



ASX: Li3
5 December 2019

Notice of General Meeting

The attached Notice of General Meeting and proxy form have been dispatched to shareholders today.

**By order of the Board of
Lithium Consolidated Limited**

For more information, please contact:
Duncan Cornish
Company Secretary
Phone: +61 7 3212 6299
Email: investors@li3limited.com
Please visit us at: www.li3limited.com



LITHIUM CONSOLIDATED LTD
ACN 612 008 358
Phone: +61 7 3212 6299
Fax: +61 7 3212 6250
Address: Level 6, 10 Market Street, Brisbane QLD 4000

For personal use only

Lithium Consolidated Limited ACN 612 008 358

Notice of General Meeting and Explanatory Memorandum

Date of Meeting: Thursday, 9 January 2020

Time of Meeting: 10:00am (Brisbane time)

Place of Meeting: Level 7 Waterfront Place 1 Eagle Street Brisbane QLD 4000

The Directors recommend that you vote AGAINST Resolutions 1 to 8 inclusive and in favour of Resolutions 9 to 11.

It includes eleven resolutions and should be read in its entirety.

Notice of Meeting

5 December 2019

Dear Shareholder

General Meeting

On behalf of the Board, I invite you to attend a general meeting (**Meeting**) of Lithium Consolidated Limited ACN 612 008 358 (ASX:Li3) (**Company**). The Meeting will be held at 10 am on 9 January 2020 at:

Level 7 Waterfront Place 1 Eagle Street Brisbane QLD 4000.

On 16 November 2019, the Company received a notice of requisition of meeting under section 249D of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Requisition Notice**) from two Shareholders (**Requisitioning Shareholders**) who held in aggregate approximately 8.00% of the Company's Shares.

The Requisitioning Shareholders have issued a substantial shareholders notice declaring they are associated with some 12 other shareholders of the Company and actually have a relevant interest in approximately 20,787,321 Shares or 16.76% of the Company.

The Requisitioning Shareholders requested that the Company call a Meeting of Shareholders to consider proposed resolutions to remove all of the current Directors of the Company and any person appointed as a Director on and from 15 November 2019 until the end of the Meeting (**Removal Resolutions**), and to appoint four new directors (**Appointment Resolutions**) (**Proposed Directors**), all of whom the Company considers are closely connected with one or more of the Requisitioning Shareholders.

The Removal Resolutions and the Appointment Resolutions the subject of the Requisition Notice will be put to shareholders at the Meeting (**Requisitioned Resolutions**).

The Requisition Notice is unnecessarily disruptive to the Company at a time when the Company is seeking to both progress its existing Lithium assets as well as considering other value accretive opportunities which are in the best interests of shareholders. It is critical that there is a collaborative and effective leadership team in place with an appropriate skillset to implement the Company's strategy.

On behalf of the Board, I encourage you to consider all Meeting materials carefully and participate in this decision by attending in person or lodging the proxy form attached to the Notice of Meeting.

The Directors consider it is in the best interests of the Company and **all** shareholders to vote **AGAINST** Resolutions 1 to 8, being each of the Requisitioned Resolutions, for the following key reasons:

- (1) the Company considers that the Requisitioned Resolutions proposed by the Requisitioning Shareholders represent an attempt by those minority shareholders to control your Board and take effective control of your Company;
- (2) the Requisitioning Shareholders have not articulated **any** substantive reason why they have sought to cause the Company to expend valuable time and resources on this requisition process;
- (3) the Requisitioning Shareholders have not previously raised concerns regarding the current Board, and the Company considers that the requisition has only arisen contemporaneously with the termination of Mr Shanthar Pathmanathan as Managing Director of the Company for breach;
- (4) the Requisitioning Shareholder's Proposed Directors have not provided the Company or you **any** evidence that they are suitably qualified to act as directors of your Company (despite having ample opportunity to do so). Mr Shanthar Pathmanathan was terminated as Managing Director of the Company for breach. To the best of the knowledge of the Board, none of the

Notice of Meeting

other Proposed Directors have any experience as a listed exploration company director and have not demonstrated knowledge and experience of either being listed company directors or having any listed company mining and exploration experience;

- (5) in contrast, your current Directors can demonstrate they are all highly qualified and experienced. The Board is satisfied that your current Directors have the necessary experience and relationships with respect to mining and exploration in Australia and Africa and provide the local knowledge and business continuity required to run your Company. The Removal Resolutions result in a significant loss of corporate knowledge at a critical time where it is a well-known fact the all lithium based listed companies (large, medium and small) are experiencing challenging conditions;
- (6) the Board has concerns that four of the Proposed Directors may not be independent directors and may act with the interests of the declared associates in mind;
- (7) the Board is concerned that the Proposed Resolutions are prompted by an attempt by former management to re-exert influence over the Company and gain control without making a formal takeover offer;
- (8) Shareholder value will be best preserved and grown by maintaining a stable and co-operative Board with the right skills and a cohesive vision of the Company's strategy;
- (9) the entire Senior Management team is not familiar with working with the majority of the Proposed Directors and there is a risk that those key personnel would choose not to work with the Proposed Directors.

It is critical that there is a collaborative and effective leadership team in place with an appropriate skillset to deliver upon promises and implement the Company's strategy. In this respect, your Directors (with each relevant Director abstaining from the resolutions regarding them) unanimously recommend that you vote **AGAINST** each of the Resolutions 1 to 8 and in favour of Resolutions 9 to 11.

Additionally, should the Appointment Resolutions succeed but the Removal Resolutions fail, the Company will end up with an unnecessarily large and cumbersome Board of seven people. On the other hand, should the Removal Resolutions succeed but the Appointment Resolutions fail, the Company would end up with no directors, necessitating action to ensure compliance with the Corporations Act and obviously lacking personnel with the necessary skills and experience.

Yours faithfully,

Brian Moller, Vincent Mascolo and Andrew Haythorpe
Directors

Notice of Meeting

Notice is given that a general meeting of shareholders of Lithium Consolidated Limited ACN 612 008 358 (ASX:Li3) (**Company**) will be held at the offices of Hopgood Ganim , Level 7, Waterfront Place , 1 Eagle Street , Brisbane on Thursday, 9 January 2020 at 10:00am (Brisbane time) (**Meeting**).

Terms used in this Notice of Meeting are defined in **Section 7 Interpretation** of the accompanying Explanatory Memorandum.

Agenda

Ordinary business

1. **Resolution 1 - Removal of Mr Brian Moller as a Director of the Company**

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That Mr Brian Moller be removed as a director of the Company with immediate effect on the passing of this resolution."

Your Board is not proposing Resolution 1. The Company is required to put Resolution 1 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board (with Mr Moller abstaining) recommends Shareholders vote AGAINST this Resolution 1 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 1.

2. **Resolution 2 - Removal of Mr Vincent Mascolo as a Director of the Company**

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That Mr Vincent Mascolo be removed as a director of the Company with immediate effect on the passing of this resolution."

Your Board is not proposing Resolution 2. The Company is required to put Resolution 2 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board (with Mr Mascolo abstaining) recommends Shareholders vote AGAINST this Resolution 2 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 2.

