



## **ASX Announcement**

ASX: Li3

30 April 2019

### **MARCH 2019 QUARTERLY REPORT**

- 2 new lithium exploration licenses secured in the Alto Ligonha Pegmatite Province in Mozambique
- First ASX listed company to enter Mozambique for hard rock lithium
- The Mozambique licenses contain historical beryl, tantalite and rare-element mineral mines
- Initial sampling confirms lithium mineralisation at Nels Luck and Bepe projects in Zimbabwe.
- 55 grab and rock-chip samples assayed from the Nels Luck, Tals 5 and Bepe pegmatites with 13 samples from Nels Luck and Bepe with values of between 1.3% and 8.6% Li<sub>2</sub>O
- Due Diligence is continuing at the Bepe and Kondo Mines in Zimbabwe

Lithium Consolidated Limited (ASX: LI3) ("Lithium Consolidated" or the "Company") is pleased to report on its activities in the March 2019 quarter.

Our portfolio consists of:

- 50 granted Licenses for 8 new hard rock lithium projects in Zimbabwe;
- 2 granted hard rock lithium Licenses in Mozambique;
- 16 hard rock lithium Licenses in Western Australia; and
- the Tonopah Lithium Brine Project in Nevada, USA.

The Company is advancing its strategy to build a world-class lithium portfolio with multiple lithium assets in the key lithium regions of the world.

