

Rights Issue Offer Document

Pursuant to s708AA (2) *Corporations Act 2001* (Cth)

A non-renounceable rights issue to existing shareholders of Lithium Consolidated Limited of 1 New Share for every 2 Shares held, at an Issue Price of \$0.016 to raise up to approximately \$1,178,133 before costs of the Offer.

Lead manager: RM Corporate Finance Pty Ltd AFSL 315235

This offer is not underwritten.

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5:00pm (Brisbane time) on 21 July 2020. Please refer to the table on the following page and the full timetable set out in section 1.3 of this document, for the important dates.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Important information

Offer statistics

Number of New Shares to be issued under the Entitlement Offer, on a 1 for 2 basis: up to 73,633,336*
New Share Issue Price: \$0.016

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.

Key dates for investors

Record Date for determining entitlements under the Issue: 30 June 2020
Offer opens: 3 July 2020
Offer expected to close: 21 July 2020
Commencement of trading of New Shares on ASX: 28 July 2020
Expected date for despatch of New Shareholding statements: 29 July 2020

Further details regarding the timetable for the Offer are set out in section 1.3. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Offer Document is not a disclosure document for the purposes of Chapter 6D of the *Corporations Act*. The Company is offering the New Shares under this Offer Document without disclosure to investors under Chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*. Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 25 June 2020 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Offer Document.

New Shares will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- the provisions of chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia and New Zealand).

No excluded information

As at the date of this Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to subsections 708AA(8) and (9) of the *Corporations Act*.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 1.17 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Offer Document or making payment of Acceptance money by BPAY® in accordance with the instructions set out in this Offer Document and on the Entitlement and Acceptance Form.

This Offer Document is available in electronic form on the internet at www.li3limited.com. If you wish to obtain a free copy of this Offer Document, please contact the Company by email at jurmanp@crcpl.com.au, or by telephone on +61 8 9200 0435.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please call the Share Registry on:

- (a) 1300 554 474 for callers within Australia; or
- (b) +61 1300 554 474 for overseas callers.

Deciding to accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of Li3, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.li3limited.com.

Terms used

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the definitions and glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Offer Document.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Company or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

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Chairman's letter

25 June 2020

Dear Shareholders,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Lithium Consolidated Limited (**Issue**).

The Company is making a non-renounceable rights issue of 1 New Share for every 2 Shares held in Lithium Consolidated Limited on the Record Date at an Issue Price of \$0.016 per Share, to raise up to approximately \$1,178,133 before the costs of this Issue. This Issue Price represents a 17.37% discount to the 10-day volume-weighted average price of Shares (being \$0.0194) as at 24 June 2020.

It is proposed that the funds raised from the Issue will be applied for the purposes of undertaking exploration on the Company's projects, to cover the costs of the Issue and to provide working capital.

The Directors intend to take up some or all of their entitlement to New Shares as disclosed in section 1.11.

Pursuant to the *Corporations Act*, Lithium Consolidated Limited is not required to prepare a prospectus for the Issue. A summary of the key information with respect to the Issue is set out in this Offer Document. Please read the Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is attached to this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form or making payment of Acceptance money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer as set out in section 1.3.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

RM Corporate Finance Pty Ltd is the Lead Manager of the Offer. The Company will work with the Lead Manager to place any Shortfall of New Shares not subscribed for by Eligible Shareholders.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Mr Brian Moller
Chairman
Lithium Consolidated Limited

1. Offer details

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of approximately 73,633,336 New Shares at an Issue Price of \$0.016 per New Share, on the basis of 1 New Share for every 2 Shares held by Eligible Shareholders as at the Record Date.

The Offer is an offer to Eligible Shareholders only.

The Offer is not underwritten.

The Issue Price of \$0.016 per New Share represents a 17.37% discount to the 10-day volume-weighted average price for Shares (being \$0.0194) as at 24 June 2020.

The Issue may be increased by a total of 20,714,472 New Shares if holders of Existing Options exercise their Existing Options prior to the Record Date.

On the same date as announcing the Issue, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares is expected to occur on or about 28 July 2020.

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares made under this Offer Document, in which case the Company will return all Application Money (without interest) within 28 days of giving notice of such withdrawal.

