

31 July 2019

Dear Shareholder

Lithium Consolidated Limited ACN 612 008 358 - non-renounceable pro-rata rights issue and additional offer

On 30 July 2019, Lithium Consolidated Limited (**Li3** or the **Company**) announced a non-renounceable pro-rata rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 4 shares held, at an issue price of \$0.05 per share (**New Shares**), with 1 for 1 free attaching options exercisable at \$0.05 each and expiring on 30 September 2020 (**Attaching Options**), to raise approximately \$1,179,026, based on Li3's undiluted share capital (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 23,580,531 fully paid ordinary shares and 23,580,531 options will be offered under the 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 placement Shares will be issued on the same terms as the New Shares issued under the Offer, including with equivalent attaching Options (**Additional Offer**, together with the Rights Issue, the **Offers**). 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 40,000,000 fully paid ordinary shares and 40,000,000 options will be offered under the Additional Offer.

Neither the Entitlement Offer nor the Additional Offer is underwritten.

The purpose of the Offers is to raise approximately \$3,179,026 for the Company to:

- fund exploration on the Company's projects in Western Australia, Mozambique and Zimbabwe;
- pay for the costs of the Offers;
- fund ongoing corporate and administration costs; and
- to provide additional working capital.

A Prospectus in relation to the Offers was lodged with the Australian Securities Exchange (**ASX**) on 30 July 2019 and is available on the ASX website and also on the Company website at <https://li3limited.com/>.

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 and entitlement and acceptance form to shareholders and despatch announced to ASX	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.

In accordance with the ASX Listing Rules, Li3 has considered the number of shareholders with registered addresses outside of Australia and New Zealand, the number and value of the shares held by those shareholders, and the number and value of New Shares those shareholders would be offered pursuant to the Rights Issue. Taking this into consideration, as well as taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities of those relevant jurisdictions outside of Australia and New Zealand, Li3 believes it to be unreasonable to extend the Rights Issue to all shareholders. Accordingly, the offer pursuant to the Rights Issue will only be extended to those who are Li3 shareholders as at 7.00pm (Brisbane time) on 2 August 2019, and who have registered addresses in Australia and New Zealand. Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly will not be traded on the ASX.

As you are a shareholder with a registered address outside of Australia and New Zealand, the offer pursuant to the Rights Issue will not be extended to you.

Please contact Duncan Cornish, the Company Secretary on +61 7 3212 6299 if you have any queries regarding the Rights Issue or your eligibility to participate in the Rights Issue.

Yours faithfully



Shanthar Pathmanathan, Director
Lithium Consolidated Limited