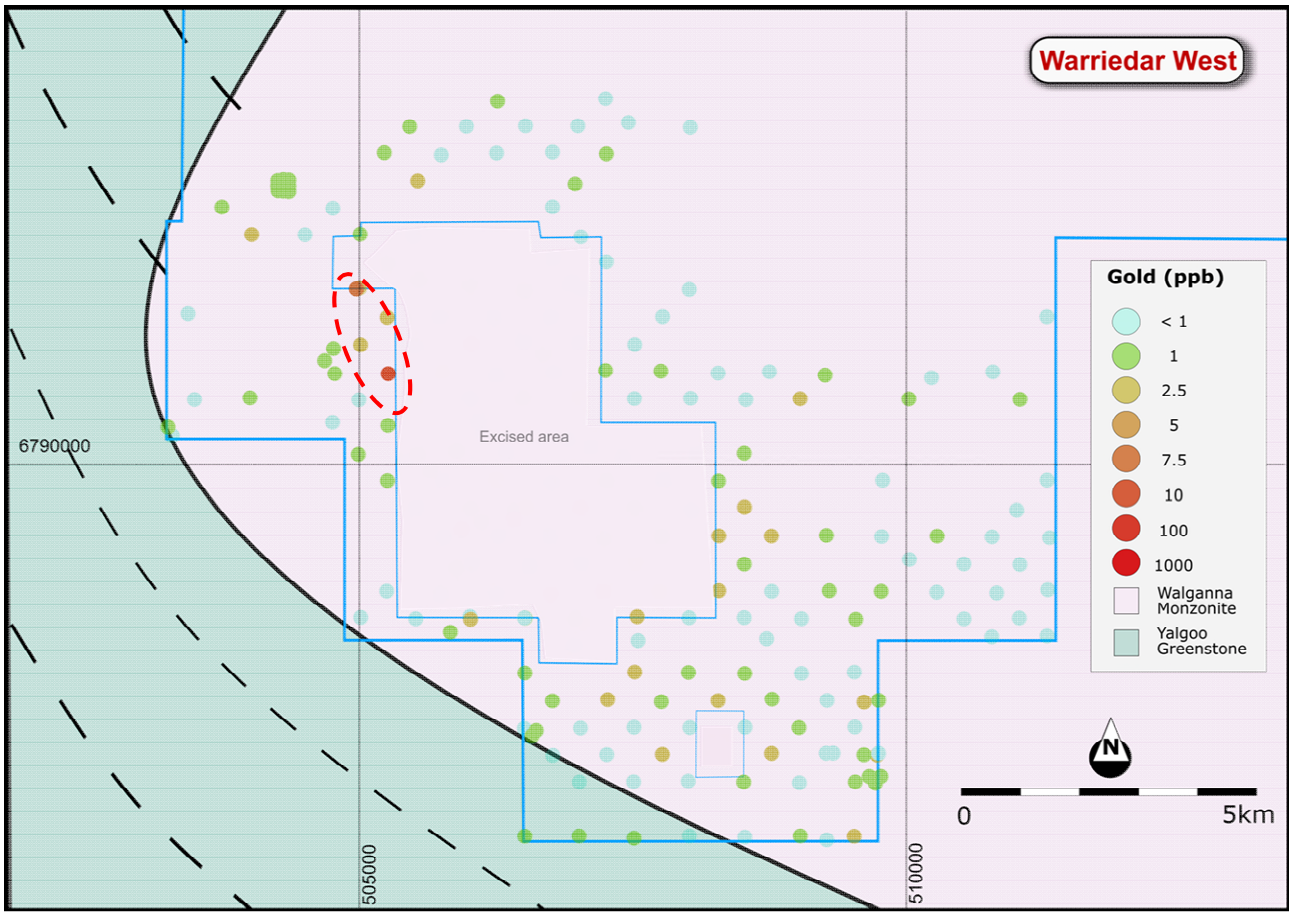

Figure 2: Sample points - Gold (ppb)

The geological model indicated by the evidence compiled by the Li3 technical team places the mineralization in that of an Intrusion Related Gold System (IRGS). Due to the relatively new classification IRGS are not widely explored for, though this is changing. Many contemporary examples of this kind of deposit include the Timbarra[4] deposit in northern New South Wales (0.5Moz Au), Kidston[5] in northern Queensland (5.3Moz Au) and the high profile Northern Star Resources Pogo Mine[6] (10Moz Au) in Alaska.