1.2 Minimum subscription

There is no minimum subscription to the Issue.

1.3 Important dates

Announcement of Offer and lodgement of Offer Document, s708AA(2)(f) and Appendix 3B with ASX	25 June 2020
Ex Date	29 June 2020
Record Date for the Issue	30 June 2020 at 7.00pm (Brisbane time)
Dispatch of Offer Document and Acceptance Form	3 July 2020
Opening Date of Offer	3 July 2020 at 9.00am (Brisbane time)
Last day to extend the Closing Date of the Offer	16 July 2020
Closing Date of Offer	21 July 2020 at 5.00pm (Brisbane time)
Shares quoted on a deferred settlement basis	22 July 2020
Announcement of results of the Offer	24 July 2020
Issue Date of New Shares	28 July 2020
Normal trading in Shares begins	29 July 2020

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Offer without prior notice; or

(b) vary any of the important dates set out in this Offer, including extending the Offer.

1.4 Purpose of the Issue

The Directors intend to apply the proceeds from the Issue to provide funds for the purposes of:

- (a) undertaking exploration on the Company's projects;
- (b) the costs of the Issue; and
- (c) working capital.

The proceeds from the Issue (assuming it is fully subscribed) is proposed to be allocated in the following manner:

Proposed use of funds	Funds raised under Entitlement Offer
Exploration – Western Australia	\$743,133
Corporate & Overheads and working capital	\$350,000
Estimated costs of the Issue (including legal fees, Lead Manager's fees, Share Registry fees, ASX fees and other miscellaneous costs associated with the Offer)*	\$85,000
Total (maximum raising)	\$1,178,133

* Assumes that the Offer is fully subscribed and the Company will pay a capital raising fee for the placement of any Shortfall, which will be equal to 4.5% of the Issue Price (not including GST) of New Shares issued under the Shortfall, which is estimated for this purpose to be \$500,000.

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.5 Investment highlights

- Diversified explorer: Gold | Copper | Lithium
- Exposure to major new mineral belt discovery at the Warriedar Project
- 20+ km of strike of Yalgoo Greenstone belt and Golden Grove volcanics
- Multiple kilometre scale gold, base metal and trace element anomalies
- Energetic team with data and result driven culture
- Drilling and field work programs ready begin
- Strong news flow going forward

Shareholders are referred to the Company Investor Presentation issued on 25 June 2020 and available on the ASX platform and on the Company's website at www.li3limited.com.

1.6 Risk factors

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Investors should carefully read the section on risk factors outlined in section 5. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to section 5, and others not specifically referred to in section 5, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Issue Price.

The New Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Exploration and Evaluation Risk	<p>Mineral exploration and development are high risk undertakings and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. There can be no assurance that exploration will result in the discovery of an economic deposit and a number of factors outside the control of the Company can affect this outcome. The success of the Company is dependent on exploration success.</p>
Operational risks and costs	<p>Prosperity for the Company and its subsidiaries will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors.</p> <p>Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of the Company.</p>
Contractual and joint venture risk	<p>The Company may wish to develop its projects or future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants.</p> <p>With respect to the Company's planned drilling, the Company has not yet secured the use of any drilling equipment. Failure to enter into drilling contracts in respect of the proposed drilling programmes for each of these projects will negatively impact on the ability of the Company to carry out its exploration and development programmes in these areas.</p>
Tenement Risks	<p>The rights to mineral tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.</p> <p>There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.</p> <p>Two of the Company's tenements being E 59/2374 and E 59/2375 intersect with, or are located near to a proposed additional national park area. Whilst no final decision has been made by the WA Government on the proposed national park or its area or boundaries, in the event that any of the Company's mineral interest were within the park area all current and future mining related activities, including exploration, would require new regulatory approvals pursuant to the Mining Act 1978 .</p> <p>No assurance can be given at this time that E 59/2374 and E 59/2375 will not be affected by the WA Governments proposals.</p>

Risk	Details
Additional requirements for capital	<p>The Company may require additional funds in the future to achieve its objectives. There is no assurance that these funds will be available in the future, or if they are available, that they will be on commercially acceptable terms to the Company. If adequate additional funding is not available or acceptable on the Company's terms, the Company's business will be materially and adversely affected.</p> <p>Any additional equity financing may also have the affect of diluting the existing share holdings.</p> <p>The Company may decide to raise additional funds in the future through further capital raisings. This may result in the Company issuing additional shares in the Company to third parties who are not presently shareholders of the Company. As a result, existing shareholdings may be diluted.</p>

Further details regarding risks which may affect the Company in the future are set out in section 5.

