

ASX Announcement

ASX: Li3
12 June 2018

LOAN REPAYMENT

Lithium Consolidated Mineral Exploration Ltd (“**LCME**” or the “**Company**”) advises that a loan made to the vendors of the Company’s Nevada projects, shortly after Company’s Initial Public Offering in March 2017, has been repaid to LCME in full.

The full amount of the repayment was A\$431,084, being the amount of the loan principal, interest and legal costs.

Background

On 7 April 2017 the Company advanced a secured loan to each of Big Smokey Exploration LLC and ProspectOre LLC, the vendors of the Company’s Nevada projects (the “**Vendors**”), by paying an amount of withholding tax of US\$289,065 (A\$383,206) to the United States Internal Revenue Service (“**Big Smokey Loan**”). The Foreign Investment in Real Property Tax Act of 1980 required the Company to pay withholding tax on the deemed consideration payable by it to the Vendors for its acquisition of an 80% interest in each of the Tonopah Lithium and Teels projects, in Nevada, USA.

Further details of the terms of the secured loan deed as well as the terms of the security were set out in the Company’s announcements on 27 March 2017 and 10 April 2017.

Big Smokey Exploration LLC was the holder of 12.0 million LCME shares that recently came out of mandatory ASX escrow. As part of the terms of the secured loan deed referred to above, these shares were subject to a further voluntary restriction agreement until the repayment of the Big Smokey Loan.

Further to the sale (through private off-market transfers) of shares held by Big Smokey Exploration LLC for the repayment of the Big Smokey Loan, Big Smokey Exploration LLC has ceased to be a substantial holder (for the purposes of the Corporations Act 2001) of LCME (now holding ~3.7%).

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