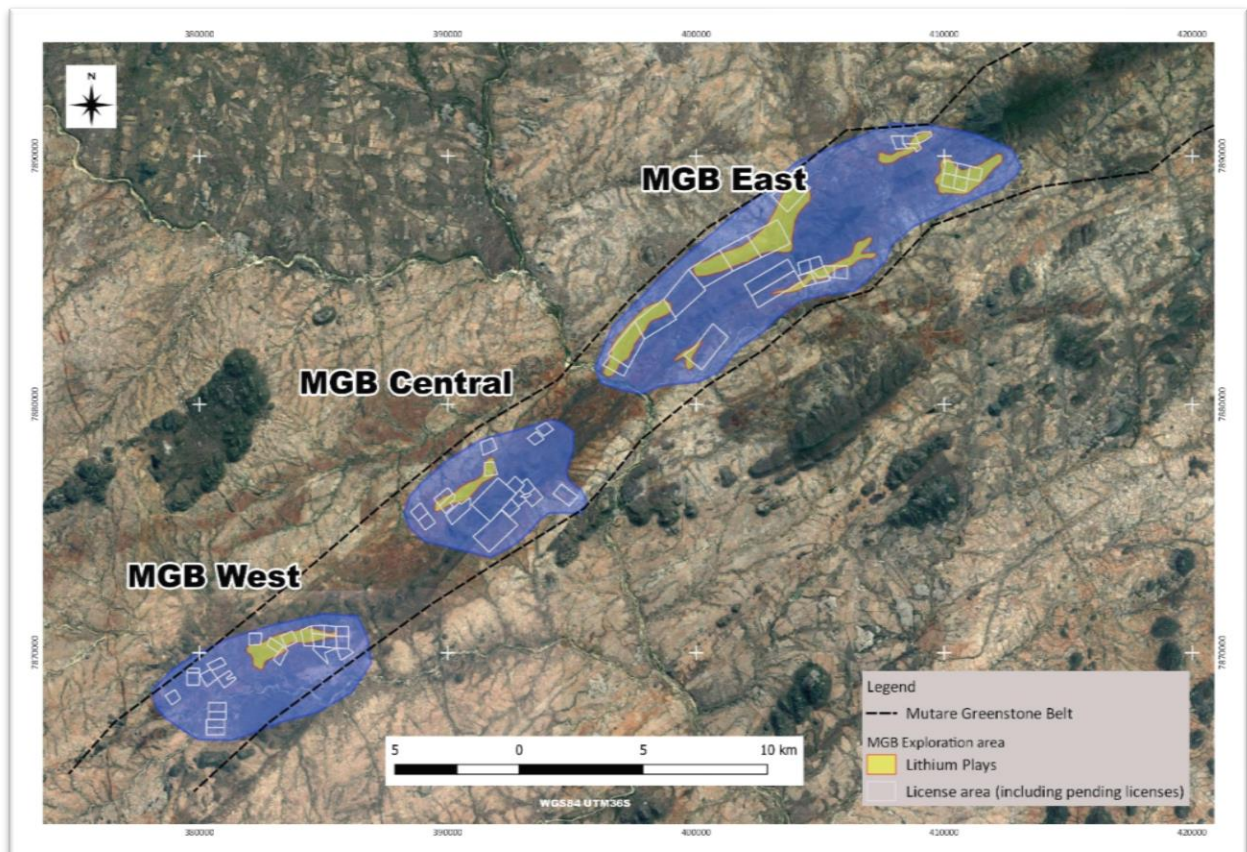
# 1. Zimbabwe Hard Rock Lithium

During the March 2019 Quarter, the Company conducted two reconnaissance and sampling programs at its Bepe, Nels Luck and Tals 5 projects in the Mutare Greenstone Belt ("MGB") in eastern Zimbabwe.

The Company has eight (8) lithium exploration projects in the Mutare Greenstone Belt, comprising 50 granted Licenses and 22 Licenses under application over a total area of 2,760 ha.

The Zimbabwe projects are ideally located and proximal to operational infrastructure. The Zimbabwe 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.

The Company has three (3) main exploration areas, the MGB East, MGB Central and MGB West in the Mutare Greenstone Belt (MGB) in eastern Zimbabwe, as shown in Figure 1.



**Figure 1.**

**Location of the MGB East, MGB Central and MGB West Exploration Areas within the Mutare Greenstone Belt (shown over Google satellite imagery).**

## 1.1. Initial sampling Assay Results

The Company received assay results from a series of grab and rock-chip sampling programs, which have confirmed the presence of lithium and lithium indicator minerals at the Nels Luck and Bepe projects in the MGB.

A total of fifty-five (55) grab and rock-chip samples were collected and assayed at the Nel's Luck and Tals 5 (MGB East), and Bepe (MGB Central) projects with lithium mineralisation being confirmed at both the Nels Luck and Bepe projects.

13 samples from Nels Luck and Bepe reported values of between 1.3% and 8.6% Li<sub>2</sub>O.

Initial XRD (X-ray diffraction) results have positively identified spodumene and lepidolite within the Nels Luck licenses.

XRD analysis is currently being completed on 8 samples from Bepe that reported values of between 1.3% and 5.9% Li<sub>2</sub>O.

For further information on the initial grab and rock-chip sampling assay results, please see our announcement dated 23 April 2019.

## 1.2. Zimbabwe Exploration Plan

Systemic sampling and mapping is set to commence at the Nels Luck and surrounding pegmatites (MGB East Exploration Area). Soil samples will be taken over areas that have not been disturbed by artisanal mining in order to establish the presence of concealed extensions to the pegmatite bodies. A drilling program will be initiated over the mineralized pegmatites subject to the systematic sampling and mapping results.

Exploration activities are expected to commence in the current quarter.

## 1.3. Zimbabwe – Bepe and Kondo Mines Acquisition

The vendor of the Bepe and Kondo historical mines in Zimbabwe (the **Mines**) has agreed to a further extension (**Extension**) of the exclusivity period to 30 May 2019 to conduct due diligence investigations.

The Extension is further to the Company's ASX Announcements on 6 August 2018 regarding the signing of an agreement to acquire the Mines, whereby, subject to satisfactory due diligence, the Company may acquire a 100% interest in the Bepe Mine through the Bepe Special Mining License (Registration No.: M4740BM) and the Kondo Mine through three (3) Mining Licenses: Mwami 'L' (Registration No.: 40832BM), Jerejoga '20' (Registration No.: 27976BM), Kondo 9 (Registration No.: 25988BM).

