



ASX Announcement

ASX: Li3

11 December 2018

Odzi West: New Hard Rock Lithium Project

Zimbabwe Hard Rock Lithium

- 21 new Licenses granted in eastern Zimbabwe
- Odzi West lithium project secured through the grant of 11 new Licenses in eastern Zimbabwe
- 10 other Licenses granted at the Bepe and Day Dawn projects, which are now covered by granted Licenses
- The Company now holds 59 licences which comprise 8 hard rock lithium projects in the Mutare Greenstone Belt in eastern Zimbabwe with
- Odzi West lithium project secured, further to our increasing knowledge on the hard rock lithium potential in the Mutare Greenstone
- The Mutare Greenstone Belt has at-or-near surface pegmatites with undeveloped lithium potential and which are exposed at surface through outcrops or historical workings (for tantalite or other pegmatitic minerals)

Lithium Consolidated Ltd (“**Lithium Consolidated**”, “**Li3**” or the “**Company**”) is pleased to announce that we have been granted 21 new Prospecting Licenses (the “Licenses”) in eastern Zimbabwe and through this we have secured the Odzi West hard rock lithium project in eastern Zimbabwe, which comprises 11 of the newly granted Licenses in eastern Zimbabwe.

We have also been granted 10 other Licenses at the Bepe and Day Dawn projects to consolidate our position over the previously announced, Bepe and Day Dawn lithium exploration projects (see Figure 2).

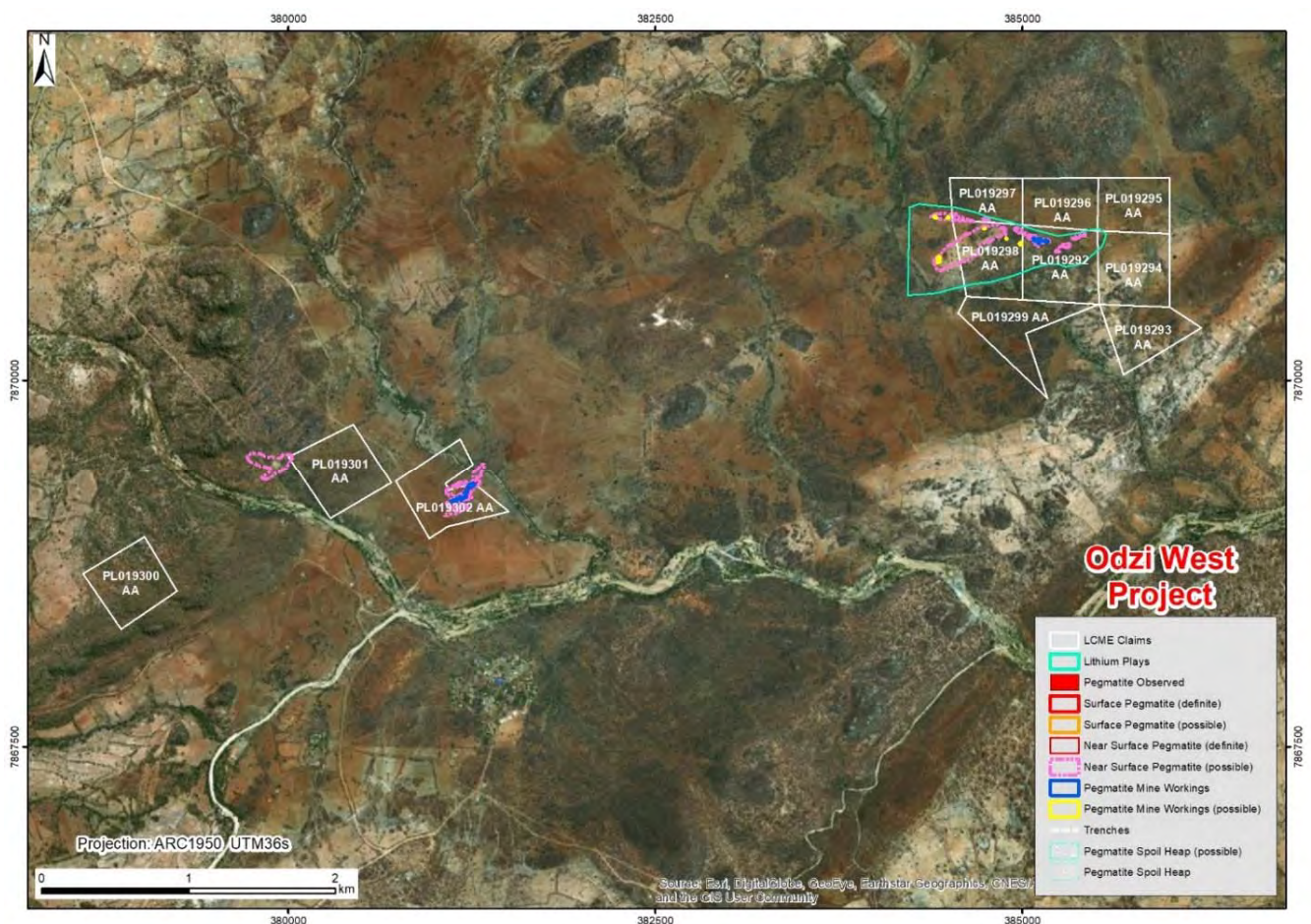
The company has a total of 59 Licenses covering an area of 2,543 ha in the Mutare Greenstone Belt in eastern Zimbabwe (see Figures 1 and 2), with 50 granted Licenses covering an area of 1,590 ha and 9 License applications, which are pending grant and which cover an area of 953 ha.