These types of deposits are often hosted within small plutons like the host rock at Warriedar (the Walganna Suite) and are typified by an array of sheeted quartz veins with associated argillic and sericitic alteration halos [2].

Another definitive feature of many IRG systems is the affinity to certain trace elements such as Arsenic, Antimony and Tungsten[3]. Several multi-square-kilometer anomalous areas are visible at Warriedar for a number of these indicator elements as shown in Figures 3 and 4.

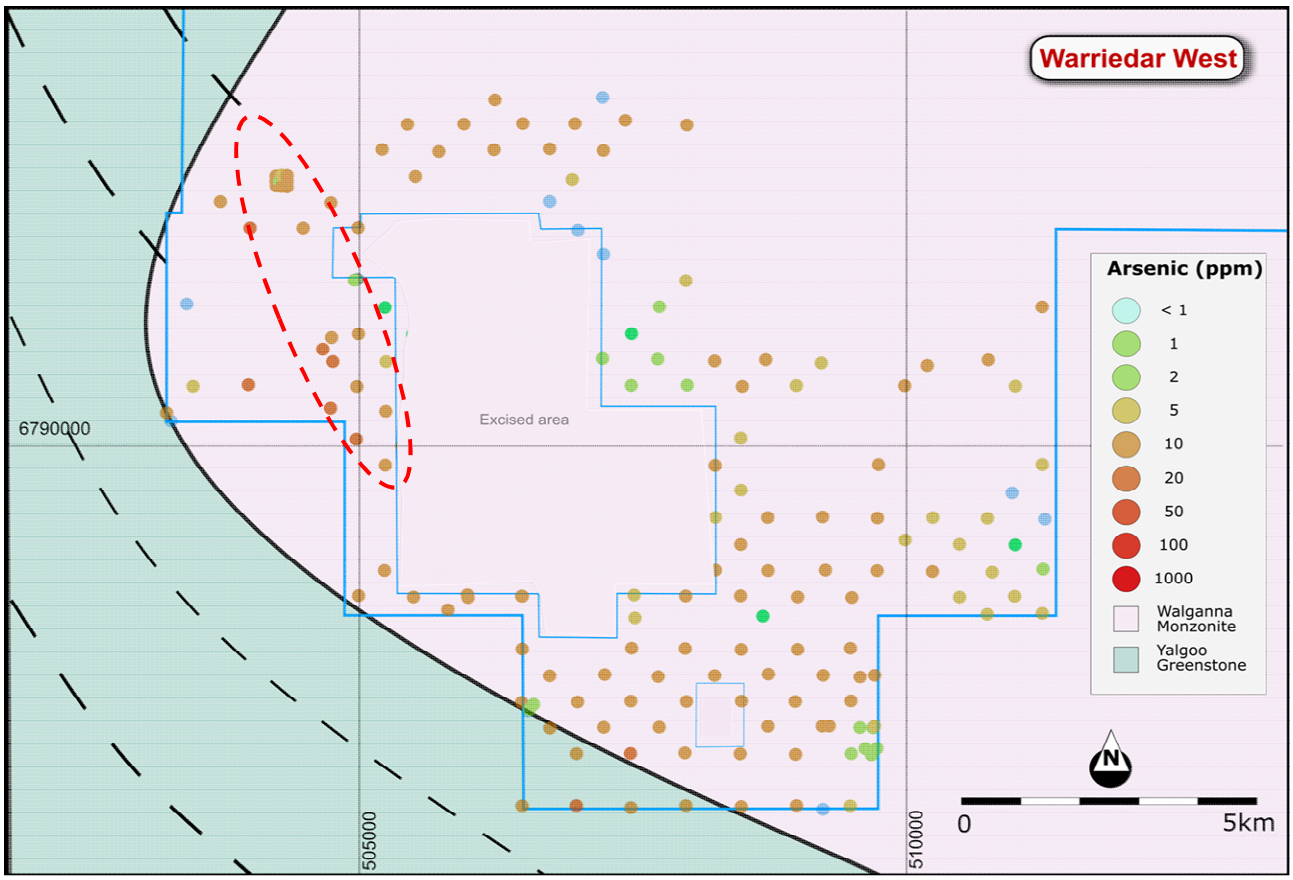

Figure 3: Sample points - Arsenic (ppm)