1.7 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 6.3.

1.8 **No rights trading**

Entitlements to New Shares pursuant to the Issue are non-renounceable and accordingly will not be traded on the ASX.

1.9 **Acceptance of Entitlement to New Shares**

The number of New Shares to which each Eligible Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

Acceptance Money should be rounded up to the nearest cent.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the relevant Closing Date. Please refer to the timetable for the important dates of the Offer.

Eligible Shareholders are able to apply for New Shares in excess of their Entitlements, which will be filled from the Shortfall or at the Company's discretion (in consultation with the Lead Manager).

1.10 **Application for Additional New Shares and Shortfall**

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall.

Shareholders who apply for their full Entitlement may also apply for Additional New Shares in excess of their Entitlement at the Issue Price, to be issued from any Shortfall (at the Company's discretion, in consultation with the Lead Manager). Directors of the Company (and any other related parties of the Company) are not permitted to apply for Additional New Shares but may take up their Entitlement, if any, as disclosed in this Offer Document.

Additional New Shares will be issued from any Shortfall at the absolute discretion of the Company and its Directors in consultation with the Lead Manager, and as such there is no guarantee that any Additional New Shares applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Additional New Shares that they applied for in the event that there is a Shortfall. The Company reserves the right to scale back any applications for Additional New Shares in the event that there is a Shortfall. If this occurs, Application Monies will be returned (without interest) to the extent of the scale back.

In allocating any New Shares as a result of the Shortfall, the Directors will do so in a manner which will ensure that no Shareholder as a consequence of taking up their Entitlement or being placed with any Additional New Shares, hold a relevant interest in more than 20% of all of the Shares in the Company after the issue of the New Shares.

In the event that there remains a Shortfall following the issuance of the Additional New Shares, the Company and the Directors reserve the right (as contemplated within the ASX Listing Rules), to allocate any of that Shortfall in their absolute discretion (after consultation with the Lead Manager) so as to ensure a maximum amount of funds is raised. Eligible Shareholders should be aware that to the extent that they do not accept their Entitlements in full a Shortfall will arise, and all or part of that Shortfall may be placed by the Company (in consultation with the Lead Manager) to third parties, in which case the interest of relevant Eligible Shareholders in the Company may be significantly diluted (see section 4.3 and 5.2 for further details). Any Shortfall to third parties will be issued within three months after the Closing Date at an issue price being not less than the Issue Price.

Applications for Additional New Shares can be made by completing the Additional New Shares section of the Entitlement and Acceptance Form, in accordance with the instructions on the form, and including the appropriate Application Monies for these Additional New Shares with the payment for your Entitlement.

1.11 Directors intentions in respect of Entitlements

As at the date of this Offer Document, some of the Directors of Li3 have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Shares	New Share Entitlement	Intentions
Don Smith	6,601,718	3,300,859	Intends to subscribe for 3,300,859 New Shares
Brian Moller	2,162,500	1,081,250	Intends to subscribe for 313,250 New Shares
Vincent Mascolo	1,050,000	525,000	Intends to subscribe for 525,000 New Shares
Andrew Haythorpe	342,000	171,000	Intends to subscribe for 171,000 New Shares
Owen Burchell	6,601,718	3,300,859	Intends to subscribe for 1,562,500 New Shares

1.12 Lead Manager

The Company has entered a mandate with RM Corporate Finance pursuant to which RM Corporate Finance has been appointed as Lead Manager to the Offer (**Lead Manager Mandate**). The key terms of the Lead Manager Mandate are set out at section 6.1 below.