The Odzi West lithium project was secured further to our increasing knowledge of the hard rock lithium potential in the Mutare Greenstone Belt pegmatites, based on our initial exploration activities.

Odzi West Lithium Project

The Odzi West Project comprises 11 of the newly granted Licenses and is located at the south-western end of the Mutare Greenstone Belt (see Figure 1). There are at least seven clusters of artisanal workings on distinct, separate pegmatites here with historical reports documenting the presence of spodumene in one area of moderately extensive workings, and petalite in another area of workings. Image analysis indicates that the pegmatites could be moderately extensive as several appear to be flat-lying, with near surface sheet-like configurations. The artisanal and historical workings have produced beryl and tantalite in the past and appear to be inactive at present. Overall, there are encouraging indications of prospects worthy of further evaluation for their lithium and tantalum potential, with several of the clusters of artisanal workings within the newly granted licences.

Figure 1
11 licences comprising the Odzi West Lithium Exploration Project



New Licenses Granted

The Company has a total of 59 Licenses covering an area 2,543 ha, with 50 granted Licenses covering an area of 1,590 ha and 9 License applications which are pending grant and cover an area of 953 ha.

In addition to the 11 Odzi West Licenses, we were granted a further 10 Licenses at the Bepe and Day Dawn lithium projects.

The Company has 9 License Applications, which are still pending grant and cover an area of 953 ha at the Magoda and Chisuma projects.

Figure 2
Mutare Greenstone Belt Lithium Exploration Projects

	Project Name	No. of Prospecting Licenses	Area	Historical artisanal mining
1.	Tals 5	1	140 ha	Beryl
2.	Nels Luck	8	308 ha	Tantalite
3.	Bepe	15	601 ha	Tantalite and beryl
4.	Magoda and Magoda North	8	928 ha	N/A
5.	Day Dawn	4	75 ha	N/A
6.	Chisuma	6	149 ha	N/A
7.	Grey Lady	6	108 ha	Petalite
8.	Odzi West	11	234	
	Total	59^(a)	2,543 ha	