3. **Resolution 3 - Removal of Mr Andrew Haythorpe as a Director of the Company**

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That Mr Andrew Haythorpe be removed as a director of the Company with immediate effect on the passing of this resolution."

Your Board is not proposing Resolution 3. The Company is required to put Resolution 3 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board (with Mr Haythorpe abstaining) recommends Shareholders vote AGAINST this Resolution 3 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 3.

Notice of Meeting

4. Resolution 4 - Removal of new directors of the Company

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That any person appointed as a director of the Company on and from 15 November 2019 until the end of the General Meeting (other than any person elected as a director of the Company following their nomination by the shareholders of the Company issuing this notice) be removed as a director of the Company with immediate effect on the passing of this resolution."

Your Board is not proposing Resolution 4. The Company is required to put Resolution 4 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board recommends Shareholders vote AGAINST this Resolution 4 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 4.

5. Resolution 5 - Appointment of Mr Shanthar Pathmanathan as a director of the Company

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That Mr Shanthar Pathmanathan be appointed as a director of the Company with immediate effect on the passing of this resolution."

Your Board is not proposing Resolution 5. The Company is required to put Resolution 5 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board recommends Shareholders vote AGAINST this Resolution 5 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 5.

6. Resolution 6 - Appointment of Mr Naim Jones as a director of the Company

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That Mr Naim Jones be appointed as a director of the Company with immediate effect on the passing of this resolution."

Your Board is not proposing Resolution 6. The Company is required to put Resolution 6 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board recommends Shareholders vote AGAINST this Resolution 6 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 6.

7. Resolution 7 - Appointment of Mr Jasveer Jessy as a director of the Company

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

"That Mr Jasveer Jessy be appointed as a director of the Company with immediate effect on the passing of this resolution."

Notice of Meeting

Your Board is not proposing Resolution 7. The Company is required to put Resolution 7 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board recommends Shareholders vote AGAINST this Resolution 7 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 7.

8. Resolution 8 - Appointment of Mr Mathew Lindh as a director of the Company

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That Mr Mathew Lindh be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Your Board is not proposing Resolution 8. The Company is required to put Resolution 8 to Shareholders due to the request made by the Requisitioning Shareholders. Your Board recommends Shareholders vote AGAINST this Resolution 8 and each Director will be voting all Shares that he or she holds or controls AGAINST this Resolution 8.

9. Resolution 9 – Approval of Performance Rights Plan

To consider and, if thought fit, pass the following Ordinary Resolution with or without amendment:

*“That the Performance Rights Plan (**Rights Plan**), which is summarised in the attached Explanatory Memorandum, be approved and that for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, the issue of performance rights to subscribe for securities, and the issue of securities pursuant to those performance rights, within three (3) years from the date of this resolution be an exception to Listing Rules 7.1 and 7.1A.”*

Notes

A detailed summary of the key terms of the Rights Plan is set out in Annexure D.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- (a) a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (b) any associate of them

However, this does not apply to a vote cast in favour of this Resolution 9 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution 9, in accordance with directions given to the proxy or attorney to vote on this Resolution 9 in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution 9; and
 - (ii) the holder votes on this Resolution 9 in accordance with directions given by the beneficiary to the holder to vote in that way.

Notice of Meeting

Key Management Personnel Voting Exclusion Statement

As Resolution 9 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 9 must not be cast by:

- (a) any member of Key Management Personnel of the Company or if the Company is part of a consolidated entity, of the entity; or
- (b) a Closely Related Party of such a member,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution, if the appointment of proxy expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or if the Company is part of a consolidated entity, of the entity.

Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all Resolutions the subject of this Meeting, including Resolution 9, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

10. Resolution 10 – Approval of Employee Share and Option Plan

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution, with or without amendment:

“That the Employee Share and Option Plan (ESOP), which is summarised in the attached Explanatory Memorandum, be approved and that for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, the issue of securities under the ESOP within three (3) years from the date of this resolution be an exception to Listing Rules 7.1 and 7.1A.”

Notes

A detailed summary of the key terms of the Employee Share and Option Plan is set out in Schedule 2.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- (a) a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- (b) any associate of them.

However, this does not apply to a vote cast in favour of this Resolution 10 by:

Notice of Meeting

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution 10, in accordance with directions given to the proxy or attorney to vote on this Resolution 10 in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution 10; and
 - (ii) the holder votes on this Resolution 10 in accordance with directions given by the beneficiary to the holder to vote in that way.

Key Management Personnel Voting Exclusion Statement

As Resolution 10 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 10 must not be cast by:

- (a) any member of the Key Management Personnel of the Company or if the Company is part of a consolidated entity, of the entity; or
- (b) a Closely Related Party of such a member,

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution, if the appointment of proxy expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or if the Company is part of a consolidated entity, of the entity.

Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of all Resolutions the subject of this Meeting, including Resolution 10, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the meeting may change his voting intention on any resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Proxy Form.

11. Resolution 11 – Approval to issue Placement Shares

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution, with or without amendment:

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Shares (**Placement Shares**) to professional and sophisticated investors on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of:

Notice of Meeting

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); and
- (b) any associate of them.

However, this does not apply to a vote cast in favour of this Resolution 11 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution 11, in accordance with directions given to the proxy or attorney to vote on this Resolution 11 in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution 11; and
 - (ii) the holder votes on this Resolution 11 in accordance with directions given by the beneficiary to the holder to vote in that way.

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board

Duncan Cornish
Company Secretary

5 December 2019

Explanatory Memorandum

1. Introduction

1.1 Background

This Explanatory Memorandum is provided to shareholders of **Lithium Consolidated Limited** ACN 612 008 358 (**Company**) to explain the resolutions to be put to Shareholders at the Meeting to be held at the offices of HopgoodGanim Lawyers, Level 7 Waterfront Place 1 Eagle Street, Brisbane QLD 4000 on Thursday, 9 January 2020 commencing at 10:00am (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Unless otherwise defined, terms used in this Explanatory Memorandum are defined in **Section 7 Interpretation**.

The Notice of Meeting sets out the details of 11 separate, ordinary resolutions to be put to Shareholders comprising the following:

1.2 Background to the Requisitioned Resolutions

As set out in the Chairman's Letter above, on 16 November 2019 the Company received a notice of requisition of meeting under section 249D of the Corporations Act (**Requisition Notice**) from two Shareholders (**Requisitioning Shareholders**) who held in aggregate approximately 8.00% of the Company's Shares.

The Requisition Notice requested that the Company call a Meeting of Shareholders to consider 8 resolutions, the effect of which would be to remove all current directors of the Company (**Removal Resolutions**) and replace them with nominees of the Requisitioning Shareholders (**Appointment Resolutions**). A copy of the Requisition Notice is provided in Annexure A.