## 2. Mozambique Hard Rock Lithium

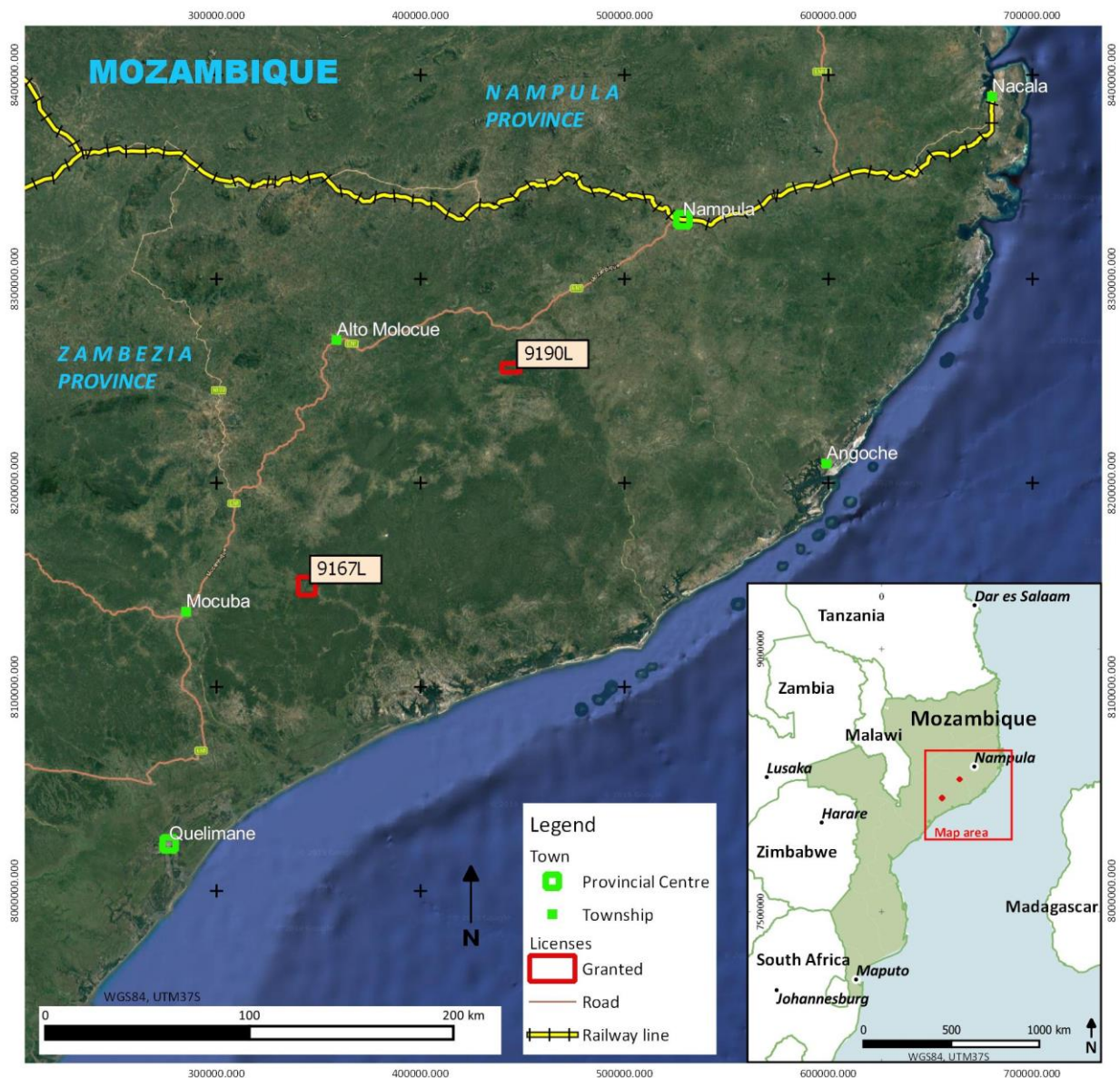
The Company announced the grant of 2 new lithium exploration licenses in the Alto Ligonha Pegmatite Province in northern Mozambique (see Figure 2) and is the first ASX listed company to enter Mozambique for hard rock lithium.

The Alto Ligonha Pegmatite Province ("**ALPP**") contains a large concentration of pegmatites in Mozambique, including many examples of **L**ithium **C**aesium **T**antalum (LCT) family of pegmatites, which have been mined since the 1920's.