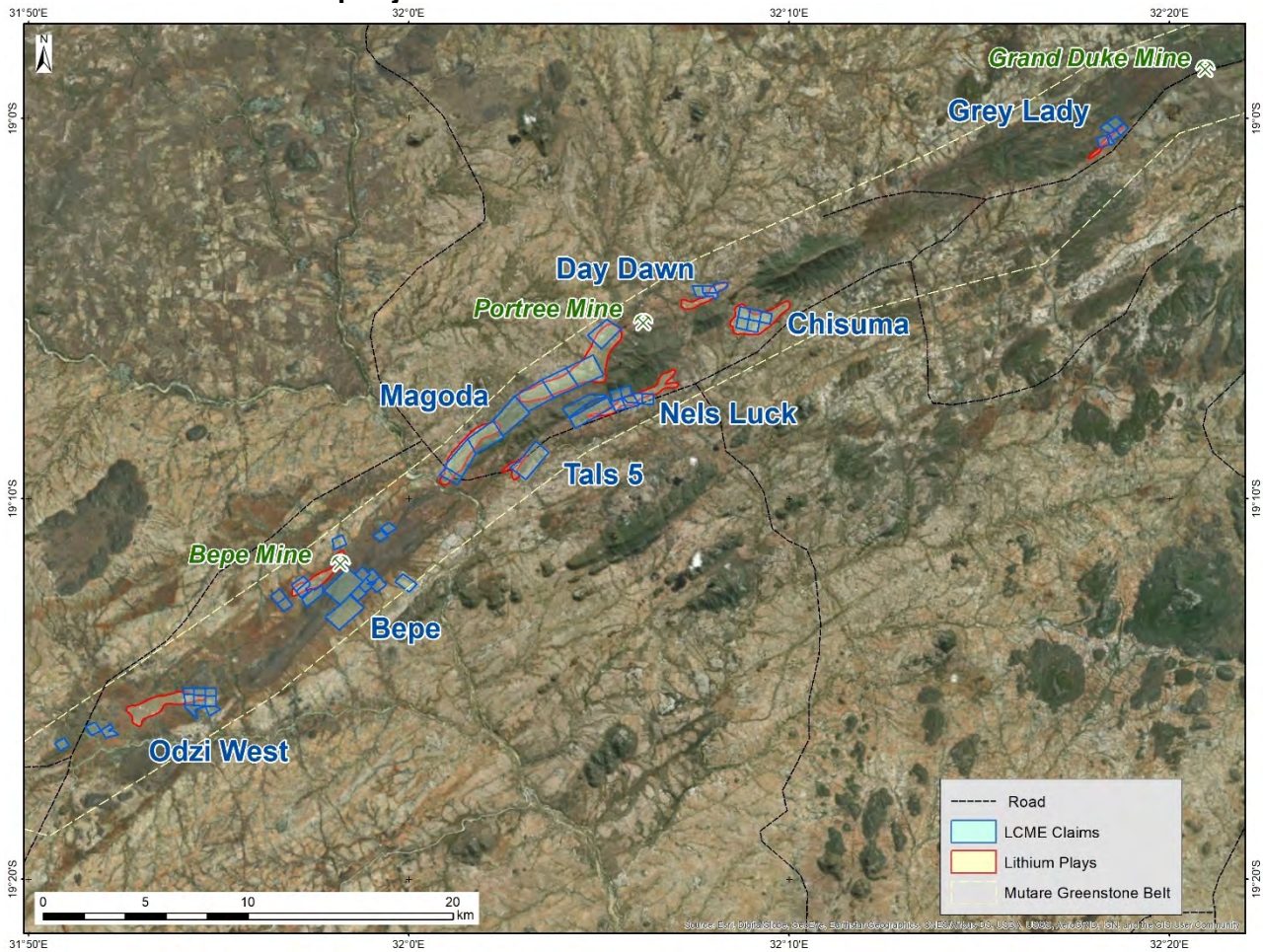
Note:

(a) Additional Licenses under application for new areas of interest.

The Zimbabwe Projects could be developed independently or as satellite mining operations given the proximity of the projects to each other, depending on the results of exploration and mineral resource delineation.

The Zimbabwe Projects cover pegmatite outcrops and artisanal mine workings for beryl and tantalite and the possible concealed extensions of the exposed pegmatites.

