

Ekosolve Limited

Lithium Direct Extraction Technology
Partners with University of Melbourne - Australia

15 April 2024

Private & Confidential

Dear Investor

SHARE PLACEMENT AND SALE – LETTER AGREEMENT

Ekosolve Limited (ACN 657 738 120) (the **Company**), a public unlisted company, is seeking applications from "sophisticated investors" within the meaning of section 708(8) of the *Corporations Act 2001* (Cth) (**Corporations Act**) or "professional investors" within the meaning of section 708(11) of the *Corporations Act* to invest in the Company to fund working capital. The capital will be deployed **to earn engineering and royalty revenues** initially, from the construction of up to four Ekosolve DLE projects where licence agreements have been signed. These projects are in Argentina and USA. The funds are primarily intended to be deployed to build a 50 tonne plant for a client in Australia and be transferred to Argentina at a later date as part of a 20,000 tonne lithium project. Sales and marketing are underway for lithium brine projects in the salt lake, geothermal brines and oilfield areas prospective for lithium extraction and several NDA's have been signed. The lithium product extracted and sold from each client project attracts a licence fee payable to Ekosolve calculated on a FOB basis. The lithium extracted will be converted into lithium carbonate by Ekosolve for the Electric Vehicle Battery industry and sent to each clients' offtake partner.

1. INFORMATION MEMORANDUM

Details of the Company, its projects and proposed use of funds are set out in the attached Information Memorandum that is marked **Annexure B (the Information Memorandum)**.

2. THE OFFER

2.1 Placement Details

The Company is providing an opportunity to existing shareholders and new investors who are sophisticated or professional investors to acquire 25,000,000 fully paid ordinary shares in the capital of the Company at an offer price of AU\$3.00 per fully paid ordinary share (**Shares**).

Specifically, the Company is looking to raise \$37,500,000 by way of a private placement of 12,500,000 new Shares in parallel with the proposed sale by entities associated with the Founders¹ of 12,500,000 Shares, which may be increased to include a further 24 million Founder Shares. If all shares in the offer are sold the Founders share ownership will be reduced to 51%.

The issue of New Shares and sale of Founder Shares, together, being the **Placement**. New Shares issued by the Company and Founder Shares to be sold by the Founders are referred to herein as **Placement Shares**.

This offer is personal to you and may not be assigned, transferred or otherwise dealt with in any way without the prior written consent of the Company.

2.2 Process And Timetable

To subscribe for Placement Shares, please complete the application form that accompanies the Information Memorandum. By submitting an application, you warrant and agree to be bound by the terms of this letter (**Placement Letter**).

The proposed capital raising timetable is as follows:

Description	Date*
Applications Open	11 April 2024
Last date for applications to be submitted by	11 May 2024
Funds to be paid	5 business days from Application
Company to advise investors of results of applications	12 May 2024
Placement Share Allotment	14 May 2024

*Please note this timetable is indicative only and may be subject to change at the Company's discretion.

2.3 Eligibility

¹ The founders are entities associated with directors Mr Phillip Thomas and Dr Carlos Sorentino.

The Placement is being offered to investors that are “sophisticated” or “professional” investors (as those terms are defined in the Corporations Act).

If you are making an application on behalf of clients for which you have sole investment discretion, you must ensure that any such client performs its obligations herein and that all such clients are “sophisticated investors” within the meaning of section 708(8) of the Corporations Act or “professional investors” within the meaning of section 708(11) of the Corporations Act. If you are **not such an investor**, no Placement Shares will be issued/ transferred to you under this Placement.

2.4 No Disclosure Document

The Placement is made conditional upon and on the understanding that a Disclosure Document (as that term is defined in the Corporations Act) is not required to be given to you in relation to the Placement because you qualify as a sophisticated investor under section 708(8) of the Corporations Act, or a professional investor under section 708(11) of the Corporations Act. These qualifying requirements are set out in Annexure A to this letter.

It is your obligation to ensure that you (or any clients for whom you have sole investment discretion) fully comply with these relevant provisions of the Corporations Act (including the **provision of an accountant's certificate** for a sophisticated investor pursuant to section 708(8) of the Corporations Act) and your acceptance of the Placement Letter will be taken as an acknowledgment and a warranty by you that you fully comply with these provisions and that a disclosure document is not required for this offer to you.