1.13 Allotment and allocation policy

The Company will proceed to allocate the New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Offer Document, the Directors in consultation with the Lead Manager reserve the right, as contemplated within the Listing Rules, to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

1.14 **ASX listing**

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Offer Document to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within three months after the date of this Offer Document, none of the New Shares offered under this Offer Document will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

1.15 **CHESS**

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.16 **Option Holders**

Option Holders will not be entitled to participate in the Issue unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Issue as a result of being an Eligible Shareholder at 7.00pm (Brisbane time) on the Record Date.

There are currently 41,428,943 Existing Options on issue. These options have all vested, have exercise dates which expire during the period from 29 June 2020 to 5 December 2020 and have exercise prices ranging from \$0.05 to \$0.25. If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Issue, a further 20,714,472 New Shares may be issued under this Offer Document.

1.17 **Overseas Shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Offer Document and the accompanying form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a prospectus to be lodged or registered.

1.18 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

1.19 Electronic Offer Document

An electronic version of this Offer Document is available on the Internet at www.li3limited.com.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Offer Document should immediately request a paper copy of the Offer Document directly from the Company or the Share Registry.

2. How to apply

2.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. As an Eligible Shareholder, you may:

- (a) take up all of your Entitlement and apply for Additional New Shares;
- (b) take up all of your Entitlement but not apply for Additional New Shares;
- (c) take up part of your Entitlement and allow the balance to lapse; or
- (d) take no action and allow all of your Entitlement to lapse.

The number of New Shares to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Shareholders take no action in respect of their Entitlement, they will have no right to subscribe for the New Shares pursuant to this Offer.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Brisbane time) on the Closing Date. Payment may be made by cheque, bank draft or BPAY®. The Issue Price of \$0.016 per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to Lithium Consolidated Limited - Rights Issue Account and crossed "not negotiable".

Completed Forms and accompanying cheques should be forwarded to the following address:

Link Market Services Limited
Lithium Consolidated Limited Offer
Lithium Consolidated Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse. If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Offer may be placed by the Lead Manager or the Directors to third parties. See sections 1.13 and 4.3 for further details.

2.2 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3. Company information

3.1 Yalgoo Region

(a) Warriedar

The Warriedar Project comprises 4 tenements covering a combined area of 333km². The project is centred on the Walganna Suite monzonite which is associated with several mineral deposits in the area.

The Warriedar Project has two main target areas:

- The Meleya Zone: 25km length of previously unmapped greenstone and felsic stratigraphy wrapped around the eastern periphery of the Walganna suite. This zone is highly prospective for Volcanogenic Massive Sulphides (VMS) and Archaean Gold.
- The Warriedar West Zone: The western periphery of the Walganna Suite porphyritic monzonite is considered prospective for Shear Hosted Gold and Intrusion Related Gold Systems (IRGS). Evidence for this comes from a number of known sources of gold mineralization including in-situ primary quartz veins, laterites and alluvials. These have been exploited in adjacent leases by artisanal means.

The early modelling of the results from the Meleya Zone sampling were highly encouraging, indicating multiple base and precious metal anomalies.

(b) Messenger

The Messenger Project comprises 2 granted tenements for a total of 93km² located nearby the world class EMR Golden Grove base and precious metal mine. The Messenger Project has outcrops of the key Golden Grove Unit as well as large outcrops of underexplored greenstone hosted quartz lodes.

There has been extensive unsophisticated gold production since 1907, however minimal modern exploration.

(c) Euro

The Euro Project comprises 4 pending tenements for a total of 176km² and is located in the same geological structures (folded greenstones and banded iron formations) which host several major deposits including the Rothsay Gold Mine, Mount Mulgine Gold / Tungsten Project and the Karara Iron Mine. There is historic drilling at the project which intersected gold.

3.2 Mt Magnet Region

(a) Range

Located in the heart of the Mount Magnet mineral field and 5km along strike from the prolific +6Moz Mount Magnet Operations, the Range Project consists of 17 tenements for 20km². The project was previously held by prospectors and despite known gold occurrences and strongly altered intrusions, has had little modern exploration conducted.

3.3 Yilgarn Region

3 tenements (2 pending, 1 granted) for a total of 105km² strategically chosen for lithium prospectivity within the Yilgarn Province of Western Australia.

