

Li3 | Meleya Zone Targets Identified From New Geophysical Data

Key Points

- Reprocessed magnetic data improves resolution
- New geological interpretation of Warriedar Region
- Prospectivity of area confirmed
- Drilling programs awaiting approval from regulators

Lithium Consolidated Ltd (Li3) is pleased to inform the market of the outcomes of recent technical work conducted. Li3 have acquired new high resolution magnetic data which has been used in conjunction with existing data to generate targets with work underway to verify and ground truth these targets with a view to drilling.

The Warriedar Project

The Warriedar Project is located 400km north of Perth in the Murchison Region of Western Australia. The project is part of the Warriedar Fold Belt with outcropping supracrustal 'greenstone' units wrapped around a number of felsic to intermediate intrusions. Exploration up to this point has established that these greenstones are highly favourable for the formation of Volcanogenic Massive Sulphide (VMS), Intrusion Related Gold (IRG) and Orogenic vein style gold.

Prospectivity

The 160km north-south striking Yalgoo-Singleton belt contains hundreds of mineral occurrences. A simplistic distribution of these occurrences shows that there is at least one occurrence per 1km with major deposits equally spaced every 10-20km (Figure 2).

Some of the better known deposits include Yalgoo (Au), Golden Grove (Cu, Zn, Pb, Ag, Au), Deflector (Au, Cu), Minjar (Au), Paynes Find (Au), Karara (Fe, Au), Rothsay (Au, Cu), Mount Mulgine (W, Au) and Mt. Gibson (Au, Cu).

Li3 recently announced the enhanced prospectivity of the Meleya Zone identified with the aid of advanced geochemical 'fingerprinting' techniques ⁽¹⁾. This anomalism which sits within the newly discovered >20km belt should also be viewed through the lens of regional endowment.