1.3 The Requisitioned Resolutions

The Company considers that the Requisitioned Resolutions set out in Resolutions 1 to 8 are **not** in the best interests of the Company and its Shareholders for the following key reasons:

- (a) the Company considers that the Requisitioned Resolutions proposed by the Requisitioning Shareholders represent an attempt by those minority shareholders to control your Board and take effective control of your Company;
- (b) the Requisitioning Shareholders have not articulated any substantive reason why they have sought to cause the Company to expend valuable time and resources on this requisition process;
- (c) the Requisitioning Shareholders have not previously raised concerns regarding the current Board, and the Company considers that the requisition has only arisen contemporaneously with the termination of Mr Shanthar Pathmanathan as Managing Director of the Company for breach;
- (d) the Requisitioning Shareholder's Proposed Directors have not provided the Company or you any evidence that they are suitably qualified to act as directors of your Company (despite having ample opportunity to do so). Mr Shanthar Pathmanathan was terminated as Managing Director of the Company for breach. To the best of the knowledge of the Board, none of the other Proposed Directors have any experience as a listed exploration company director and have not demonstrated knowledge and experience of either being listed company directors or having any listed company mining and exploration experience;

Explanatory Memorandum

- (e) in contrast, your current Directors can demonstrate they are all highly qualified and experienced. The Board is satisfied that your current Directors have the necessary experience and relationships with respect to mining and exploration in Australia and Africa and provide the local knowledge and business continuity required to run your Company. The Removal Resolutions will result in a significant loss of corporate knowledge at a critical time where it is a well-known fact that all lithium based listed companies (large, medium and small) are experiencing challenging conditions; and
- (f) the Board has concerns that four of the Proposed Directors may not be independent directors and may act with the interests of the declared associates in mind;
- (g) the Board is concerned that the Proposed Resolutions are prompted by an attempt by former management to re-exert influence over the Company and gain control without making a formal takeover offer;
- (h) Shareholder value will be best preserved and grown by maintaining a stable and co-operative Board with the right skills and a cohesive vision of the Company's strategy; and
- (i) the entire Senior Management team is not familiar with working with the majority of the Proposed Directors and there is a risk that those key personnel would choose not to work with the Proposed Directors.

Additionally, should the Appointment Resolutions succeed but the Removal Resolutions fail, the Company will end up with an unnecessarily large and cumbersome Board of seven people. On the other hand, should the Removal Resolutions succeed but the Appointment Resolutions fail, the Company would end up with no directors, necessitating action to ensure compliance with the Corporations Act and obviously lacking personnel with the necessary skills and experience.

2. Resolutions 1 to 4 - Removal of current directors

2.1 Resolution 1 - Removal of Mr Brian Moller as a Director of the Company

Resolution 1 is an ordinary resolution and relates to the removal of Mr Brian Moller as a Director. This resolution has been proposed by the Requisitioning Shareholders.

A short biography of Mr Moller is provided below.

Name	Brian Moller
Title	Non-executive Director
Qualifications	LLB Hons
Experience and expertise	Mr Moller specialises in capital markets, mergers and acquisitions and corporate restructuring, and has acted in numerous transactions and capital raisings in both the industrial and resources and energy sectors. He has been a partner at the legal firm, HopgoodGanim Lawyers for 30 years and leads the Corporate and M&A practice. Mr Moller acts for many publicly listed companies in Australia and regularly advises boards of directors on corporate governance and related issues.

The Directors, with Mr Moller abstaining, unanimously recommend that Shareholders vote **AGAINST** Resolution 1.

The Chairman of the Meeting intends to vote all available undirected proxies **AGAINST** Resolution 1.

Explanatory Memorandum

2.2 Resolution 2 - Removal of Mr Vincent Mascolo as a director of the Company

Resolution 2 is an ordinary resolution and relates to the removal of Mr Vincent Mascolo as a Director. This resolution has been proposed by the Requisitioning Shareholders.

A short biography of Mr Mascolo is provided below.

Name	Vincent Mascolo
Title	Non-executive director
Qualifications	BEng (Mining), MAusIMM, MIEAust
Experience and expertise	<p>Mr Mascolo has held the position of Director for various public and private companies over the past 25 years. He is currently the Chief Executive Officer and Managing Director of AIM-listed, IronRidge Resources Limited and has been primarily responsible for a number of new developments, global partnerships and project expansions for the company. Mr Mascolo was instrumental in raising £9.7m for its admission to AIM in February 2015 and secured two cornerstone investors; Sumitomo Corporation and Assore Limited. He also resides on the board of ASX-listed DGR Global Limited.</p> <p>Mr Mascolo's efforts have received MBA Merit Awards for Excellence in Engineering, Construction, Environmental, and Public Private Partnerships. Mr Mascolo is a member of both the Australian Institute of Mining and Metallurgy and the Institute of Engineers of Australia.</p>

The Directors, with Mr Mascolo abstaining, unanimously recommend that Shareholders vote **AGAINST** Resolution 2.

The Chairman of the Meeting intends to vote all available undirected proxies **AGAINST** Resolution 2.

2.3 Resolution 3 - Removal of Mr Andrew Haythorpe as a director of the Company

Resolution 3 is an ordinary resolution and relates to the removal of Mr Andrew Haythorpe as a Director. This resolution has been proposed by the Requisitioning Shareholders.

A short biography of Mr Haythorpe is provided below.

Name	Andrew Haythorpe
Title	Managing Director
Qualifications	
Experience and expertise	<p>Mr Haythorpe has over 30 years' experience in the mining industry, with 18 years of experience in management of ASX and TSX listed companies.</p> <p>Mr Haythorpe is a non -executive director of ASX listed Accelerate Resources Ltd, and is a member of the Australasian Institute of Mining & Metallurgy and the Australian Institute of Company Directors.</p>

The Directors, with Mr Haythorpe abstaining, unanimously recommend that Shareholders vote **AGAINST** Resolution 3.

The Chairman of the Meeting intends to vote all available undirected proxies **AGAINST** Resolution 3.

Explanatory Memorandum

2.4 Resolution 4 - Removal of new directors of the Company

Resolution 4 is an ordinary resolution and relates to the removal of any person who is appointed as a Director on and from 15 November 2019 until the commencement of the Meeting.

At the date of this Notice, no new Director has been appointed.

The Board will not exercise its power to appoint any new Director prior to the Meeting unless it is considered to be in the best interests of Shareholders. If a new Director were appointed, that Director could not hold office (without re-election) past the next annual general meeting.

With reference to the above circumstances, the Directors recommend that Shareholders vote **AGAINST** Resolution 4.

The Chairman of the Meeting intends to vote all available undirected proxies **AGAINST** Resolution 4.

2.5 Resolution 4 - Removal of new directors of the Company

The Company considers that Resolutions 1 to 5 are **not** in the best interests of the Company and its Shareholders for the reasons set out in Section 1.3 of the Explanatory Memorandum above.

3. Resolutions 5 to 8 - Appointment of new directors

3.1 Introduction

As noted above, on 16 November 2019 the Company received a notice of requisition of meeting under section 249D of the Corporations Act (**Requisition Notice**) from two Shareholders (**Requisitioning Shareholders**) who held in aggregate approximately 8.00% of the Company's Shares.

The Requisition Notice requested that the Company call a Meeting of Shareholders to consider 8 resolutions. A copy of the Requisition Notice is provided in Annexure A.

3.2 Proposed Resolutions

The proposed resolutions 5 to 8 sought the appointment of four additional Directors (**Appointment Resolutions**). Those Proposed Directors are Mr Shanthar Pathmanathan, Mr Naim Jones, Mr Jasveer Jessy, Mr Matthew Lindh.