3.4 Zimbabwe and Mozambique

As announced on 11 June 2020 Premier African Minerals (**Premier**) have agreed to purchase Li3's African Lithium and Gold assets in Zimbabwe and Mozambique for a consideration of \$AUD 150,000. Premier are listed on the London Alternative Investment Market (**AIM**) and the consideration will be paid by the issue of shares in Premier, to be issued based on a 5-day VWAP prior to completion. The agreement is subject to due diligence and is presently expected to complete by 10 July 2020.

4. Control issues arising from the Offer on the Company

4.1 Present position

At the date of this Offer Document the Company is of the view that there is no one entity who controls the Company. The Shareholders who hold more than 5% of the Shares prior to the date of this Offer Document are as follows:

Name	Shares	%
Australian Consolidated Venture Capital Pty Ltd	20,000,000	13.6%

4.2 Capital structure

Assuming full subscription under the Offer, the share capital structure of the Company immediately following the Issue assuming the Issue is fully subscribed will be as follows:

	Shares	
	Number	% interest in Shares
Ordinary Shares on issue at the date of the Offer Document	147,266,673	66.67%
Maximum number of New Shares under the Offer Document ¹	73,633,336	33.33%
Total:	220,900,009	100%

Notes:

- If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Offer Document. If all Existing Options on issue as at the date of this Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 41,428,943 resulting in a further 20,714,472 New Shares being issued pursuant to this Offer Document. This would increase the Company's total Shares on issue after completion of the Offer to 283,043,424 Shares.*

As at the date of this Offer Document, the Company has a total of 41,428,943 Existing Options on issue as follows:

No of options	Exercise price	Vesting date/performance hurdle	Expiry date
40,428,943	\$0.05	-	30 September 2020
654,000	\$0.25	-	29 June 2020
346,000	\$0.25	-	5 December 2020

As at the date of this Offer Document, the Company has 700,000 Performance Rights on issue. No Performance Rights are to be issued under the Offer and as such, the number of Performance Rights on issue is not expected to change.

4.3 Potential effect of the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted. In addition, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

In the event of a Shortfall, the Directors in consultation with the Lead Manager reserve the right to place the Shortfall at their sole discretion subject to the provisions of the *Corporations Act* and the Listing Rules.

5. Risk factors

5.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the New Shares offered under this Offer. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as Li3, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profits in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Offer and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Offer Document are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the Shares offered under this Offer.

5.2 General risks

The New Shares that are to be issued pursuant to the Offer are speculative because of the nature of the business of the Company. The Company has interests in the mineral exploration industry which is highly speculative, and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

(a) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to other parties in which case their interest in the Company may be significantly diluted (see section 4.2 for further details). Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 33% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the Offer of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such Offer is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20%, subject to a number of exemptions.

The Company intends to actively work with the Lead Manager during, and after, the Offer in order to secure commitments to place, and subsequently to place, any Shortfall of New Shares not subscribed for by Eligible Shareholders.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates all impact commodity prices.

(e) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

(f) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

5.3 Risks specific to an investment in the Company

In addition to the general risks noted in section 5.2, Eligible Shareholders should be aware of risks specific to an investment in the Company, which may include, but are not limited to the following:

(a) Exploration and evaluation risks

Potential investors should understand that mineral exploration and development are high risk undertakings. While the Company has attempted to reduce this risk by selecting projects that have identified advanced mineral targets, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(b) Tenement risks

The rights to mineral tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a permit or permits.

There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

On 20 February 2019, the Premier, Hon Mr Mark McGowan MLA announced a whole-of-Government initiative to create five million hectares of new national parks, marine parks and other conservation reserves by February 2024.

Two of the Company's tenements being E 59/2374 and E 59/2375 intersect with, or are located near to a proposed additional national park area.

The WA Government has invited comments from all interest holders, traditional owners and other key stakeholders and whilst no final decision has been made by the WA Government on the proposed national park or its area or boundaries, in the event that any of the Company's mineral interest were within the proposed national park area all current and future mining related activities, including exploration, would require new approvals pursuant to section 24 of the Mining Act 1978 .