2.5 Representations, Warranties and Agreements by Investors

By submitting an application, you represent, warrant and agree for the benefit of the Company, each of the Founders and their respective affiliates, that as at the date of this Placement Letter, the date you return the Application Form to the Company (jarek@kopias.com.au) and as at the date of settlement of Placement Shares that:

- i. If the minimum amount payable by you for the Placement Shares is not at least A\$500,000, then you are one of the following (within the meaning of section 708 of the Corporations Act):
- ii. a “professional investor” within the meaning of the definition of that term as set out in section 9 of the Corporations Act; or
- iii. a person in relation to whom the amount payable for the Placement Shares on acceptance of the offer, and the amounts previously paid for securities in the same class that are held by you, add up to at least \$500,000; or
- iv. a person that:
 - a. has net assets of at least \$2.5 million; or

- b. has had a gross income for each of the last two financial years of at least \$250,000 a year, and that you have given the Company a certificate verifying this which is given by a qualified accountant no more than two years before the offer was made to you (a copy of which will be provided to the Company on request); or
- c. a person located in a jurisdiction in which the issue and transfer of Placement Shares pursuant to the Placement would not be unlawful pursuant to the local laws of that place.

These qualifying requirements are set out in Annexure A to this Placement Letter and you will provide documentation to validate your eligibility as requested by the Company.

1. You acknowledge that no formal offering memorandum, prospectus or other disclosure document has been or will be prepared, lodged with ASIC or delivered to you in connection with the Placement or issue/ transfer of Placement Shares under the Corporations Act or any other law or regulation of any jurisdiction.
2. You confirm that you are a person to whom an offer under this Placement Letter can lawfully be made under all applicable laws and regulations, and to whom the Placement Shares can lawfully be issued/ transferred under, and without the Company to breach, any or all applicable laws and regulations, and without the need for any prospectus or other disclosure document or for any registration, lodgement or other formality under Australian law or the applicable laws in the jurisdiction in which you are situated.
3. You have made and relied upon your own independent assessment of the Company and have conducted your own investigations with respect to the Placement Shares and the Company including, without limitation, the particular tax consequences of purchasing, owning or disposing of the Placement Shares in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.
4. You acknowledge that an investment in the Placement Shares involves a degree of risk and that the Placement Shares are, therefore, a speculative investment. You confirm that you have considered such risk in deciding to purchase the Placement Shares.
5. You agree to be bound by the Constitution of the Company as amended from time to time.
6. You are lawfully permitted to enter into this Placement Letter and to perform the obligations set out in this letter and the agreement which arises upon the Company's acceptance of your Application, in accordance with your constitution, the laws applicable in Australia and any other applicable laws of any jurisdiction.
7. Where you are entering into this Placement Letter as a responsible entity of a fund or a trustee of a trust:
 - a. the Investor has the right to be fully indemnified out of the assets of the fund or trust (as applicable) in respect of all obligations of the Investor relating to the Placement and

the Application Form, and has not done or omitted to do anything that would result in the Investor's right of indemnity being restricted or limited in any way and the assets of the fund or trust (as applicable) are sufficient to satisfy that right of indemnity;

- b. there is not, and there will not be in the future, any restriction or limitation on the ability or the right of the responsible entity or trustee (as applicable) to be indemnified out of the assets of the fund or trust (as applicable).

8. You acknowledge and agree that the Application Form and the obligation to provide payment for the Placement Shares applied for is irrevocable.
9. You acknowledge and agree that the offer of the Placement Shares may be withdrawn by the Company.
10. You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risk of a subscription for Placement Shares for yourself and each other person (if any) for whose accounts you are subscribing for any Placement Shares and you have determined that the Placement Shares are a suitable investment for yourself and each other person (if any) for whose accounts you are acquiring any Placement Shares, both in nature and the number of Placement Shares being acquired.
11. You and each other person (if any) for whose account you are acquiring any Placement Shares have the financial ability to bear the economic risks of the investment in the Placement Shares.
12. You acknowledge that the offer of Placement Shares does not constitute a securities recommendation or financial product advice with respect to securities and that the Company has not had regard to, and you have had regard to, your particular objectives, financial situation or needs.
13. You confirm that you are and will be compliant with all relevant laws and regulations (including, without limitation, the requirements of the Foreign Acquisitions and Takeovers Act 1975 (Cth), Chapter 6 of the Corporations Act (takeovers) and Part 7.10, Division 3 of the Corporations Act (insider trading)) and will not cease to be in compliance if you subscribe for your Firm Allocation of Placement Shares.
14. Except for any liability which cannot by law be excluded, you acknowledge that neither the Company, the Founders nor any of their respective related bodies corporate, nor any directors, officers, employees or advisers of the Company or the Founders, nor any of their respective related bodies corporate, accept any responsibility or form of liability in relation to the Placement and the Placement Shares (including information provided in relation to the Placement or Firm Allocation), and that the Company and the Founders will not have any liability to you should you not be able to offer for sale the Placement Shares at any time or from time to time in the event that any class order or exemption to disclosure under the Corporations Act does not or does not continue to apply to any such offer for sale of the Placement Shares by yourself. You agree to release the

Company, the Founders and all of their respective related bodies corporate, and any directors, officers, employees and advisers of any of them, from all claims, demands and proceedings which you may have or claim to have against the Company or its related bodies corporate in connection with the Placement.

