



ASX Announcement

ASX: Li3

30 July 2019

Non-renounceable Pro-Rata Entitlement Offer and Additional Offer

- Total equity capital raising of up to \$3.2 million
- 1 for 4 non-renounceable entitlement offer to raise up to \$1.2 million
- Additional Offer to raise up to \$2.0 million
- Offers priced at \$0.05 per New Share, including one free attaching \$0.05 option
- Broker support from Southern Cross Financial and Harbury Advisors

Lithium Consolidated Ltd (**Li3** or the **Company**) is pleased to announce a non-renounceable entitlement offer to eligible shareholders of 1 new fully paid ordinary share for every 4 shares held at an issue price of \$0.05 per share (**New Share**), together with 1 free attaching unlisted option exercisable at \$0.05 each and expiring on 30 September 2020 (**Attaching Option**) for every New Share allotted, to raise approximately \$1,179,026 (before costs) (**Entitlement Offer or Rights Issue**).

At the same time, the Company has reserved the right to accept subscriptions from Eligible Shareholders and other investors identified by the Company for additional New Shares up to a maximum value of \$2,000,000. These additional offer Shares will be issued on the same terms as the New Shares issued under the Entitlement Offer, including with equivalent attaching Options (**Additional Offer**, together with the Entitlement Offer, the **Offer**). Any issue of New Shares and Attaching Options under the Additional Offer will be subject to Shareholder approval.

Assuming no existing options on issue in the Company are exercised, approximately 23,580,531 New Shares and 23,580,531 Attaching Options will be offered under the Entitlement Offer, and 40,000,000 New Shares and 40,000,000 Attaching Options will be offered under the Additional Offer.

The Entitlement Offer will be available to all registered shareholders who hold shares at 7.00pm Brisbane time on 2 August 2019 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**).

Existing option holders need to exercise their options and be a registered holder of shares on the Record Date if they wish to participate in the Entitlement Offer.

In accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth) (**Corporations Act**), Li3 has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand, the Company has formed the view that it is unreasonable to extend the Entitlement Offer to those shareholders.

Southern Cross Financial Pty Ltd and Harbury Advisors Pty Ltd have been appointed as lead managers to the Offers, and with further details of their engagement are set out in the Prospectus.

The Offers are not underwritten.

The purpose of the Offers is to raise approximately \$3,179,026. The funds raised will be used to:

- a) exploration programs over the next 6-12 months at the higher priority assets in Western Australia, Mozambique and Zimbabwe;
- b) ongoing corporate and administration costs;
- c) the costs of the Offers; and
- d) working capital.

Further information

The Company anticipates that approximately 63,580,531 New Shares will be issued (this number may have to be increased by 1,000,000 New Shares if existing option holders exercise their options and are registered shareholders by the Record Date). The New Shares will be issued for \$0.05 each. The 1 for 1 free Attaching Option will be exercisable at \$0.05 each and will expire on 30 September 2020.

Upon completion of the Offers, and assuming these are fully subscribed and that existing options are not exercised, the issued capital of Li3 will comprise approximately 157,902,653 shares, 73,580,531 unlisted options exercisable at \$0.05, 4,000,000 unlisted options exercisable at between \$0.15 and 0.25 each and 5,700,000 performance rights.

The New Shares will rank equally in all respects with Li3's existing shares. If an Eligible Shareholder's entitlement results in a fraction of a New Share, the entitlement will be rounded up to the nearest whole number.

Trading in the New Shares is expected to commence on 12 September 2019.

An Appendix 3B applying for quotation of the New Shares will be released to the ASX separately.

A proposed timetable for the Offers is set out in the table below:

Event	Date
Announcement of Offers. Prospectus and Appendix 3B lodged with ASX	30 July 2019 (pre-market open)
Notice of Offers sent to option holders	30 July 2019 (pre-market open)
Notice of Offers sent to shareholders	31 July 2019
Shares commence trading on an ex basis	1 August 2019
Record Date for the Rights Issue (7.00pm Brisbane time)	2 August 2019
Despatch Prospectus to shareholders	7 August 2019
Opening Date of Offers (9.00am Brisbane time)	7 August 2019
Closing Date of Offers (5.00pm Brisbane time)	4 September 2019
Shares commence trading on deferred settlement basis	5 September 2019
Advise ASX of any shortfall	9 September 2019
EGM held to approve issue of New Shares and Attaching Options under the Additional Offer	10 September 2019
Allotment of New Shares under the Offers	10 September 2019
Despatch of holding statements for New Shares and deferred settlement trading ends	11 September 2019
Normal trading of New Shares on ASX begins	12 September 2019

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

The Offers are being made in accordance with section 713 of the Corporations Act. Li3 will prepare and send a Prospectus to all Eligible Shareholders on 7 August 2019, as set out in the timetable above.

Li3 encourages all Eligible Shareholders to participate in the capital raising.

End

For more information, please contact:

Duncan Cornish
Company Secretary
Phone: +61 7 3212 6299

Please visit us at: <http://www.li3limited.com>

Cautionary Statements

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.



LITHIUM CONSOLIDATED
LTD

ACN 612 008 358

Phone: +61 7 3212 6299

Fax: +61 7 3212 6250

Address: Level 6, 10 Market Street, Brisbane Q 4000