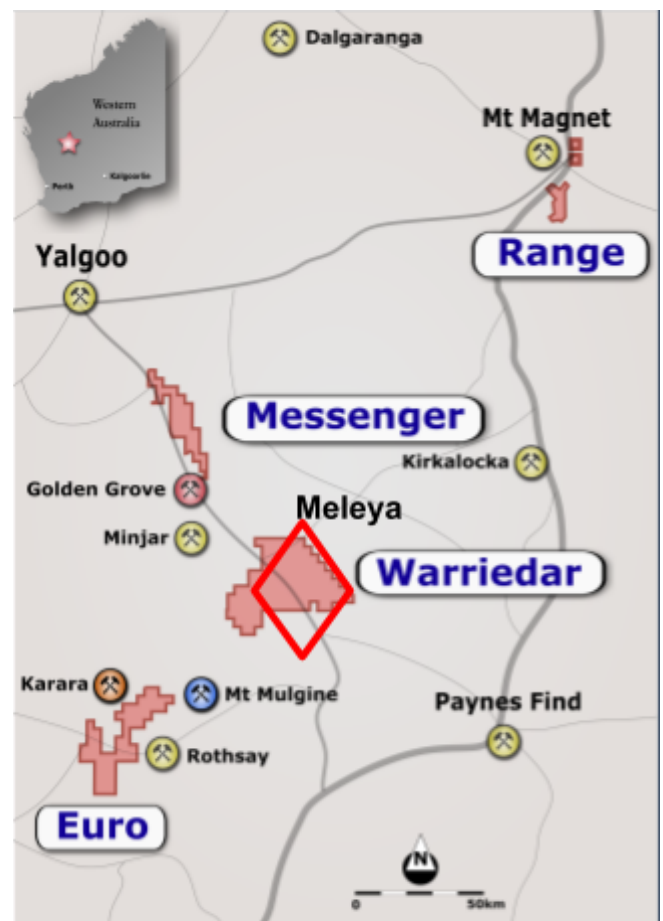


Figure 1 - Li3 Gold / Copper Projects

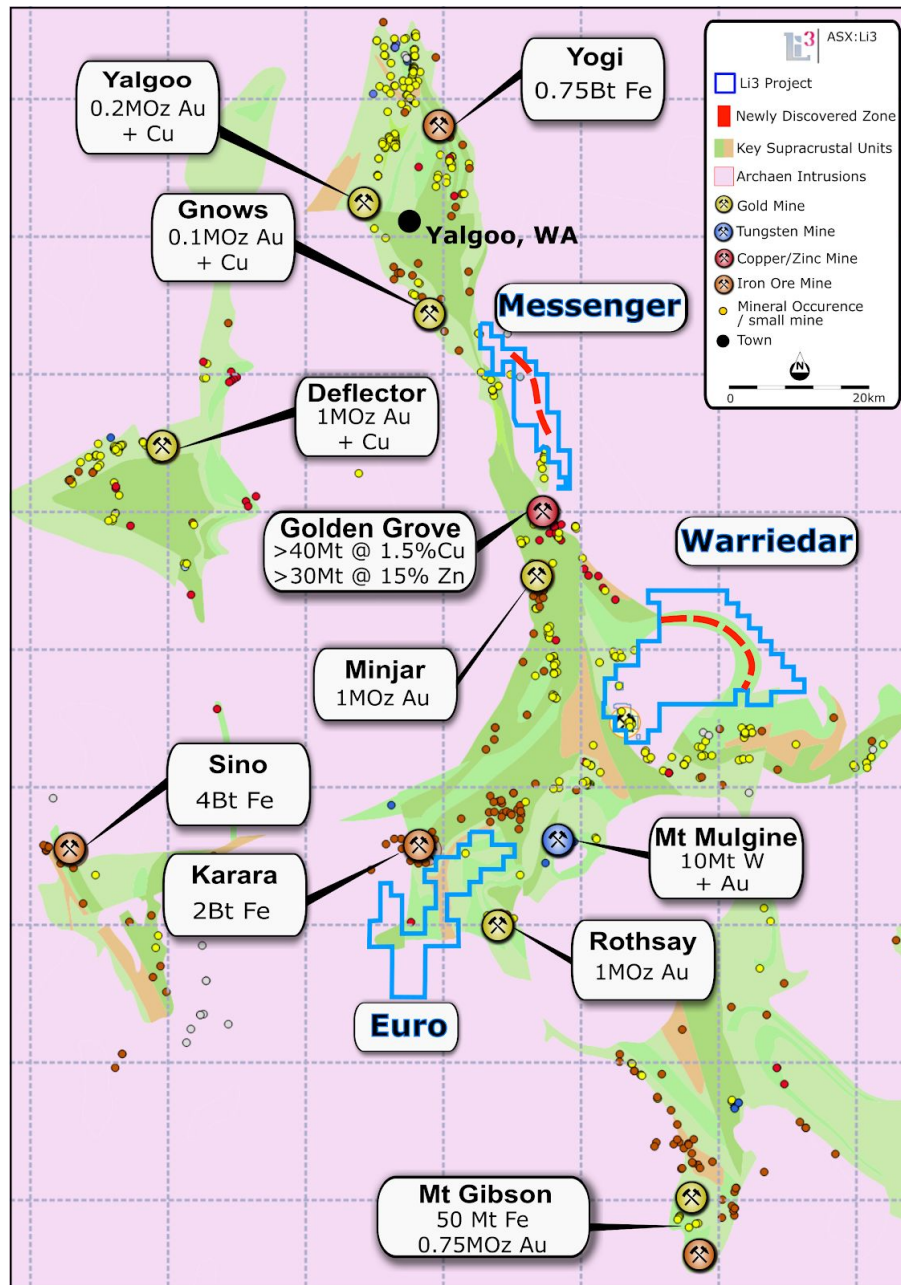


Figure 2: Yalgoo Greenstone Belt Mineral Endowment

Geophysics

Li3 commissioned renowned geophysicist Kim Frankcombe of ExploreGeo Pty Ltd to review the regional geophysical data and the remodelling of high resolution magnetic data for the Company's Yalgoo Projects. The first stage of this work was recently completed with one of the primary aims being confirmation of existing target zones in the highly prospective Meleya Zone - which itself was originally identified through publicly available state regional geophysics in 2019.

Targets

This high resolution data has provided confirmation of previously identified magnetic bodies and a number of additional new targets (shown in Figure 3). These are currently being prioritised under Li3 strict criteria and planning for fieldwork currently underway to confirm these targets with a view to drilling. Li3 can confirm that several of these magnetic targets correspond with geochemical anomalies previously announced ⁽²⁾.

Li3 are currently awaiting approvals for drilling at the project from the Western Australian Mining Regulator (DMIRS) which is understood to be experiencing delays due to COVID-19 related backlogs.