Mozambique was the world's second largest beryl producer in the 1960's, but the lithium-bearing minerals were not exploited during the beryl and tantalite mining.

The ALPP's current exploration maturity is analogous to that which existed in the Pilbara and Yilgarn Craton pegmatites of Western Australia, approximately 10 years or so ago, prior to the modern lithium-based exploration, which resulted in the definition of large lithium resources in the Pilgangoora, Wodgina, and Earl Grey pegmatites.

Northern Mozambique has well-developed infrastructure coverage for mining. The Mozambique assets are in close proximity to the Mocuba – Nampula main road, a sealed, all weather road. The recently upgraded Nacala railway corridor connects Nampula to the natural deep-water port of Nacala, which is the principal port for the export of coal from mining operations at Moatize.



**Figure 2**  
**License application areas within the Alto Ligonha Pegmatite Province, Mozambique (shown over Google satellite imagery)**

There was no exploration activity in Mozambique during the March 2019 quarter.

### 3. Yilgarn Lithium Project, Western Australia, Australia

Yilgarn Lithium Project ("YLP") is a hard-rock lithium exploration asset located in the Yilgarn Province of Western Australia.

YLP consists of 16 Exploration Licenses, including 14 granted Exploration Licenses and 2 pending Exploration License Applications, covering a total of 747 km<sup>2</sup>.

There was no significant exploration activity at YLP in the March 2019 Quarter.

### 4. Tonopah Lithium Project, Nevada, USA

Tonopah Lithium Project ("TLP") is in the Clayton Valley, in West Central Nevada, in the United States of America.

TLP consists of 425 placer claims which were renewed on 31 August 2018.

We believe that TLP remains the premier lithium brine exploration asset in North America. There has been renewed interest in our Tonopah Lithium Project in Nevada with approaches from other corporations. As a consequence of these approaches, and in light of our decision to focus the company on hard rock lithium, we are reviewing our strategic options with respect to the Tonopah Lithium Project.

There was no significant exploration activity at TLP in the March 2019 Quarter.

### 5. Corporate

The Company continues to assess new lithium exploration opportunities.

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

### 6. Capital structure

At the end of the quarter, there were 90,822,122 fully paid ordinary Shares, 5.5 million unlisted Options and 9.2 million unlisted Performance Rights on issue.

End

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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.

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## 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	425	80%	Nevada, USA

Tenement Name	Tenement Number	Lithium Consolidated Interest	Location of Tenements
<b>Yilgarn Project</b>			
Bedonia	E63/1814	100%	Western Australia
Caranning	E63/1815	100% (Application)	Western Australia
Windarling	E77/2384	100% (Application)	Western Australia
Esmond	E69/3455	100%	Western Australia
Junction	E28/2631	100%	Western Australia
Snomys	E28/2632	100%	Western Australia
Ten Mile	E63/1813	100%	Western Australia
Nawoc	E15/1542	100%	Western Australia
Cool	E28/2651	100%	Western Australia
Dundas	E63/1826	100%	Western Australia
Ten Mile South	E63/1862	100%	Western Australia
Wanoc	E15/1616	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
<b>Zimbabwe Project*</b>			
Tals 5	Various	100% (Granted)	Zimbabwe
Nels Luck	Various	100% (Granted)	Zimbabwe
Bepe	Various	100% (Granted)	Zimbabwe
Magoda and Magoda North	Various	100% (Granted/apps)	Zimbabwe
Day Dawn	Various	100% (Granted)	Zimbabwe
Chisuma	Various	100% (Granted)	Zimbabwe

<b>Tenement Name</b>	<b>Tenement Number</b>	<b>Lithium Consolidated Interest</b>	<b>Location of Tenements</b>
Grey Lady	Various	100% (Granted)	Zimbabwe
Odzi West	Various	100% (Granted/apps)	Zimbabwe
<b>Mozambique Project</b>			
License 9167 L	9167L	100%	Mozambique
License 9190 L	9190L	100%	Mozambique

\*Note: the 8 Zimbabwe projects are comprised of a total 72 prospecting licences, of which 50 have been granted.