



28 April 2017

MARCH 2017 QUARTERLY REPORT

HIGHLIGHTS:

- LCME has completed a \$5.3m IPO and ASX listing
- LCME now holds the largest land position for lithium brine exploration in Nevada.
- LCME will combine the existing geological and geophysics data with the results from the pending 2017 Nevada Geophysics Program to plan for the Nevada drilling program.
- The 2017 Nevada Geophysics Program will commence shortly.
- LCME has staked 96 additional placer claims in the Teels Marsh Basin in Mineral County, Nevada.
- Preliminary work to commence in Botswana.
- WA and SA Exploration License Applications progressing through regulatory processes.

Lithium Consolidated Mineral Exploration Limited (ASX: LI3) ("LCME" or the "Company") is pleased to report on activities during the March quarter, including the completion of the Company's IPO and listing on the ASX on 27 March 2017.

The Company is advancing work programs at its Nevada Projects.

ASSETS

1. Nevada, USA

LCME has now emerged as the largest land holder for lithium brine exploration in Nevada, USA, after staking 96 additional placer claims in the Teels project in Mineral County, Nevada (see below for Teels Project update).

LCME holds a total of 2,026 placer claims covering 40,480 acres in Nevada.

LCME has large land positions in the South Big Smoky Valley and Teels Marsh basins.

The targeted lithium in brine reservoirs of the South Big Smoky Valley and Teels Marsh basins remain unexploited, while the Clayton Valley basin reservoirs to the south have produced lithium brine for +40 years.

The South Big Smoky Valley and Teels Marsh basins are highly prospective for lithium in brine mineralization with volcanic sources of lithium and long-lived tectonic activity providing the requisite geological conditions for lithium leaching, migration and brine concentration.

LCME's large land positions could host one or more standalone lithium brine operations based on evaporation ponds (i.e. the currently used processing technology), in the event of a successful discovery(s).

Nevada Office

LCME’s Management team visited the United States in April 2017 to:

- establish an operational office and warehouse in Reno, Nevada; and
- develop relationships with key suppliers and service providers for the exploration program.

Tonopah Lithium Project (“TLP”) (80% ownership interest)