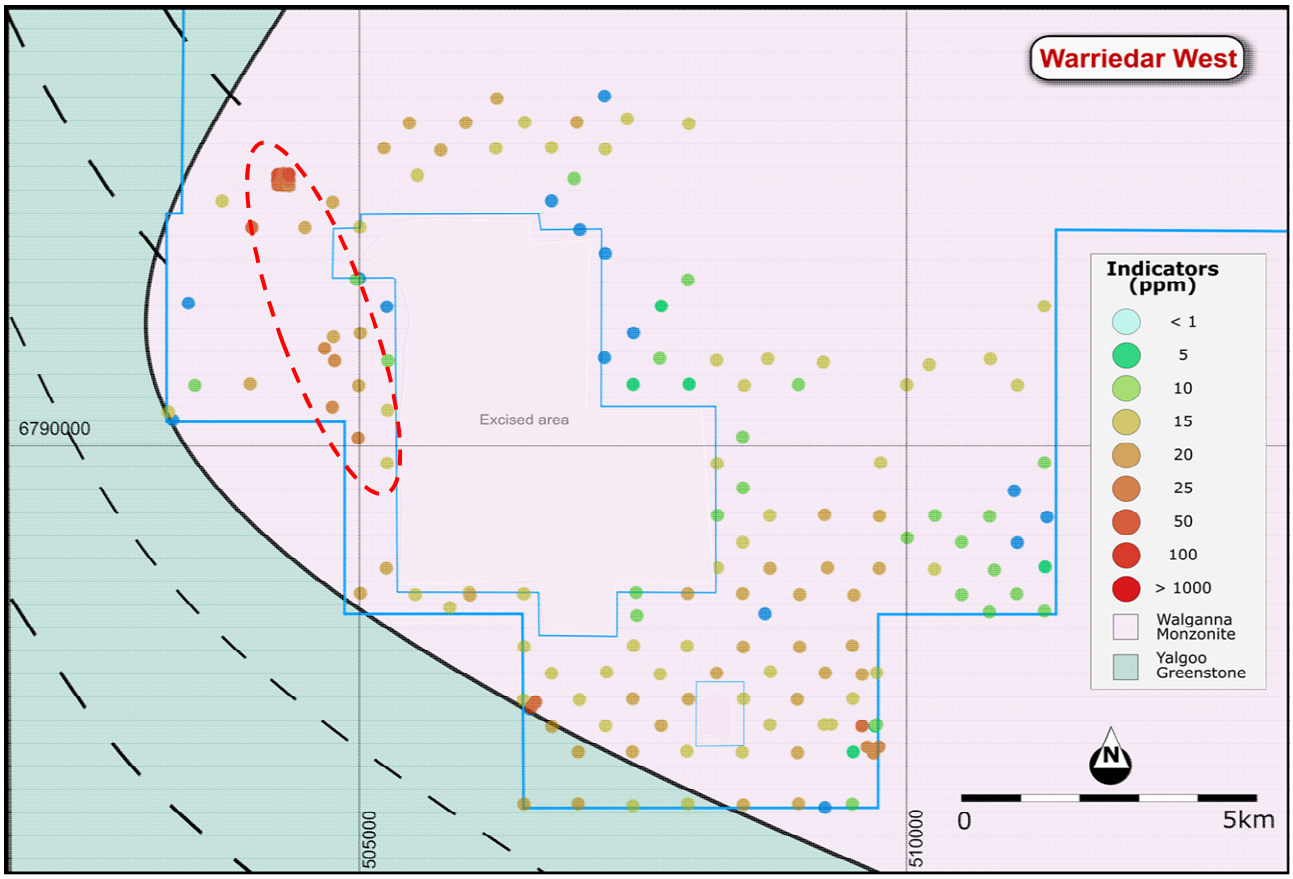

Figure 4: Sample points - AsBiMoSbTeW (ppm)

Next Steps

- Return to field operations
- Extend current sampling program
- Follow up with infill surface sampling
- Further data processing and modelling
- Finalise high priority targets for drilling

Corporate

The results above are in addition to similar work conducted at the Meleya Prospect (refer ASX release dated 24 March 2020) which identified base metal and gold anomalism within a newly identified geological zone highly prospective for VMS and Archaean Gold.