15. You acknowledge that the Placement Shares may not be offered or sold in any other jurisdiction by means of this Placement Letter or otherwise, except in accordance with any applicable laws of that jurisdiction including but not limited to, those outlined in section 5 below.
16. If you fail to meet any obligation to apply (or procure applications) for all or part of your Firm Allocation by the time required by the Placement Letter, the Company may without notice to you apply (or procure on terms that a third party applies) for those Placement Shares and, in addition to any other obligations under the Placement Letter, you indemnify the Company for any cost or loss associated with so doing (including any loss on sale of those Placement Shares within 6 months of allotment).
17. You acknowledge that no person is authorised to give any information or make representations in respect of the Placement Shares and, if given or made, such information or representations will not be relied on as having been authorised by the Company, its affiliates or related bodies corporate or any other person, nor will any such person have any liability or responsibility for them.
18. You have not relied on any investigation that the Company or any affiliates of the Company or any persons acting on its behalf may have conducted with respect to the Placement Shares or the Company. None of such persons has made any representation to you, express or implied, with respect to the Placement Shares or the Company.
19. You acknowledge and agree that the Company takes no responsibility for and is not liable for any loss, direct or indirect, or damage suffered by any person in the event that the Placement Shares are, or become, subject to any transfer restrictions in any jurisdiction.
20. If you are acquiring any Placement Shares for an account of one or more persons or if you are offering Placement Shares to any person (including your clients), you have full power to make each and all of acknowledgments, representations, warranties and agreements contained in this section 2.5 on behalf of each such person and you will take reasonable steps to ensure that each such person will comply with its obligations herein.
21. You acknowledge that any expenses incurred by you or your representatives in relation to your Firm Allocation will be in your own account.
22. You acknowledge that the Company, the Founders and each of their respective affiliates are entitled to, and will, rely on the truth and accuracy of the acknowledgments, representations, warranties and agreements in this Section 2.5.
23. You will subscribe for, and make full payment for, the Placement Shares allocated to you in accordance with the terms set out in this Placement Letter.

24. You acknowledge and agree that no Placement Shares will be issued or transferred to you until the Company receives the aggregate application amount into its account (in cleared funds).
25. In acquiring the Placement Shares pursuant to the Placement, you are not acquiring those Placement Shares for the purpose of selling or transferring those Shares, or granting, issuing or transferring interests in, or options over, those Shares within 12 months after their date of issue or transfer.
26. The failure by the Company or the Company's delay in exercising a power or right does not operate as a waiver of that power or right. The exercise of a power or right by the Company does not preclude either its exercise in the future or the exercise of any other power or right. A waiver by the Company is not effective unless it is in writing. Waiver of a power or right by the Company is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.
27. You must promptly, at your own cost, do all things (including executing all documents) necessary or desirable to give full effect or better effect to the terms of this Placement Letter.

2.6 Benefit held on trust

The Company holds the benefit of each acknowledgement, representation, warranty, indemnity and agreement in this Placement Letter that benefits it, the Founders or any of their respective associates on its own behalf and on trust for each Founder and its respective affiliates.

2.7 Governing Law, Jurisdiction and Confidentiality

This Placement Letter and the subscription for and the issue/ transfer of the Placement Shares shall be governed by the laws of Victoria, Australia and you agree to submit to the jurisdiction of the courts of Victoria, Australia and courts of appeal from them.

You agree to treat the information contained in this Placement Letter and any information provided to you by or in relation to the Company or the Placement as strictly confidential and to not disclose such information unless the information is public knowledge (but not because of an unauthorised disclosure by your or your officers or employees) or becomes available to you from a third party (other than the Company or its representatives) or is required to be disclosed by law or regulation.

2.8 Entire Agreement

The terms contained in this Placement Letter including, without limitation, your executed Application Form, constitute the entire agreement between the Company and you as to the Placement and your participation in the Placement to the exclusion of all prior representations, understandings and agreements between the Company and you. Any variation of the terms of this Placement Letter (including, without limitation, your executed Confirmation) must be in writing signed by the Company and you.