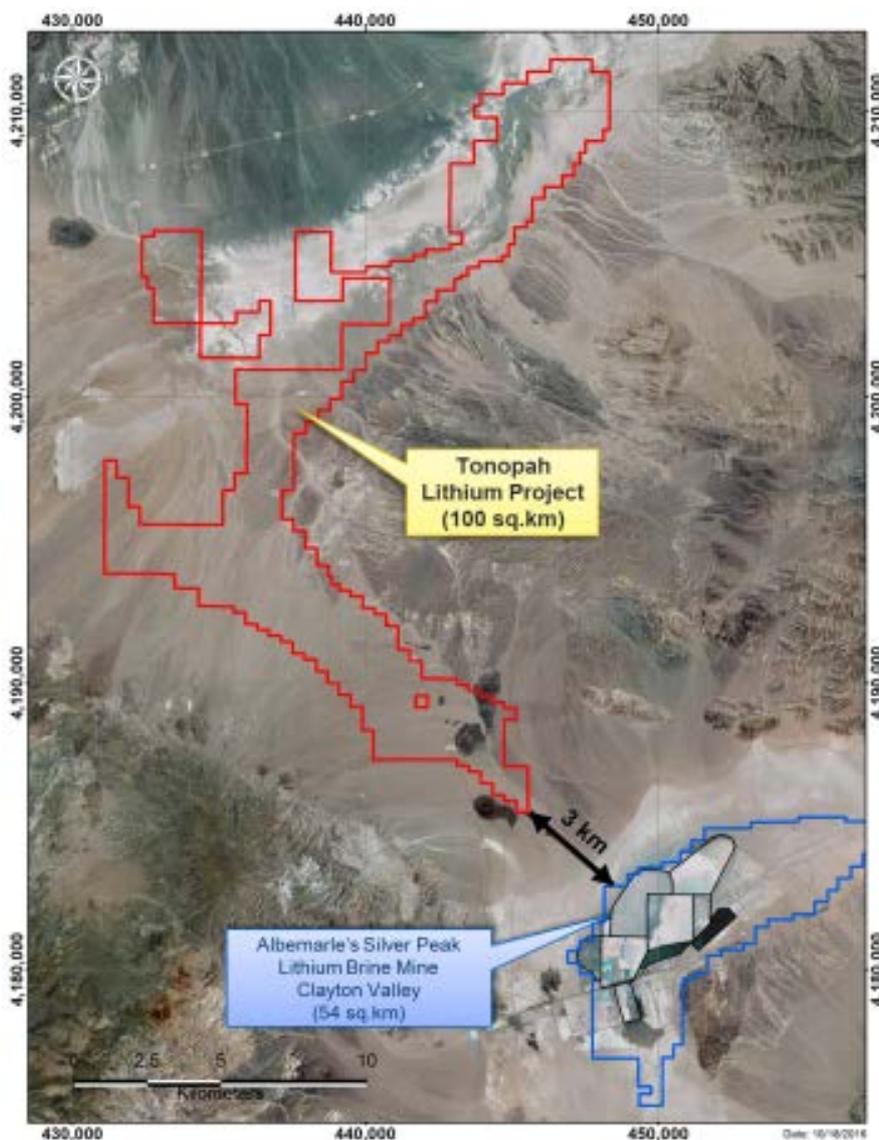
Land Management

TLP is made up of 1,241 placer claims, covering a total area of 24,459 acres.

The Nevada State Office of the Bureau of Land Management, United States Department of the Interior have determined that 6 placer claims held by LCME conflict with a federal highway right-of-way. The portions of these 6 claims lying within the right-of-way or the easement were declared null and void ab initio (from the beginning). LCME does not consider the reduction to the 6 placer claims to be material in the context of the overall holding of 2026 placer claims.

The south end of TLP is located less than 2 miles (3.2km) north of Albemarle’s Silver Peak lithium mine, which is North America’s only producing lithium brine and located in the Clayton Valley.

Figure 1: Location of TLP in relation to the Silver Peak Mine



TLP is the largest lithium brine exploration property in the South Big Smoky Valley basin.

There is an increasing level of interest in the South Big Smoky Valley basin from other publicly listed lithium exploration companies, with several of these companies entering the basin through very small land holdings.

Exploration

LCME is undertaking a detailed review of all existing geological and geophysics data.

The review of the data is intended to lead to a further geophysics program, which will include CSAMT and 2D seismic surveys (the "2017 Nevada Geophysics Program").

LCME will use the existing and pending data to more precisely identify the lithium in brine reservoir targets and determine the drilling locations.

The 2017 Nevada Geophysics Program will commence shortly.

Geology

The South Big Smoky Valley is an internally drained, fault bounded closed basin.

Geological modelling suggests that lithium-rich brines have migrated and deposited in both the Clayton and South Big Smoky valleys since the Pleistocene era.