Figure 3
The 8 projects within the Mutare Greenstone Belt



Zimbabwe Hard Rock Lithium Projects

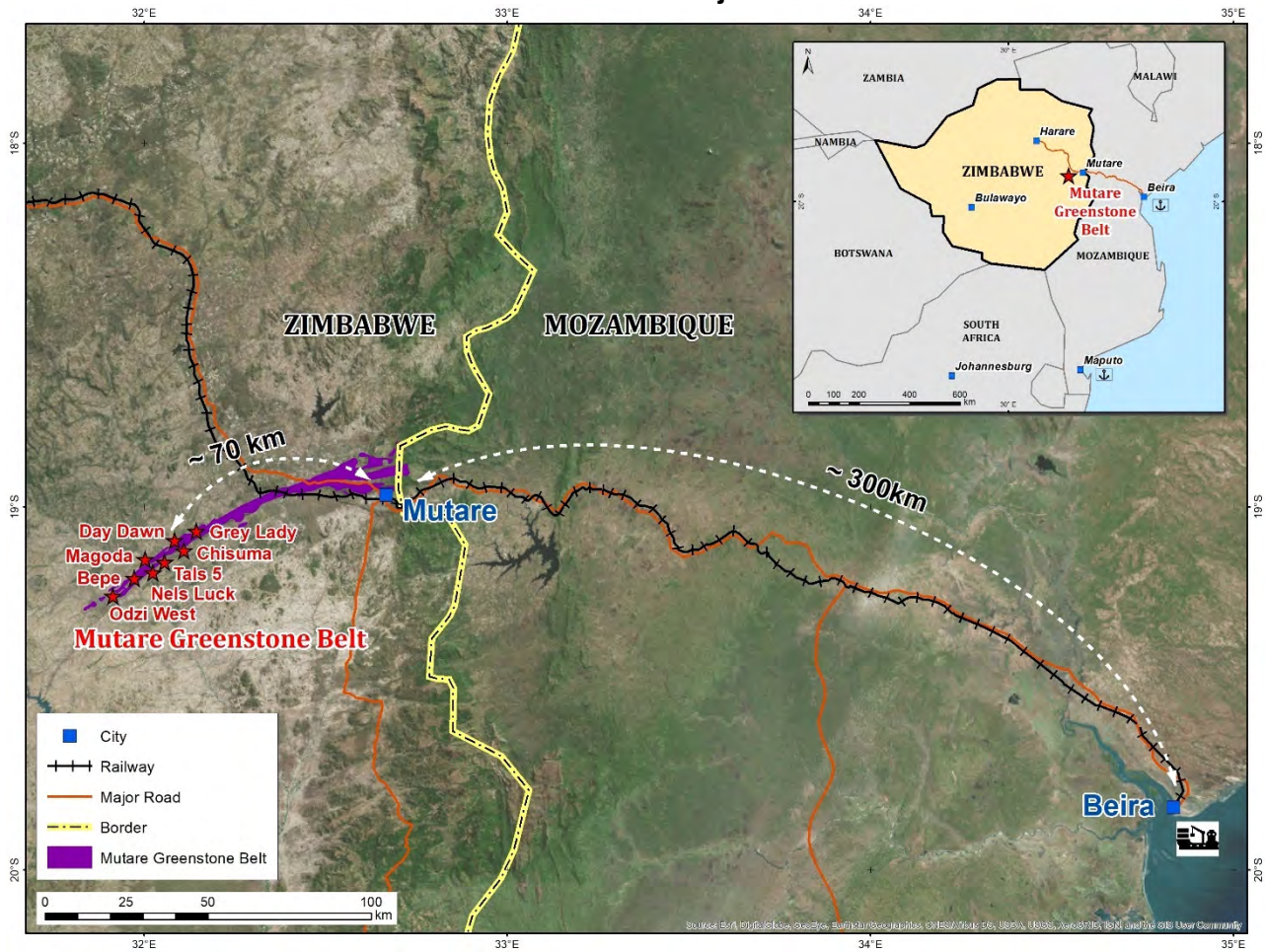
The Company has secured eight (8) lithium exploration projects in the Mutare Greenstone Belt, located close to the border-town of Mutare in eastern Zimbabwe (Figure 4).

The Mutare Greenstone Belt has:

- locally extensive LCT pegmatites which were historically mined for beryl, tantalite, cassiterite, and lithium minerals;
- potentially flat-lying pegmatites that could be suited to open pit mining, depending on the results of future evaluation; and
- spodumene, petalite, and lepidolite mineralised pegmatites, identified in outcrops and in the historical workings.

The Zimbabwe Lithium Projects are 300km from the port of Beira in Mozambique and approximately 60km from the Mutare Railhead on the border between Zimbabwe and Mozambique, which is connected to the port of Beira in Mozambique by the operating Mutare-Beira railway line.

Figure 4
Zimbabwe Hard Rock Lithium Projects and Infrastructure



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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. 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.

Competent Person's Statement:

The information in this announcement that relates to the geological descriptions of the Zimbabwe Projects is based on information reviewed and compiled by Michael Cronwright, a Competent Person who is a fellow of The Geological Society of South Africa and Pr. Sci. Nat. (Geological Sciences) registered with the South African Council for Natural Professions. Mr Cronwright is a Principal Consultant with The MSA Group (Pty) Ltd, a South African based consultancy. Mr Cronwright has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cronwright consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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Appendix 1:

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	Rock chip and grab samples have been taken of potential lithium mineralisation to confirm the presence of lithium mineralisation from the Bepe, Tals 5 and Nels Luck projects. Samples are to be submitted to a suitable laboratory for lithium assay and XRD analysis.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</i>	The rock chip and grab samples taken are considered representative of the potential lithium mineralisation present; however, results should not be considered to be representative grade of the mineralisation.
	<i>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</i>	NA, Further details to be provided once the samples have been assayed.
Drilling techniques	<i>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).</i>	NA

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	NA
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	NA.
	<i>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.</i>	NA
Logging	<i>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.</i>	NA
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	NA
	<i>The total length and percentage of the relevant intersections logged.</i>	NA.
Sub-sampling techniques and sample preparation	<i>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.</i>	NA
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	NA
	<i>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.</i>	NA.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	NA