If any provision of the agreement constituted by this Placement Letter is invalid and not enforceable in accordance with its terms, all other provisions which are self sustaining and capable of separate enforcement without regard to the invalid provision, shall be and continue to be valid and forceful in accordance with their terms.

2.9 Notices

All notices under this Placement Letter must be in writing and either be hand or post delivered, or scanned and emailed:

- a. in the case of notices to the Company, to the address or email address set out below and to the attention of the person named below until you are advised to the contrary and then as advised to you by the Company from time to time:

Delivery address: 2 Bagley Street, Brighton, VIC 3186
Postal address: 2 Bagley Street, Brighton, VIC 3186
Attention: Phillip Thomas (Chief Executive Officer) phil@ekosolve.com.au or
Jarek Kopias (Company Secretary) Jarek@kopias.com.au

- b. in the case of notices to you, to the address, email address of the person named in your Placement Confirmation until the Company is advised to the contrary and then as notified by you to us from time to time; and
- c. the date a notice is given and received is:
 - i. the date it is delivered or sent by email;
 - ii. otherwise the next Business Day;

“Business Day” has the meaning of the next day in Victoria that is not a bank holiday or declared public holiday; and

- d. if the party to whom a notice or other communication is intended to be given consists of more than one person, then a notice or other communication is deemed to be given to that party if given to any of those persons.

2.10 Payment

Investors must make payment for their application to be valid.

Payment must be made to Ekosolve Limited via Electronic transfer to:

Account: Ekosolve Limited
BSB: 063-000
Account: 1419 1914
SWIFT CODE: CTBAAU2S

To accept this offer, please complete the enclosed application form and email it to our Company Secretary Jarek Kopias – jarek@kopias.com.au (preferred) or mail it to PO Box 6352, Adelaide SA 5000
Attn: Kopias Consulting, Ekosolve Ltd

Yours faithfully

A handwritten signature in blue ink, appearing to read "Phillip Po.", with a stylized flourish at the end.

Chief Executive Officer

Ekosolve Limited

ANNEXURE A

SOPHISTICATED INVESTOR

The following is a summary of the requirements to qualify as a “sophisticated investor” or “professional investor” to whom a disclosure document is not required to be provided:

Section 708(8) of the Corporations Act – Sophisticated Investors

An offer of securities does not need disclosure to investors under Part 6D of the Corporations

Act if:

- (a) the minimum amount payable for the securities on acceptance of the offer by the person to whom the offer is made is at least \$500,000; or
- (b) the amount payable for the securities on acceptance by the person to whom the offer is made and the amounts previously paid by the person for the body’s securities of the same class that are held by the person add up to at least \$500,000; or
- (c) it appears from a certificate given by a qualified accountant (as defined by section 9 of the Corporations Act) no more than 6 months before the offer is made that the person to whom the offer is made:
 - (i) has net assets of at least \$2.5 million; or
 - (ii) has a gross income for each of the last 2 financial years of at least \$250,000 a year; or
 - (iii) the offer is made to a company or trust controlled by a person who meets the requirements of subparagraph can(i) or (ii).

Section 708(11) of the Corporations Act – Professional Investors

An offer of securities does not need disclosure to investors under Part 6D of the Corporations Act if it is made to a professional investor, defined in section 9 of the Corporations Act to be:

- (a) the person is a financial services licensee whose Australian financial services licence covers the provision of financial services that are not limited to claims handling and settling services;
- (b) the person is a body regulated by APRA, other than a trustee of any of the following:
 - (i) a superannuation fund;
 - (ii) an approved deposit fund;
 - (iii) a pooled superannuation trust;
 - (iv) a public sector superannuation scheme;
- (c) the person is a body registered under the *Financial Sector (Collection of Data) Act 2001*;
- (d) the person is the trustee of:

- (i) a superannuation fund; or
- (ii) an approved deposit fund; or
- (iii) a pooled superannuation trust; or
- (iv) a public sector superannuation scheme,

and the fund, trust or scheme has net assets of at least \$10 million;

(e) the person controls at least \$10 million (including any amount held by an associate or under a trust that the person manages);

(f) the person is a listed entity, or a related body corporate of a listed entity;

(g) the person is an exempt public authority;

(h) the person is a body corporate, or an unincorporated body, that:

(i) carries on a business of investment in financial products, interests in land or other investments; and

(ii) for those purposes, invests funds received (directly or indirectly) following an offer or invitation to the public, within the meaning of section 82, the terms of which provided for the funds subscribed to be invested for those purposes;