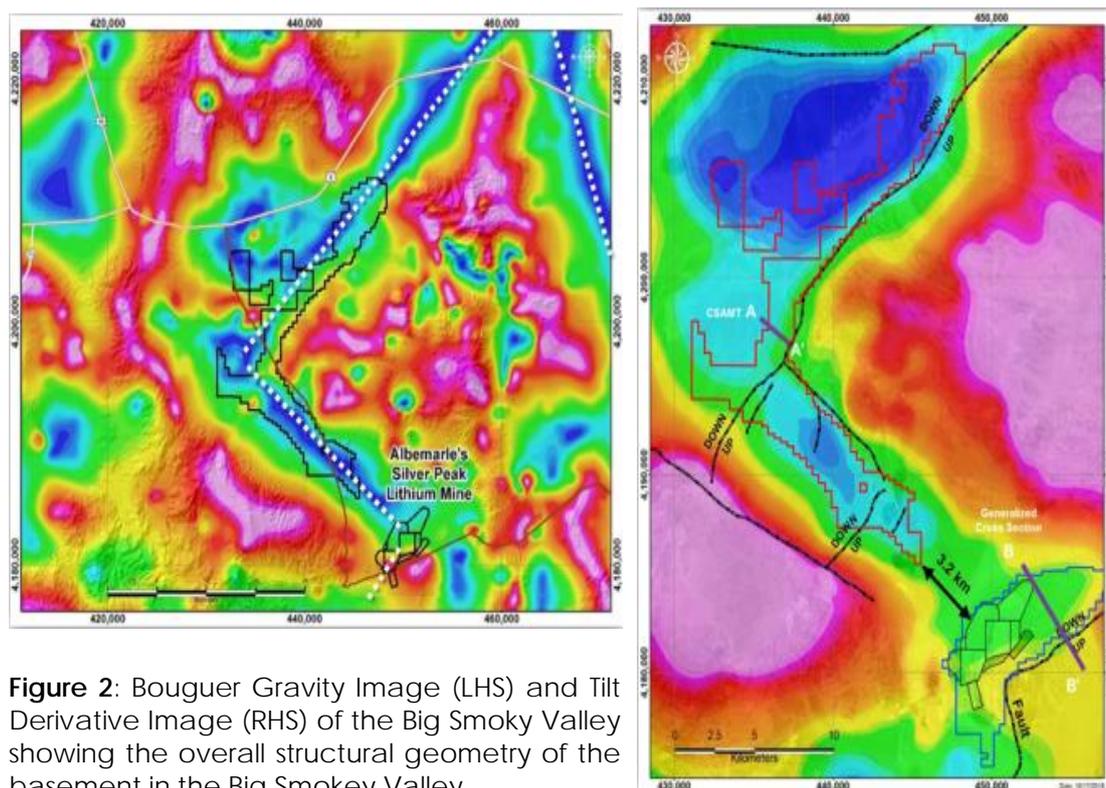


Figure 2: Bouguer Gravity Image (LHS) and Tilt Derivative Image (RHS) of the Big Smoky Valley showing the overall structural geometry of the basement in the Big Smokey Valley

The South Big Smoky Valley and Clayton Valley basins are located along the edges of the same tectonic block and geophysics data indicate the South Big Smoky Valley and Clayton Valley basins are connected at depth.

Teels Project (80% ownership interest)

Land Management

LCME has staked 96 additional placer claims in the Teels Marsh Basin in Mineral County, Nevada. This increased the total Teels Project land holding to 785 placer claims covering 16,021 acres.

LCME's claim block holdings in the Teels Marsh basin are prospective for lithium in brine reservoir formations.

Exploration

Dajin Resources Corp. announced on 23 March 2017 that it had received a permit from the Bureau of Land Management to proceed with drilling works at its Teels Marsh project located in Mineral County, Nevada, USA.

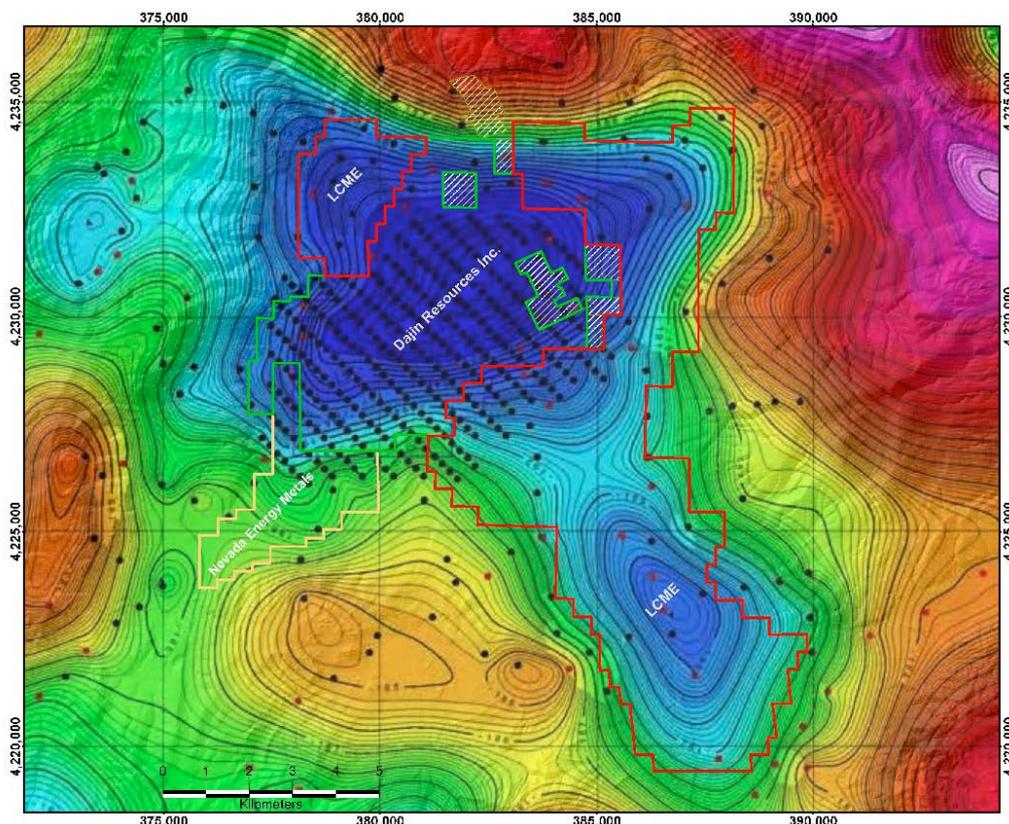
Dajin's pending drill program could have material implications for LCME's Teels project, given both projects share a common border and are in the same basin.