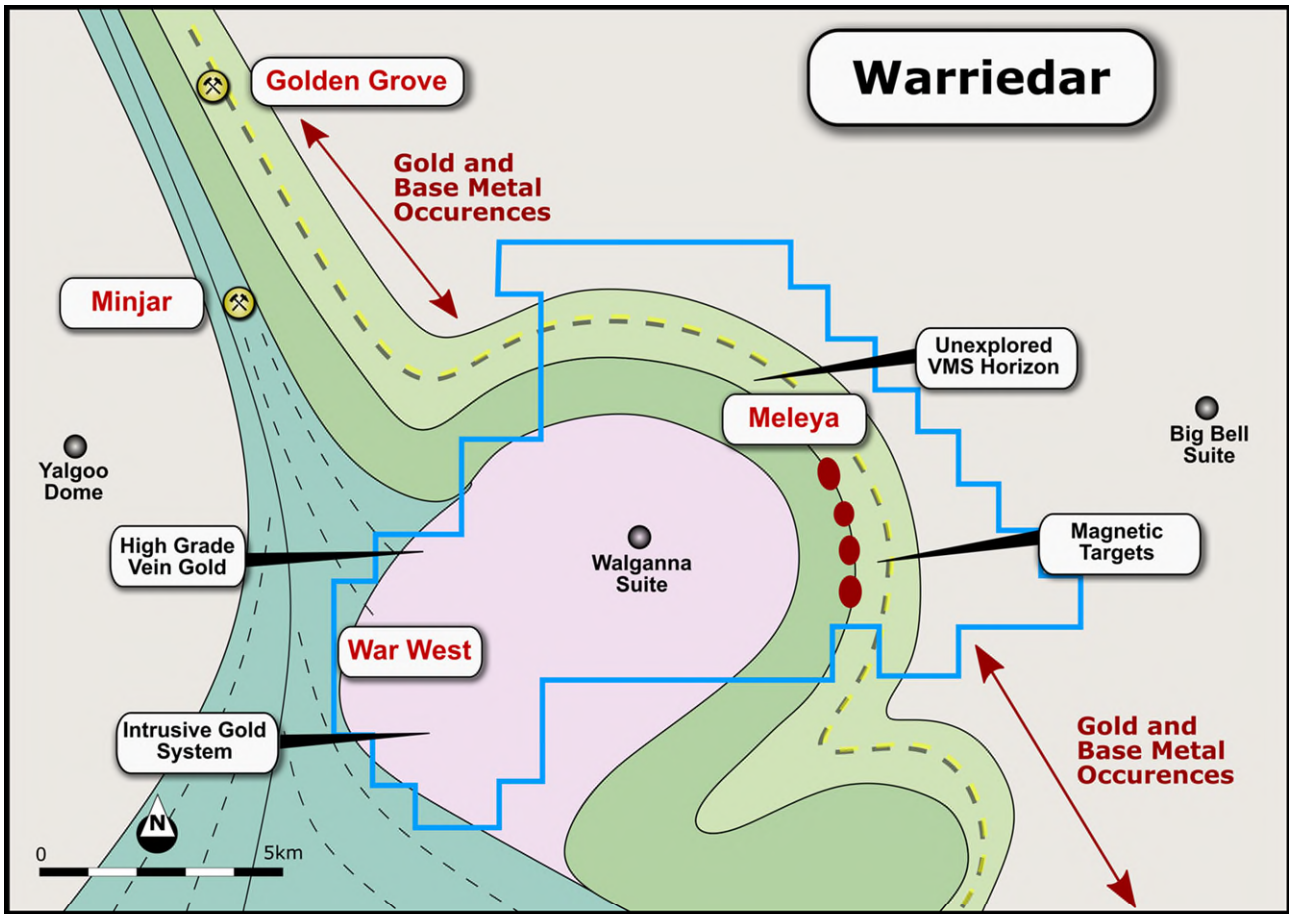

Figure 5: Overview of the Warriedar Project

As announced on 06 April 2020, in response to the COVID-19 outbreak, field work at the company's projects are temporarily suspended and cost mitigation actions have been implemented.

The Company is monitoring the situation closely and is cooperating with the relevant regulatory authorities with a view to restarting work onsite at the earliest possible opportunity.

The Board of the Company has authorised the release of this announcement to the market.

About Li3

Li3 is an Australian based mineral exploration company with a diversified portfolio of projects in Western Australia, Zimbabwe and Mozambique. In December 2019, Li3 secured 510km^2 of projects in Western Australia highly prospective for gold and base metals.

The Company has an experienced board and management team with a history of exploration, operational and corporate success.

Li3 leverages the team's energy, technical and commercial acumen to execute the Company's mission - to maximize shareholder value through focussed, data-driven, risk-weighted exploration and development of our assets.