3.3 Details of the Proposed Directors

The Requisitioning Shareholders have provided information regarding qualifications and experience of the Proposed Directors. The information provided is set out below:

(a) Mr Shanthar Pathmanathan

Mr Shanthar Pathmanathan was the chief executive officer and managing director of Lithium Consolidated Ltd between October 2016 and October 2019.

Shanthar has a total of 17 years of natural resources sector experience.

Shanthar was formerly an investment banker with Deutsche Bank and the Macquarie Group in Australia and in the United States of America.

Shanthar has been involved in range of private equity investment, M&A and financing transactions.

Explanatory Memorandum

Shanthar has a Bachelor of Laws from the University of Western Australia.

(b) Mr Naim Jones

Mr Naim Jones is the owner and operator of Jonescorp Pty Ltd, a company founded in 2015 to develop unique, affordable housing projects in Perth, Western Australia. Naim has worked with the WA State Government to develop five new affording house projects. Jonescorp Pty Ltd is being expanded to deliver specialised disability accommodation projects in Western Australia.

Naim previously spent over 10 years in the banking and financial services industry, including in a senior role at Westpac, through which he developed a deep understanding of the property market and identified an opportunity to invest and develop affordable housing in Perth.

Naim is the largest investor in Lithium Consolidated Limited.

Naim holds a Bachelor of Commerce from the University

(c) Mr Jasveer Jessy

Mr Jasveer Jessy has over 10 years of capital markets experience as a stockbroker. Most recently, he has experience financing ASX-listed venture-stage companies.

Jasveer has arranged and provided underwriting for equity capital financings by Moko Social Media and Virtual Gaming World (VGW), the latter of which has grown rapidly into a thriving technology company with an audited annual revenue in 2019 of \$349 million. Jasveer has also arranged a previous equity capital financing for Lithium Consolidated Limited.

Jasveer was previously the State Manager of the stockbroking firm, Halifax Investment Services.

Jasveer holds a Bachelor of Commerce Degree from Murdoch University.

(d) Mr Matthew Lindh

Mr Matthew Lindh is the Managing Director of Harbury, a leading independent corporate advisory firm specialising in providing financial and strategic advice to small and mid-market companies, specifically in relation to Mergers & Acquisitions and capital raisings.

Focusing on the mining/resources, industrials, consumer and financial services sectors, Matthew has managed various M&A and equity capital market transactions.

Prior to Harbury, Matthew was head of corporate finance at Sequoia Financial Group and was head of Australian Investment Banking at global investment bank Daiwa where he was involved in cross-border transactions throughout Asia, USA and Europe.

Matthew's other directorships include non-executive director of Linx Australia Group and various private companies and not-for-profit sports organisations.

Matthew has a Bachelor of Economics (Business) and a Graduate Diploma of Applied Finance (Corporate Finance).

In addition, each of the Proposed Directors has provided their consent to act. Copies of the Proposed Directors' consents to act and information regarding qualifications and experience are included in Annexure B.

Shareholders should be aware that the Company has not taken steps to verify the accuracy of this information.

Explanatory Memorandum

Section 249P of the Corporations Act permits the shareholders who have requisitioned the meeting to submit a statement for circulating to shareholders regarding the resolutions and any other matter that may be properly considered at the meeting. The Requisitioning Shareholders have provided the statements set out in Annexure C.

3.4 Recommendation of Directors

The Directors do not support any of the Appointment Resolutions and recommend you vote **AGAINST** Resolutions 5 to 8 for the reasons set out in Section 1.3 of the Explanatory Memorandum above, and in addition:

- (a) to the best of the Board's knowledge, Mr Pathmanathan has only had limited experience as a director of one listed exploration company, being the Company, and was terminated for breach as per the ASX announcement dated 14 October 2019;
- (b) to the best of the Board's knowledge, none of Naim Jones, Jasveer Jessy or Mathew Lindh have any experience as a director of a listed company, let alone a listed exploration company;
- (c) at this time, the Company cannot be satisfied that the Proposed Directors are of good fame and character and the Company has not had the opportunity to conduct the appropriate probity checks in accordance with its Corporate Governance Statement.

The Chairman of the Meeting intends to vote all available undirected proxies **AGAINST** each Appointment Resolution.

4. Resolution 9 – Approval of Performance Rights Plan

4.1 Introduction

Pursuant to Resolution 9, the Company is seeking Shareholder approval for the continued issue of securities under the Company's Performance Rights Plan (**Rights Plan**) as an exception under Listing Rule 7.2, Exception 13(b) which would enable securities issued under the Rights Plan over the next three (3) years to be excluded from the calculation of the number of securities issued for the purposes of ASX Listing Rules 7.1 and 7.1A.

The Company previously adopted the Rights Plan at the 2016 EGM to provide incentives to the eligible participants of the Company, including Directors of the Company who hold a salaried employment or office in the Company, and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the use of Performance Rights are a cost effective and efficient incentive for the Company as opposed to relying solely on alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain key employees who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Rights Plan is designed to achieve this objective by encouraging long term employment with the Company and continued improvement in performance over time and encouraging personnel to acquire and retain an interest in the Company.

The Rights Plan provides for the issue of Performance Rights which, upon a determination by the Board that performance conditions attached to the Performance Rights have been met, will result in the issue of one ordinary share in the Company for each Performance Right granted.

A summary of the terms of the Rights Plan are set out in Annexure D to this Explanatory Memorandum.

4.2 ASX Listing Rules

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue Equity Securities in any 12-month period equivalent in number to more than 15% of its ordinary securities on issue, without the approval of its shareholders.

Explanatory Memorandum

As a result, any issue of securities by the Company to eligible employees under the Rights Plan would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 13 of Listing Rule 7.2 however, allows the Company to issue securities under the Rights Plan without the issue of such securities being counted towards the Company's 15% issue capacity under Listing Rule 7.1, where Shareholders have approved the issue of securities under the Rights Plan as an exception to Listing Rule 7.1, within three (3) years prior to the issue of the securities. Resolution 9 is being put to Shareholders for this purpose and will allow the Company to utilise Exception 13 of Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

4.3 Information for Shareholders

In accordance with Exception 13 of Listing Rule 7.2, the Company advises as follows:

- since the last approval 2,000,000 Performance Rights have been issued under the Rights Plan, which were issued to Mr Shanthar Pathmanathan on 5 December 2018 with approval from shareholders being given at the 2018 annual general meeting of the Company. In light of the recent termination of Mr Pathmanathan as Managing Director of the Company, these Performance Rights were cancelled on 7 November 2019; and
- a summary of the key terms of the Rights Plan are set out in Annexure D.

4.4 Further Considerations

The Company believes that it will derive a significant benefit by incentivising its senior management and key employees through the issue of Performance Rights under the Rights Plan. Additionally, the Company believes it to be in the best interests of the Company to preserve the maximum commercial flexibility to issue Equity Securities that is afforded to it by ASX Listing Rule 7.1.