No assurance can be given at this time that E 59/2374 and E 59/2375 will not be affected by the WA Governments proposals.

(c) Title Risk

The exploration and prospecting permits and claims in which the Company has now, or may, in the future, acquire an interest, are subject to applicable local laws and regulations. There is no guarantee than any claims, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

(d) Contractual risks

The Company's interests in many of the tenements described in this Offer are by virtue of contractual arrangements. Accordingly, as in any contractual relationship, the ability for the Company to ultimately be registered as a holder of an interest in the tenements is dependent upon the relevant vendor complying with its contractual obligations to deliver title. To the extent that such third parties default in their obligations under the option contracts, it may be necessary for the Company to approach a Court to seek a legal remedy. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

(e) Environmental Regulation and Risks

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has mineral interests and carries on business, including those in relation to environmental compliance and relevant hazards.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive.

(f) Native Title risk

The Company has applications in Australia which will be affected by native title issues. The effect of the Native Title Act 1993 (Cth) (**NTA**) is that existing and new tenements held by the Company may be affected by native title claims and procedures.

There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by the Company which may affect the operation of the Company's business and development activities. In the event that it is determined that native title does exist or a native title claim is registered, the Company may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights such as a Mining Lease. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve a requirement to negotiate for access rights, and require the payment of compensation to those persons holding or claiming native title in the land which is the subject of a tenement. The administration and determination of native title issues may have a material adverse impact on the position of the Company in terms of cash flows, financial performance, business development, ability to pay dividends and the Share price.

(g) Financing

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

(h) Sovereign Risk

Any future material adverse changes in government policies or legislation in Australia or any other jurisdiction in which the Company undertakes or may undertake operations that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

(i) Operational risk

If the Company decides to develop and commission a mine, the operations of the Company including mining and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(j) Sustainability of growth and margins

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in all sectors of the Company's activities are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.

(k) Management actions

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.

(l) Insurance arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to maintain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(m) Land access risk

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdictions where the Company operates.

(n) Government policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia or any other jurisdiction in which the Company undertakes or may undertake operations, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

(o) Reliance on Key Personnel

Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Offer.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

6. Additional information

6.1 Lead Manager Mandate

The Company has entered into an agreement with RM Corporate Finance pursuant to which RM Corporate Finance has been appointed to act as Lead Manager and to place any resulting Shortfall of the Offer (**Lead Manager Mandate**).

The Company has agreed to pay the Lead Manager:

- (a) A 'Lead Manager Fee' of:
 - (1) \$60,000 (plus GST in cash) payable in Shares on the same terms and conditions as the Offer, within 14 days of completion or the obtainment of Shareholder approval by the Company (whichever occurs later). The Lead Manager Fee is to be paid pro-rata to the amount of Shortfall placed providing RM Corporate Finance places at least \$500,000; and
 - (2) a fee in the amount of 1.5% (plus GST) in cash in respect to all funds raised pursuant to the Offer and Shortfall by RM Corporate Finance or their affiliates (up to a maximum of \$17,672 plus GST), payable within 7 days of completion of placement of the shortfall under the Offer,
- (b) a 'Placement Fee' of 4.5% in respect to funds raised pursuant to the Offer Shortfall by RM Corporate Finance or their affiliates within 7 days of completion of the placement of the Shortfall.

The Company notes that all Shares payable to the Lead Manager are subject to shareholder approval and the Company will convene a general meeting to obtain this approval as soon as reasonably practicable.

The Mandate will continue for the earliest of either completion of the Offer, or 6 months. The Mandate can also be terminated by either party with cause, by giving 14 days' notice to the other party. The Company has agreed to indemnify the Lead Manager in respect of the Lead Manager's engagement in the Offer.

The Company has also agreed to invite the Lead Manager to participate in a tender process for appointment as a lead manager or joint underwriter (where appropriate) in respect of any public offering it may wish to investigate within 16 months following the expiry or termination of the Mandate. All other provisions of the Mandate are on standard commercial terms."

6.2 Section 708AA Corporations Act

Li3 is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and

(2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 25 June 2020.

6.3 **Rights and liabilities attaching to New Shares**

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.4 **Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$85,000 (assuming that the Offer is fully subscribed).