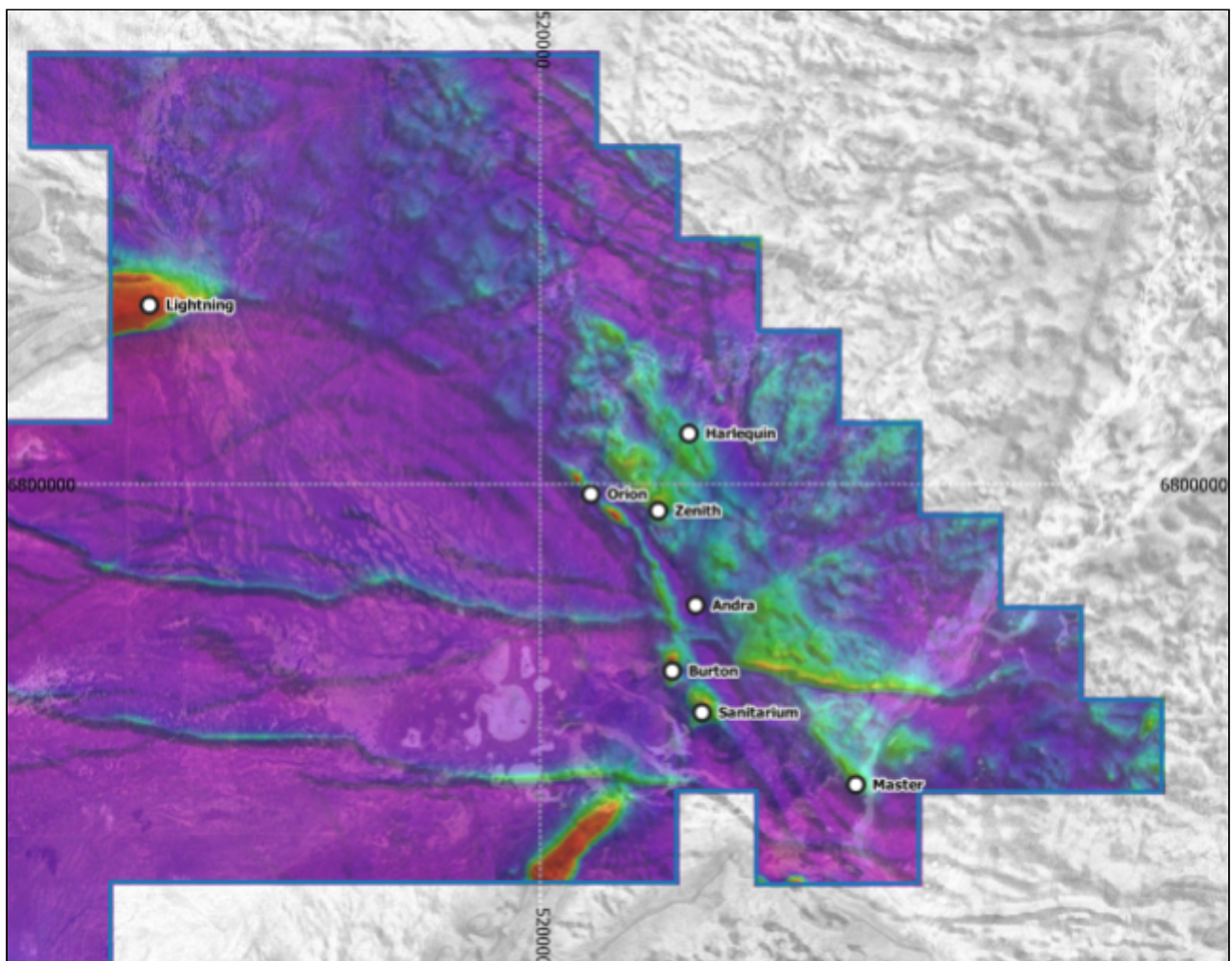


Figure 3: Total Magnetic Intensity image of the Meleya Zone with new targets

Next Steps

- Detailed study of newly modelled magnetic data
- Updated geological model
- Drill target confirmation fieldwork including infill surface geochemistry
- Drilling approvals in progress with regulator (DMIRS)

Corporate

Li3 recently completed a highly successful non-renounceable pro-rata Entitlement Offer ⁽³⁾ with the shortfall subsequently placed by RM Capital with very strong demand ⁽⁴⁾.

The funds raised from the Offer and Placement will be applied to advancing Li3's portfolio of assets including the next phase of exploration at its 100%-owned Warriedar Project in the Murchison region of Western Australia and for general working capital.

A General Meeting is scheduled for 27 August 2020 ⁽⁵⁾ with shareholders encouraged to vote on all resolutions including the intended rebranding of Lithium Consolidated Limited to be renamed "Tempest Minerals Limited".

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

References

1. Li3 ASX announcement dated 06 August 2020 - Enhanced Prospectivity at the Meleya Zone
2. Li3 ASX announcement dated 24 March 2020 - Exploration update – Warriedar Project
3. Li3 ASX announcement dated 24 July 2020 - Results of Rights Issue Offer
4. Li3 ASX announcement dated 04 August 2020 - Placement Completed
5. Li3 ASX announcement dated 29 July 2020 - Notice of General Meeting

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 the Society of Economic Geologists 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 is a consultant to Li3 and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Li3

Li3 is an Australia based mineral exploration company with a diversified portfolio of projects in Western Australia prospective for precious, base and energy 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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