If Resolution 9 is approved by shareholders and the exception applies, then Performance Rights issued under the Rights Plan will not count towards the equity securities that the Company may issue as part of its 15% Capacity (or, if applicable, Additional 10% Capacity). If Resolution 9 is not approved by shareholders, any Performance Rights issued under the Rights Plan must be issued under, and will count towards, the Company's 15% Capacity or the Additional 10% Capacity (if applicable) or must otherwise be subject to shareholder approval under Listing Rule 7.1 This may have a limiting effect on the ability of the Company to utilise the Rights Plan.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

5. Resolution 10 – Approval of Employee Share and Option Plan

5.1 Introduction

Pursuant to Resolution 10, the Company is seeking Shareholder approval for the continued issue of securities under the Company's Employee Share and Option Plan (the **ESOP**) as an exception under Listing Rule 7.2, Exception 13(b) which would enable securities issued under the ESOP over the next three (3) years to be excluded from the calculation of the number of securities issued for the purposes of ASX Listing Rules 7.1 and 7.1A.

The Company previously adopted the ESOP at the 2016 EGM to utilise it as a means of rewarding and incentivising its key employees.

A summary of the terms of the ESOP are set out in Schedule 2 to this Explanatory Memorandum.

5.2 ASX Listing Rules

Explanatory Memorandum

Subject to certain exceptions, Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue Equity Securities in any 12-month period equivalent in number to more than 15% of the company's ordinary securities on issue, without the approval of its shareholders.

As a result, any issue of securities by the Company to eligible employees under the ESOP would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 13 of Listing Rule 7.2 however, allows the Company to issue securities under the ESOP without the issue of such securities being counted towards the Company's 15% issue capacity under Listing Rule 7.1, where Shareholders have approved the issue of securities under the ESOP as an exception to Listing Rule 7.1, within three (3) years prior to the issue of the securities. Resolution 10 is being put to Shareholders for this purpose and will allow the Company to utilise Exception 13 of Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

5.3 Information for Shareholders

In accordance with Exception 13 of Listing Rule 7.2, the Company advises as follows:

- there have been no Options issued under the ESOP since the last approval; and
- a summary of the key terms of the ESOP are set out in Annexure E.

5.4 Further Considerations

The Company believes that it will derive a significant benefit by incentivising its senior management and key employees through the issue of securities under the ESOP. Additionally, the Company believes it to be in the best interests of the Company to preserve the maximum commercial flexibility to issue Equity Securities that is afforded to it by Listing Rule 7.1.

If Resolution 10 is approved by shareholders and the exception applies, then securities issued under the ESOP will not count towards the equity securities that the Company may issue as part of its 15% Capacity (or, if applicable, Additional 10% Capacity). If Resolution 10 is not approved by shareholders, any securities issued under the ESOP must be issued under, and will count towards, the Company's 15% Capacity or the Additional 10% Capacity (if applicable) or must otherwise be subject to shareholder approval under Listing Rule 7.1 This may have a limiting effect on the ability of the Company to utilise the ESOP.

The Directors recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 11 –Approval to issue Placement Shares

6.1 Introduction

The Company seeks approval to raise capital pursuant to a placement of up to a maximum of 30,000,000 Shares (**Placement Shares**).

The Placement will be made subject to Shareholder approval under Listing Rule 7.1.

None of the subscribers of the Placement Shares will be related parties of the Company or an associate of a related party of the Company. Resolution 11 is an ordinary resolution.

6.2 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not (without prior Shareholder approval), subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Explanatory Memorandum

By shareholders approving the issue which is the subject of Resolution 11, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (i) the maximum number of Shares to be issued under this portion of the Placement is 30,000,000 Shares;
- (ii) the Placement Shares will be issued at an issue price of not less than 90% of the volume weighted average of the Company's Shares immediately prior to the announcement of the issue of the Placement Shares ;
- (ii) the Placement Shares will be issued as soon as possible following the passing of Resolution 11, but no later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules);
- (iii) the Placement Shares will be issued to professional and sophisticated investors (none of whom will be a related party of the Company),
- (iv) the Placement Shares will be fully paid ordinary shares and rank equally with all other Shares on issue;
- (v) the Company proposes to allocate the funds raised to fund exploration work on the Company's various Lithium and gold projects and for corporate and general working capital purposes; and
- (vi) the Shares to be issued pursuant to Resolution 11 will be issued all on the same date; and
- (vii) a voting exclusion statement is included in the Notice for Resolution 11.

6.4 Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 11.

7. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

Appointment Resolutions means Resolutions 5 to 8 of this Notice of Meeting relating to the appointment of the Proposed Directors.

ASX means the ASX Limited ACN 008 624 69 or the Australian Securities Exchange, as the case may be.

Board means the board of directors of the Company.

Chair means the person chairing the Meeting.

Company means Lithium Consolidated Limited ACN 612 008 358.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Explanatory Memorandum

Directors means the directors of the Company from time to time.

Dollar or “\$” means Australian dollars.

Explanatory Memorandum means the explanatory statement accompanying this Notice.

Listing Rules means the listing rules of the ASX.

Meeting means the general meeting of the Company to be held on 9 January 2020.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders.

Proposed Directors means each of and collectively:

- Shanthar Pathmanathan
- Naim Jones
- Jasveer Jessy
- Mathew Lindh

Removal Resolutions means resolutions 1 to 4 of this Notice of Meeting relating to the removal of all of the current Directors of the Company.

Question Notice means the requisition notice dated 16 November 2019 issued by the Requisitioning Shareholders and received by the Company

Requisitioned Resolutions means the Appointment Resolutions and the Removal Resolutions.

Requisitioning Shareholders means Mr Shanthar Pathmanathan and Mr Naim Jones.

Resolution means a resolution to be proposed at the Meeting.

Share Registry means Link Market Services Limited.

Shares means ordinary fully paid shares in the issued capital of the Company.

Shareholder means a shareholder of the Company.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to the Share Registry:

Phone: (+61) 1300 554 474

Email: info@lithiumconsolidated.com

Explanatory Memorandum

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below, or the Share Registry**, not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Lithium Consolidated Limited, c/- Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

Telephone Phone: (+61) 1300 554 474 Facsimile No: (+61 2) 9287 0309

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm on Tuesday, 7 January 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- | | |
|--------------------|---|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the security holders should sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i>) does not have a Company Secretary, a Sole Director can also sign alone. |

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

Notice of Meeting and Explanatory Memorandum

Annexure A - Requisition Notice of Intention

For personal use only

REQUISITION OF A GENERAL MEETING

PURSUANT TO SECTION 249D OF THE CORPORATIONS ACT 2001 (CTH)

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Dear Sir

This request ("**Request**") is given to Lithium Consolidated Limited (ACN 612 008 358) (the "**Company**") under section 249D of the *Corporations Act 2001* (Cth) ("**Corporations Act**").

We the undersigned members, collectively holding at least 5% of the votes that may be cast at a general meeting of the Company (the "**Requisitioning Shareholders**"), request the Company and the Company's directors to call and arrange to hold a general meeting of members of the Company ("**General Meeting**").