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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. Li3 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 announcement that relates to Exploration Results and general project comments is based on information compiled by Dr Anthony Morey who is a consulting geologist to Lithium Consolidated. Dr Morey is a Member of The Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Morey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

References

[1]. Zibra I, Ivanic TJ et al (2015) Thundelarra Sheet 2340, Geological Survey of Western Australia 1:100,000 Geological Series.

[2]. Hart CJR (2007) Reduced Intrusion-related Gold Systems.

[3]. Sillitoe R, Mortensen JK, Lang J (1999) Intrusion-related gold deposits associated with tungsten-tin provinces.

[4]. Cohen DR and Dunlop AC (2004) Timbarra Gold Deposit, New England Region, New South Wales

[5]. Morrison GW (2007) Ore Controls in the Kidston Breccia Hosted Gold Deposit

[6]. Northern Star Resources Limited (2020) https://www.nsrltd.com/wp-content/uploads/2019/09/Pogo-Site-Visit-Presentation-ASX-Release-19-09-2019.pdf

[7]. Ford A, Peters KJ, Blevin PL, Downes PM et al (2019) Translating expressions of intrusion-related mineral systems into mappable spatial proxies for mineral potential mapping - case studies from the Southern New England Orogen, Australia

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling was conducted in the following manner: a) Conventional soil geochemical samples excavated using shovel or mechanical post hole digger b) 1-2kg samples of bottom of hole were collected in calico bags c) Sieved to <2mm d) 100g subsamples placed into standard geochemical satchels e) Submitted for laboratory analysis (Intertek Perth)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Not applicable

	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Sampling not applicable to mineral resource estimation or mining studies • All sample sites were photographed and/or geologically logged for lithology, alteration, structure and other factors
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil samples were sampled dry (1-2 kg) and sieved to <2 mm • 100g subsamples placed into packaged geochemical sample bags • Samples were submitted for laboratory analysis (Intertek Genalysis Perth) • A 3 directional representative sample of each fine fraction subsample was taken using a trowel • All equipment was brushed and air blown after each sieving process • Approximately 5% of samples were taken for QAQC (duplicates etc)
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Laboratory assays were carried out at the Intertek Genalysis facility in Perth, Western Australia. • Up to 300 grams (g) of the sieved sample was pulverised. At least 85% of the sample was pulverised to 75 microns. • Twenty five grams of the pulverised sample was then taken for aqua regia digestion (considered a partial digest).

	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The partial digest was then analysed for 33 elements using an inductively coupled plasma mass spectrometer (ICP-MS). • Intertek lab codes are PU01 and AR25/MS33.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data entry procedures were standardised using a predetermined list of appropriate soil and rock description codes, digitally captured and uploaded to a cloud server on a daily basis. • The sample description was collected on a combined digital entry and GPS device so that no sample mismatch could occur. • The assay data were unadjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Soil sample sites were defined using a conventional GPS device. Sample location errors were typically +/- 3 meters, which is considered as appropriate for the nature of this geochemical survey. • Coordinates were collected using a WGS 84 coordinate reference system and collected in decimal longitude and latitude values.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Sample sites were defined along east-west oriented lines. The line spacing was a nominal 1000 meters and sample points along each line was a nominal 500 meters. • This data distribution is considered appropriate for the intended geochemical survey. • No sample compositing has been applied.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation*	• Not applicable.

geological structure	*of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	
Sample security	● *The measures taken to ensure sample security.*	● Sample names were pre-recorded on each sample bag and digitally geolinked in the field whilst sampling, ensuring no sample mismatch could occur. ● Samples were stored appropriately to avoid any damage or contamination during transit to the assay laboratory.
Audits or reviews	● *The results of any audits or reviews of sampling techniques and data.*	● No audit results available.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• E59 /2224, E59 /2308, E59 /2375 • 100% Warrigal Mining Pty Ltd (a subsidiary of Li3) • Granted tenure, Western Australia
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not applicable
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geological setting is most likely an ancient submarine setting that has since undergone burial, polyphase deformation and metamorphism followed by exhumation. Associated rock likely comprises altered felsic to intermediate magmatic rocks and sedimentary sequences. • The targeted styles of mineralisation are volcanogenic massive sulphide (VMS), orogenic vein gold, shear zone-associated gold and intrusive related gold systems (IRGS)
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not applicable.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Schematic geologic interpretation maps accompany the geochemical assay data.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further work has been assessed within the press release and diagrams indicate where ongoing work will be concentrated.