Included in the expenses of the Offer is a sum of \$22,500 which the Company has estimated it may be required to pay for the placement of any Shortfall, to pay stockbrokers' fees, estimated to be at 4.5% of the Issue Price (excluding GST) of New Shares issued under the Shortfall.

6.5 **Consents and disclaimers**

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

Link Market Services has given and has not withdrawn its consent to be named in this Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as share registrar to the Company and it takes no responsibility for any part of the Offer Document other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

RM Corporate Finance Pty Ltd has given and has not withdrawn its consent to be named in this Offer Document as Lead Manager to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than the references to its name.

6.6 **Directors' statement**

This Offer Document is issued by Lithium Consolidated Limited. Each director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Lithium Consolidated Limited by:



.....
Brian Moller
Director

7. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Applicant	A person who submits an Entitlement and Acceptance Form
Application Money	The Issue Price multiplied by the number of New Shares applied for
ASX	ASX Limited ACN 008 624 691
Board	The board of Directors of the Company
CHESS	means the Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Brisbane time) 21 July 2020 or such other date determined by the Board
Company or Li3	Lithium Consolidated Limited ACN 612 008 358
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The Directors of the Company
Eligible Shareholder	A shareholder of the Company that holds shares in the Company on the Record Date whose registered address is in Australia and New Zealand
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder
Issue or Offer	The offer and issue of New Shares in accordance with this Offer Document
Issue Price	\$0.016 for each New Share applied for under the Offer
Lead Manager	RM Corporate Finance Pty Ltd AFSL 315235
Lead Manager Mandate	The agreement between the Company and RM Corporate Finance governing the engagement of RM Corporate Finance as lead manager to the Offer
Listing Rules	The official listing rules of the ASX
New Shares	Shares proposed to be issued under the Offer
Opening Date	The date of commencement of the Offer, expected to be 3 July 2020
Option Holders	The holders of the Existing Options

Options	Options on issue in the Company from time to time
Offer Document	This Offer Document dated 25 June 2020 as modified or varied by the Company
Record Date	30 June 2020
Register	The company register of the Company
Relevant Interest	Has the meaning given to that term in the <i>Corporations Act</i>
RM Corporate Finance	RM Corporate Finance Pty Ltd AFSL 315235, the Lead Manager in respect of the Offer
Securities	Has the same meaning as in section 92 of the <i>Corporations Act</i>
Share Registry	Link Market Services Limited
Shares	The ordinary shares on issue in the Company from time to time
Shareholder or Shareholders	The holders of Shares from time to time
Shortfall	New Shares for which the Entitlement lapses
US Securities Act	The US Securities Act of 1933, as amended

Corporate directory

Directors	Solicitors to the Offer
<p>Mr Brian Moller (Non-Executive Chairman)</p> <p>Mr Don Smith (Managing Director)</p> <p>Mr Owen Burchell (Non-Executive Director)</p> <p>Mr Andrew Haythorpe (Non-Executive Director)</p> <p>Mr Vincent Mascolo (Non-Executive Director)</p>	<p>HopgoodGanim Lawyers</p> <p>Level 8 Waterfront Place</p> <p>1 Eagle Street</p> <p>Brisbane QLD 4000</p>
Administration and Registered Office	Share Registry
<p>Level 2, Suite 9, 389 Oxford Street, Mt Hawthorn WA 6061</p> <p>Tel: +61 8 9200 0435</p> <p>Fax: +61 8 9380 6761</p> <p>www.li3limited.com</p>	<p>Link Market Services Limited</p> <p>Level 21, 10 Eagle Street, Brisbane QLD 4000</p> <p>Tel: 1300 554 474 (within Australia)</p> <p>+61 1300 554 474 (outside Australia)</p> <p>Fax: +61 2 9287 0303</p> <p>Website: www.linkmarketservices.com.au</p>
Lead Manager	
<p>RM Corporate Finance Pty Ltd AFSL 315235</p> <p>Level 1, 1205 Hay Street West Perth WA 6005</p> <p>Tel: +61 8 6380 9200</p> <p>Fax: +61 8 6380 9299</p> <p>www.rmcapital.com.au</p>	