The business at that General Meeting is to consider, and if thought fit, pass the following separate resolutions as ordinary resolutions:

Resolution 1 – Removal of Mr Brian Moller as a director of the Company

"That Mr Brian Moller be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 2 – Removal of Mr Vincent Mascolo as a director of the Company

"That Mr Vincent Mascolo be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 3 – Removal of Mr Andrew Haythorpe as a director of the Company

"That Mr Andrew Haythorpe be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 4 – Removal of new directors of the Company

"That any person appointed as a director of the Company on and from 15 November 2019 until the end of the General Meeting (other than any person elected as a director of the Company following their nomination by the shareholders of the Company issuing this notice) be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 5 – Appointment of Mr Shanthar Pathmanathan as a director of the Company

"That Mr Shanthar Pathmanathan be appointed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 6 – Appointment of Mr Naim Jones as a director of the Company

“That Mr Naim Jones be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Resolution 7 – Appointment of Mr Jasveer Jessy as a director of the Company

“That Mr Jasveer Jessy be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Resolution 8 – Appointment of Mr Matthew Lindh as a director of the Company

“That Mr Matthew Lindh be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Dated: 16 November 2019

Executed by the Requisitioning Shareholders:

Signed by **Shanthar Pathmanathan**, who holds 1,700,000 fully paid ordinary shares in the Company (1.37%):



Signature

Signed by **Naim Royden Jones**, who holds 8,326,676 fully paid ordinary shares in the Company (6.71%):



Signature

For personal use only

Notice of Meeting and Explanatory Memorandum

Annexure B - Consents to Act and Proposed Directors' Qualifications

For personal use only

NOTICE TO COMPANY OF INTENTION TO MOVE RESOLUTIONS FOR REMOVAL OF DIRECTORS

PURSUANT TO SECTION 203D OF THE CORPORATIONS ACT 2001 (CTH)

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Dear Sir

This notice ("**Notice**") is given to Lithium Consolidated Limited (ACN 612 008 358) (the "**Company**") under section 203D of the *Corporations Act 2001* (Cth) ("**Corporations Act**") and for the purposes of the Company's constitution.

We the undersigned members, collectively holding at least 5% of the votes that may be cast on the resolutions (the "**Notifying Shareholders**"), give notice that we intend at the next general meeting of the Company after the annual general meeting of the Company to be held on 28 November 2019 (the "**General Meeting**") to move the following resolutions in the following terms:

Resolution 1 – Removal of Mr Brian Moller as a director of the Company

"That Mr Brian Moller be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 2 – Removal of Mr Vincent Mascolo as a director of the Company

"That Mr Vincent Mascolo be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 3 – Removal of Mr Andrew Haythorpe as a director of the Company

"That Mr Andrew Haythorpe be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 4 – Removal of new directors of the Company

"That any person appointed as a director of the Company on and from 15 November 2019 until the end of the General Meeting (other than any person elected as a director of the Company following their nomination by the shareholders of the Company issuing this notice) be removed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 5 – Appointment of Mr Shanthar Pathmanathan as a director of the Company

"That Mr Shanthar Pathmanathan be appointed as a director of the Company with immediate effect on the passing of this resolution."

Resolution 6 – Appointment of Mr Naim Jones as a director of the Company

“That Mr Naim Jones be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Resolution 7 – Appointment of Mr Jasveer Jessy as a director of the Company

“That Mr Jasveer Jessy be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Resolution 8 – Appointment of Mr Matthew Lindh as a director of the Company

“That Mr Matthew Lindh be appointed as a director of the Company with immediate effect on the passing of this resolution.”

Dated: 15 November 2019

Executed by the Notifying Shareholders

Signed by **Shanthar Pathmanathan**, who holds 1,700,000 fully paid ordinary shares in the Company (1.37%):



Signature

Signed by **Naim Royden Jones**, who holds 8,326,676 fully paid ordinary shares in the Company (6.71%):



Signature

For personal use only

NOMINATION OF DIRECTORS

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Dear Sir

This notice ("**Notice**") is given to Lithium Consolidated Limited (ACN 612 008 358) (the "**Company**") for the purposes of the *Corporations Act 2001* (Cth) and the Company's constitution.

We, the undersigned members (the "**Nominating Shareholders**"), nominate the following persons for election to the office of director of the Company at the next general meeting of the Company after the annual general meeting of the Company to be held on 28 November 2019 (the "**Nominated Directors**") and enclose executed consents to act from the Nominated Directors:

1. Mr Shanthar Pathmanathan

Mr Shanthar Pathmanathan was the chief executive officer and managing director of Lithium Consolidated Ltd between October 2016 and October 2019.

Shanthar has a total of 17 years of natural resources sector experience.

Shanthar was formerly an investment banker with Deutsche Bank and the Macquarie Group in Australia and in the United States of America.

Shanthar has been involved in range of private equity investment, M&A and financing transactions.

Shanthar has a Bachelor of Laws from the University of Western Australia.

2. Mr Naim Jones

Mr Naim Jones is the owner and operator of Jonescorp Pty Ltd, a company founded in 2015 to develop unique, affordable housing projects in Perth, Western Australia. Naim has worked with the WA State Government to develop five new affordable housing projects. Jonescorp Pty Ltd is being expanded to deliver specialised disability accommodation projects in Western Australia.

Naim previously spent over 10 years in the banking and financial services industry, including in a senior role at Westpac, through which he developed a deep understanding of the property market and identified an opportunity to invest and develop affordable housing in Perth.

Naim is the largest investor in Lithium Consolidated Limited.

Naim holds a Bachelor of Commerce from the University of Western Australia.

3. Mr Jasveer Jessy

Mr Jasveer Jessy has over 10 years of capital markets experience as a stockbroker. Most recently, he has experience financing ASX-listed venture-stage companies.

Jasveer has arranged and provided underwriting for equity capital financings by Moko Social Media and Virtual Gaming Worlds (VGW), the latter of which has grown rapidly into a thriving technology company with an audited annual revenue in 2019 of \$349 million. Jasveer has also arranged a previous equity capital financing for Lithium Consolidated Limited.

Jasveer was previously the State Manager of the stockbroking firm, Halifax Investment Services.

Jasveer holds a Bachelor of Commerce Degree from Murdoch University.

4. Mr Matthew Lindh

Mr Matthew Lindh is the Managing Director of Harbury, a leading independent corporate advisory firm specialising in providing financial and strategic advice to small and mid-market companies, specifically in relation to Mergers & Acquisitions and capital raisings.

Focusing on the mining/resources, industrials, consumer and financial services sectors, Matthew has managed various M&A and equity capital market transactions.

Prior to Harbury, Matthew was head of corporate finance at Sequoia Financial Group and was head of Australian Investment Banking at global investment bank Daiwa where he was involved in cross-border transactions throughout Asia, USA and Europe.

Matthew's other directorships include non-executive director of Linx Australia Group and various private companies and not-for-profit sports organisations.

Matthew has a Bachelor of Economics (Business) and a Graduate Diploma of Applied Finance (Corporate Finance).

Dated: 15 November 2019

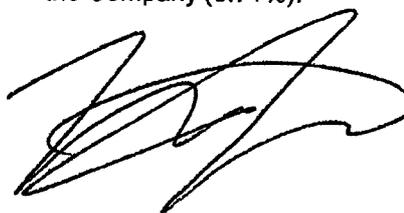
Executed by the Nominating Shareholders:

Signed by **Shanthar Pathmanathan**, who holds 1,700,000 fully paid ordinary shares in the Company (1.37%):



Signature

Signed by **Naim Royden Jones**, who holds 8,326,676 fully paid ordinary shares in the Company (6.71%):



Signature

**CONSENT OF MR SHANTHAR PATHMANATHAN
TO APPOINTMENT AS A DIRECTOR**

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Consent and confirmation

I consent to act as a director of Lithium Consolidated Limited (ACN 612 008 358) (the "Company").