Geology

Teels Marsh is a large, closed pull-apart, internally drained basin located within the Mina Deflection Lithium Corridor in Nevada.

Dajin Resources Corp. has completed gravity and 2D seismic surveys to define the Teels Marsh basin which indicates a possible depth to the basement of approximately 2km.

Figure 3: Location of the Teels Project in relation to Dajin Resources Corp. claims



The Teels Marsh basin has been mined since 1867 for small quantities of sodium chloride and later in the 1800s for borates under the control of US Borax, Inc.. The presence of sodium and boron salts can indicate lithium in brine mineralization.

2. Australia

Yilgarn Projects (Western Australia)

LCME has 10 Exploration Licence Application areas ("ELA"), covering 444km² within extensions of known lithium-fertile "belts" and with inferred potential for lithium-fertile granites in the Yilgarn Craton in Western Australia.

These ELAs are owned by West Resources Pty Ltd, a 100% owned subsidiary of the Company.

E77/2384 falls within a Crown Reserve and the application has been referred to the Department of Parks and Wildlife.

The Company is seeking the grant of these ELAs, subject to the requirements of the Native Title Act 1993 (Cth) (NTA). The Ngadjju people hold native title rights over these ELAs.

LCME plans to commence exploration activities upon grant of these ELAs.

Eucla Basin Projects (South Australia)

LCME has 5 ELAs covering 5,680 km² of the Eucla Basin in South Australia.

These ELAs are owned by West Resources Pty Ltd, a wholly owned subsidiary of the Company.

The Company is seeking the grant of these ELAs, subject to the requirements of the Native Title Act 1993 (Cth) (NTA). The Maralinga Tjarutja people hold native title rights over these ELAs.

LCME plans to commence exploration activities upon grant of these ELAs.

3. Botswana

LCME has 6 Prospecting Licences and 2 Prospecting License Applications in the Makgadikgadi Pans in north eastern Botswana, which are owned by South Resource Ventures Pty Ltd, an 80% owned subsidiary of the Company.

The Company will commence activities in Botswana with a detailed review of historical data, a field trip and potential surface based sampling to verify certain key historical drill results.

CORPORATE

The Company continues to review corporate development opportunities as they arise.

Details of the Company's financial activities during the quarter are set out in the Appendix 5B cash flow report.

IPO

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 capital raising size to \$5.0million (minimum) to \$8.0million (maximum) and extend the IPO closing date to 6 March 2017.

The minimum IPO subscription was reached and the Company met the other conditions required to list on the ASX on 27 March 2017:

- admitted to the Official List of ASX Limited on 27 March 2017; and
- a total capital raising of \$5,321,299 through the issue of 26,606,494 new shares at a price per share of \$0.20.

Concurrently with listing, the Company paid \$100,000 (being the Cash Consideration) and issued 12,000,000 fully paid ordinary shares (being the Consideration Shares) to complete the acquisition of the Company's 80% interest in the Nevada Projects.

LCME is now pursuing the work programs set out in the IPO Prospectus and the Supplementary Prospectuses.

Capital structure

At the end of the quarter, there were 89,972,122 fully paid ordinary Shares, 4.0 million unlisted Options and 7.5 million unlisted Performance Rights on issue.

For more information, please contact:

Duncan Cornish

Company Secretary

Phone: +61 7 3212 6299

Email: investors@lithiumconsolidated.com

Please 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. LCME 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.

Exploration Tenements

LCME held the following interests in claims and tenements at the end of the quarter:

Project Name	Number of Claims	LCME Interest	Location of Claims
Tonopah Lithium Project ("TLP")	1,241	80%	Nevada, USA
Teels March ("Teels")	785	80%	Nevada, USA

Tenement Name	Tenement Number	LCME 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
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
-	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