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	NA
	<i>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.</i>	NA
	<i>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.</i>	NA
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes.</i>	NA
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	NA
	<i>Discuss any adjustment to assay data.</i>	NA
Location of data points	<i>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.</i>	GPS coordinates have been taken of the rock chip and grab sample locations. Any assay results from the rock chip and grab samples shall be used to confirm / refute the presence of lithium mineralisation only.
	<i>Specification of the grid system used.</i>	All coordinates are recorded in the southern Africa ARC 1950 datum, UTM 36 South Zone, unless otherwise specified.
	<i>Quality and adequacy of topographic control</i>	NA.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	NA.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	NA.
	<i>Whether sample compositing has been applied.</i>	NA.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Samples of potential lithium mineralisation have been taken and will be biased to the zones identified as containing potential lithium mineralisation.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	NA
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were taken by MSA with a unique sample ticket inserted into the plastic bag and sealed with a cable tie. MSA delivered the samples to the LCME in-country representative who shipped the samples to a suitable laboratory for assay.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews of the sampling techniques and data have been done at this stage.

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	<i>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.</i>	See Appendix 2 1)

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	The granted Prospecting Licenses have been secured in compliance with the Laws of Zimbabwe. There are no known impediments to securing the Prospecting Licenses which are pending grant.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	No systematic exploration of the licences has taken place in the past. The licences do contain historical and artisanal workings that have produced beryl and tantalite in the past.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The pegmatites within the project areas include Li-Ta-Cs (LCT) type pegmatites which may contain lithium mineralisation in the form of spodumene, petalite and/or lepidolite which will need to be confirmed through a systematic exploration programme. These pegmatites are Archaean in age and hosted in slightly older Archaean greenstones and meta-sediments in the region.
Drill hole Information	<i>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:</i> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i>	NA

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<i>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.</i>	NA
	<i>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.</i>	NA.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	NA.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i>	NA
Diagrams	<i>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.</i>	See document for locality maps of the licences.
Balanced reporting	<i>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.</i>	NA

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<i>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.</i>	A high-level desktop study has been done as well as detailed interpretation of satellite imagery was used to determine old workings, exposed and sub-cropping pegmatites. The CP has visited the licences comprising the Tals 5 and Nels Luck projects. But has not visited any of the other licences comprising the other projects
Further work	<i>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.</i>	LCME plans to undertake a systematic exploration programme on the projects and is currently in the planning phase of this work. This includes a data review, mapping and preliminary rock chip and grab sampling to establish the presence of lithium bearing pegmatites.

Appendix 2: Zimbabwe Prospecting Licenses

	Project	Prospecting Licence (Claim No)	Area (ha)	Status
1	Tals 5	018123A	140	Granted
2	Nels Luck	018121A	110	Granted
		019060AA	23	Granted
		019061AA	22	Granted
		019062AA	17	Granted
		019270 AA	24	Granted
		019271 AA	12	Granted
		019272 AA	25	Granted
		018151A	75	Granted
3	Bepe	018152A	141	Granted
		019037AA	25	Granted
		019038AA	25	Granted
		019039AA	25	Granted
		019040AA	25	Granted
		031978 AA	25	Granted
		031979 AA	24	Granted

	Project	Prospecting Licence (Claim No)	Area (ha)	Status
		031980 AA	25	Granted
		031981 AA	20	Granted
		031982 AA	25	Granted
		031983 AA	25	Granted
		031984 AA	25	Granted
		019258 AA	24	Pending
		018207 A	17	Pending
		018122 A	150	Granted
4	Magoda	018153A	142	Pending
		018154A	131	Pending
		018155A	149	Pending
		018156A	80	Pending
		018157A	90	Pending
		018158A	116	Pending
		018159A	105	Pending
		018160A	115	Pending
5	Day Dawn	019126AA	19	Granted
		019421AA	22	Granted
		019422AA	20	Granted
		019423AA	14	Granted
6	Chisuma	019118AA	25	Granted
		019120AA	25	Granted
		019121AA	25	Granted
		019122AA	24	Granted
		019123AA	25	Granted
		019362AA	25	Pending
7	Grey Lady	019119 AA	24	Granted
		019124 AA	23	Granted
		019125 AA	22	Granted
		019255 AA	14	Granted
		019256 AA	17	Granted
		019257 AA	8	Granted
8	Odzi West			
		019292 AA	25	Granted
		019293 AA	19	Granted
		019294 AA	25	Granted
		019295 AA	18	Granted
		019296 AA	18	Granted

	Project	Prospecting Licence (Claim No)	Area (ha)	Status
		019297 AA	15	Granted
		019298 AA	22	Granted
		019299 AA	23	Granted
		019300 AA	21	Granted
		019301 AA	24	Granted
		019302 AA	24	Granted