I confirm that I am not restricted by the *Corporations Act 2001* (Cth) from appointment as a director or from taking part in the management of a corporation.

Personal details

Given name: Shanthar

Family name: Pathmanathan

All former given names and family names: Not applicable

Usual residential address: 4 Piper Place, Bateman, WA 6150

Date and place of birth: 15 July 1977, Jaffna, Sri Lanka

Dated: 15 November 2019

Signed by **Shanthar Pathmanathan**:



Signature

For personal use only

**CONSENT OF MR NAIM JONES
TO APPOINTMENT AS A DIRECTOR**

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Consent and confirmation

I consent to act as a director of Lithium Consolidated Limited (ACN 612 008 358) (the "Company").

I confirm that I am not restricted by the *Corporations Act 2001* (Cth) from appointment as a director or from taking part in the management of a corporation.

Personal details

Given name: Naim Royden

Family name: Jones

All former given names and family names: Not applicable

Usual residential address: 89 Doveridge Drive, Duncraig, WA, 6023

Date and place of birth: 7 August 1980, Perth, Australia

Dated: 15 November 2019

Signed by Naim Royden Jones:



Signature

For personal use only

**CONSENT OF MR JASVEER JESSY
TO APPOINTMENT AS A DIRECTOR**

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Consent and confirmation

I consent to act as a director of Lithium Consolidated Limited (ACN 612 008 358) (the "Company").

I confirm that I am not restricted by the *Corporations Act 2001* (Cth) from appointment as a director or from taking part in the management of a corporation.

Personal details

Given name: Jasveer Singh

Family name: Jessy

All former given names and family names: Not applicable

Usual residential address: 44A Lynwood Avenue, Lynwood, WA 6147

Date and place of birth: 2 March 1984, Penang, Malaysia

Dated: 15 November 2019

Signed by **Jasveer Jessy**:



Signature

For personal use only

**CONSENT OF MR MATTHEW LINDH
TO APPOINTMENT AS A DIRECTOR**

To: The Board of Directors
Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Consent and confirmation

I consent to act as a director of Lithium Consolidated Limited (ACN 612 008 358) (the "Company").

I confirm that I am not restricted by the *Corporations Act 2001* (Cth) from appointment as a director or from taking part in the management of a corporation.

Personal details

Given name: Matthew David

Family name: Lindh

All former given names and family names: Not applicable

Usual residential address: 26 Beauty Gully Road, Warrandyte VIC 3113

Date and place of birth: 2 September 1977, Adelaide SA

Dated: 15 November 2019

Signed by **Matthew Lindh**



Signature

Notice of Meeting and Explanatory Memorandum

Annexure C - Section 249P Statements

For personal use only

NOTICE TO COMPANY REQUESTING DISTRIBUTION OF STATEMENT
PROVIDED BY MEMBERS

PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT 2001 (CTH)

To: Lithium Consolidated Limited
c/o Corporate Administration Services
Level 6, 10 Market St
Brisbane, QLD 4000

Attention: The Secretary

Dear Sir

This notice ("**Notice**") is given to Lithium Consolidated Limited (ACN 612 008 358) (the "**Company**") under section 249P of the *Corporations Act 2001* (Cth) ("**Corporations Act**").

We the undersigned members, collectively holding at least 5% of the votes that may be cast on the resolutions to be considered at the general meeting of the Company we requisitioned by notice of 16 November 2019 under section 249D of the *Corporations Act* ("**Resolutions**"), provide a statement about the Resolutions included as Annexure A to this Notice ("**Statement**") and require this Statement to be distributed to all members of the Company in accordance with section 249P of the *Corporations Act*.

Dated: 3 December 2019

Signed by **Shanthar Pathmanathan**:



Signature

Signed by **Naim Royden Jones**:



Signature

For personal use only

ANNEXURE A

We, Mr Shanthar Pathmanathan and Mr Naim Jones ("Requisitioning Shareholders"), have issued requisition notices to Lithium Consolidated Limited ("Company"), requiring it to call a meeting to consider resolutions to reconstitute its board.

Many of you would be aware that Mr Pathmanathan was the chief executive officer and managing director of the Company between October 2016 and October 2019.

Together with other shareholders who support our proposed board changes, we have voting power in the Company of 16.50%, representing a substantial proportion of the issued capital.

In our opinion, the results of the Company's AGM held on 28 November 2019 confirm there is a significant level of shareholder dissatisfaction with the current management of the Company. All resolutions were defeated apart from Resolution 2, which related to the re-election of Mr Brian Moller. However, this resolution was only passed by a margin of 52.65% to 47.35%. We believe the result of Resolution 2 could easily have been different if more shareholders had voted.

At our requisitioned meeting, shareholders will have the opportunity to remove Mr Vincent Mascolo, Mr Brian Moller and Mr Andrew Haythorpe as directors (together, the "Existing Directors"), and appoint Mr Shanthar Pathmanathan, Mr Naim Jones, Mr Jasveer Jessy and Mr Matthew Lindh as directors (together, the "Nominated Directors"). Their biographies have been provided to the Company.

We believe shareholders should remove the Existing Directors and appoint the Nominated Directors to enhance the value of their investment in the Company. We recommend that shareholders vote **IN FAVOUR** of the removal of the Existing Directors and **IN FAVOUR** of the appointment of the Nominated Directors.

History of the Company under current management

At formation and under Mr Mascolo's tenure as a director, the Company invested in lithium brine assets in Botswana, South Australia and Nevada. These assets comprised three of the four assets in the Company's portfolio at IPO. Each of these investments subsequently failed and were relinquished or sold at a significant loss to the Company, and in some cases, a total loss (the "Failed Investments"). The Company made the Failed Investments prior to Mr Pathmanathan's appointment as managing director in October 2016.

In our view, the Company's share price has suffered due to the Failed Investments, which harmed the Company's credibility with investors and in the capital markets generally. Further, the need to re-establish the Company's portfolio by then acquiring the African lithium assets took significant time and capital that was initially intended to be used for exploration activities at the Company's other lithium assets. We consider that the Failed Investments set back the Company's exploration activities, such that the Company was only ready to commence significant exploration activities after re-establishing its portfolio and raising funds through the prospectus offers in September 2019.

During their tenure as directors, Mr Mascolo and Mr Moller did not introduce any significant new investors, and did not obtain enough funding support to carry out the level of exploration on the Company's other lithium assets that we consider was necessary to maximise the potential for a discovery. In contrast, the Nominated Directors have access to a number of individuals who have expressed an interest in providing funding support to the Company.

The Company has been funded through the Nominated Directors

In his former role as managing director, Mr Pathmanathan, with the support of Mr Jones, Mr Jessy and Mr Lindh (each of whom are Nominated Directors):

- (a) arranged for the Company to exit the Failed Investments by relinquishing or selling the assets to minimise the Company's losses from the Failed Investments;
- (b) arranged almost all of the capital raised by the Company, including the \$5.3m raised under the IPO and more recently by raising \$1.3m of the total \$1.5m raised under the offers in September 2019; and

- (c) facilitated the Company's entry into hard rock lithium assets in Africa to establish a future for the Company.

The Company released a Prospectus dated 30 July 2019 inviting shareholders to take up their entitlements to fund exploration at the Company's lithium projects in Western Australia, Zimbabwe and Mozambique ("Prospectus").

Mr Mascolo and Mr Haythorpe did not participate in the Prospectus offer. Mr Moller only took up his entitlements to the value of \$6,625.

Mr Mascolo and Mr Moller terminated Mr Pathmanathan's role as managing director shortly after receiving the proceeds of the Prospectus offer.

As far as we are aware, the Company has still not started work on the exploration program referred to in the Prospectus.

The Warrigal transaction

We are concerned by the Company's announcement that it has agreed to acquire Warrigal Mining Pty Ltd because we disagree with the decision to acquire copper and gold exploration licenses in Western Australia. We think this will turn out to be a costly distraction for the Company.

We are also concerned by the Company's announcement released on 26 November 2019, which amongst other things, indicates that the Company has surrendered 8 tenements in the Company's Yilgarn lithium project.

We are not aware of the reasons why the Existing Directors have decided to surrender these tenements given the planned exploration program disclosed in the Prospectus. If the Nominated Directors are elected, they intend to revisit this decision.

We consider that the Company should proceed with its objective of carrying out an exploration program on the Company's existing lithium projects.

The Nominated Directors' strategy for growing the Company

If elected, the Nominated Directors will aim to:

- (a) maintain a focus on lithium to take advantage of the long-term potential in the industry;
 - (b) aggressively undertake exploration at the higher priority lithium assets;
 - (c) ensure the Company is well funded to continue to advance its existing lithium assets to define one or more JORC compliant lithium resources;
 - (d) pursue strategic partnerships with leaders in the industry; and
- actively promote the Company in the capital markets to increase the share price.

Notice of Meeting and Explanatory Memorandum

Annexure D - Summary of Performance Rights Plan

1. The Performance Rights Plan is a long term incentive scheme aimed at creating a stronger link between an eligible employees performance and reward whilst increasing Shareholder value in the Company.
2. The Board may from time to time in its absolute discretion issue or cause to be issued invitations on behalf of the Company to eligible employees to participate in the Performance Rights Plan. The invitation will include information such as performance hurdles and performance periods. On vesting, one Performance Right is exercisable into one Share.
3. A participant in the Performance Rights Plan will not pay any consideration for the grant of the Performance Rights. An eligible employee has no right to be granted any Performance Rights unless and until such Performance Rights are granted on meeting any performance conditions. The Performance Rights will not be listed for quotation on the ASX.
4. The Performance Rights may not be transferred, assigned or novated except with the approval of the Board.
5. The performance hurdles applicable to any performance period (including how they will be measured) relating to Performance Rights shall be set out in the invitation to eligible employees to take part in the Performance Rights Plan.
6. As soon as reasonably practicable after the date at which performance hurdles are to be measured to determine whether the Performance Right becomes vested (Test Date), the Board shall determine in respect of each Participant as at that Test Date:
 - (a) whether, and to what extent, the performance hurdles applicable up to the Test Date have been satisfied;
 - (b) the number of Performance Rights (if any) that will vest as at the Test date;
 - (c) the number of Performance Rights (if any) that will lapse as a result of the non-satisfaction of performance hurdles as at the Test Date; and
 - (d) the number of Performance Rights (if any) in respect of the performance period that continue unvested,and shall provide written notification to each Participant as to that determination.
7. Following exercise of a Performance Right, the Company must issue or transfer to the Eligible Person exercising the Performance Right the number of Shares in respect of which the Performance Right has been exercised
8. If a Participant's employment with the Company ceases because of an uncontrollable event such as death or serious injury, all of the Participant's Performance that are capable of becoming exercisable if performance hurdles are met at the next Test Date will become vested and the Performance Rights may be exercised within 3 months.
9. Where there is publicly announced any proposal (whether by takeover bid, scheme of arrangement or otherwise) in relation to the Company which the Board reasonably believes may lead to a change in control event:
 - (a) all of the Participant's unvested Performance Rights, that have not lapsed, will become vested Performance Rights; and
 - (b) the Board shall promptly notify each Participant in writing that he or she may, within the period specified in the notice, exercise vested Performance Rights.
10. The Performance Rights Plan will be administered by the Board. The Board will have power to delegate the exercise of its powers or discretions arising under the Performance Rights Plan to any one or more persons (including, but not restricted to, a committee or sub committee of the Board) for such period and on such conditions as the Board may determine.
11. If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers

Notice of Meeting and Explanatory Memorandum

appropriate under the Performance Rights Plan, in accordance with the provisions of the Listing Rules.

- 12. Participants who are holding a Performance Right issued pursuant to the Performance Rights Plan have no rights to dividends and no rights to vote at meetings of the Company until that Performance Right is exercised and the Participant is the holder of a valid Share in the Company.
- 13. The terms and conditions of the Performance Rights Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Performance Rights Plan and the Listing Rules then the Listing Rules will prevail.

For personal use only

Notice of Meeting and Explanatory Memorandum

Annexure E - Summary of terms of the ESOP

Note that terms not otherwise defined in the Notice or Explanatory Memorandum have the meaning given to them under the Employee Share and Option Plan (referred to below as the **Plan**)

1. The Plan is to extend to Eligible Persons or Eligible Associate (as the case may be) of the Company or an Associated Body Corporate of the Company as the Board may in its discretion determine.
2. The total number of Securities which may be offered by the Company under the Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:
 - (a) an employee incentive scheme covered by ASIC CO 14/1000; or
 - (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
3. The Shares are to be issued at a price determined by the Board.
4. The Options are to be issued for no consideration.
5. The exercise price of an Option is to be determined by the Board at its sole discretion.
6. The Option Commencement Date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.
7. The Option Period commences on the Option Commencement Date and ends on the earlier of:
 - (a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years;
 - (b) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of an Uncontrollable Event, the earlier of:
 - (1) the expiry of the Option Period; or
 - (2) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement;
 - (c) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of a Controllable Event:
 - (1) the expiry of the Option Period; or
 - (2) three months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or
 - (d) the Eligible Person ceasing to be employed or engaged by the Company or an Associated Body Corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an Associated Body Corporate.
8. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Persons (or their Eligible Associates where applicable) of the Company or an Associated Body Corporate of the Company. The Board is entitled to determine:
 - (a) subject to paragraph 2, the total number of Shares and Options to be offered in any one year to Eligible Persons or Eligible Associates;
 - (b) the Eligible Persons to whom offers will be made; and
 - (c) the terms and conditions of any Shares and Options granted, subject to the Plan.
9. In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.

Notice of Meeting and Explanatory Memorandum

10. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
11. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with the formula in the terms of the Plan.
12. The Board has the right to vary the entitlements of Participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Board may impose as a condition of any offer of Shares and Options under the Plan any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
15. The Board may vary the Plan.
16. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.
17. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:
- (a) the Current Market Price of the Shares; and
 - (b) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,
- to any Participant within three Business Days of a written request to the Company from that Participant to do so.
18. Any Offer made pursuant to the Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

In the Plan:

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Uncontrollable Event means:

- (a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