(iii) the person is a foreign entity that, if established or incorporated in Australia, would be covered by one of the preceding paragraphs

ANNEXURE B

Information Memorandum

Ekosolve Limited

Direct Lithium Extraction Technology
ACN 657 738 120

DLE Lithium extraction process for a **green** future

Head Office

2 Cochranes Road Moorabbin VIC 3186

www.ekosolve.com.au

Email phil@ekosolve.com.au

Mobile Australia 0433 747 380

INFORMATION MEMORANDUM

Ekosolve™ is a leading Direct Lithium Extraction technology employing the tried and proven liquid to liquid solvent exchange methodology to extract lithium from subterranean, geothermal and oilfield lithium brines

AU\$37.5 million Capital Raising (with no minimum subscription) at AU\$3.00 per share

Market Capitalisation AU\$300m
Post Raise 100m shares on issue

11 April 2024

TABLE OF CONTENTS

1.	IMPORTANT INFORMATION	14
2.	CORPORATE DIRECTORY	16
3.	CHAIRMAN'S LETTER.....	17
4.	EXECUTIVE SUMMARY	19
4.1	Business Model.....	19
4.2	Service overview	19
4.3	Research and Development	19
4.4	Intellectual Property	19
5.	FINANCIAL INFORMATION.....	20
5.1	Audited financial statements	20
5.2	Capital Structure	21
5.3	Revenue Generation – Project Pipeline	22
5.4	Source and Application of Funds.....	23
6.	EKOSOLVE LIMITED – COMPANY	24
6.1	Commercialisation – In the market	24
6.2	Extraction Efficiency of Lithium from various brines tested	25
6.3	Revenue Model	25
6.4	Marketing and Sales.....	25
6.5	Executive Team	26
6.6	Organisational Structure of the Company	27
6.7	Proforma Staffing Structure	27
7.	USE OF FUNDS	27
7.1	The lithium market in 2023-24	28
8.	THE EKOSOLVE™ PROCESS	29
8.1	Intellectual Property and Patents	30
9.	DLE INDUSTRY OVERVIEW	30
9.1	Lithium Industry Overview	32
9.2	Client development profile	33
9.3	Markets Geographically	33
10.	RISK FACTORS	34
11.	GLOSSARY OF TERMS	39
12.	APPENDICES	40

1. IMPORTANT INFORMATION

Status of Document

This document is not a disclosure document required by Chapter 6D of the Corporations Act.

This Information Memorandum is dated 11 April 2024 and has been prepared and issued by Ekosolve Limited, an Australian unlisted public company (ACN 657 738 120) ("Ekosolve") to provide background information for persons considering applying for shares in Ekosolve Limited. This Information Memorandum is supplied personally to the recipient on the conditions set out below. **The recipient's acceptance of these conditions is evidenced by its retention of this document. If these conditions are not acceptable, the recipient must return the Information Memorandum immediately.**

Not an offer of securities

The provision of this Information Memorandum to any person does not constitute, and may not be used for the purposes of, an offer of securities or interests of any kind to that person or an invitation to any person to apply for the issue of securities or interests of any kind.

Only professional investors may apply for securities

Any such offer or invitation will only be extended to a person if the person has **first satisfied the conditions that such person is a "sophisticated investor" or a "professional investor"** (as defined in the Corporations Act 2001 (Cth)) (or equivalent under applicable foreign laws) and would not contravene any applicable law particularly S708 of Corporations Act. This offer is available to professional wholesale investors that are United States of America Residents who have completed the due diligence to ascertain their net assets and investing experience through our external accountants. If you are a US Resident, then please refer to the following pages for US offer. This document is being issued to US residents pursuant to S560C of the SEC Act, for professional investors only. For Canadian resident investors, the offer is issued pursuant to NI45-106 for accredited investors. Accredited investors must have at least \$5m in net assets that may include their home. For European investors in this respect, Article 4(1)(ag) AIFMD defines "professional investors" as investors which are considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II MiFID 2.

Confidentiality and distribution of this document

This Information Memorandum and any other information provided in connection with this Information Memorandum are confidential to Ekosolve. It is provided to prospective investors for the sole purpose of considering an investment in Ekosolve and must not be copied, supplied, disseminated, or disclosed by any recipient to any other person (other than an employee or professional adviser of the recipient who is bound to keep it confidential), without the Ekosolve's prior written consent. The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Information Memorandum must seek advice on, and comply with, any such restrictions. Any person who receives a copy of this Information Memorandum in circumstances where receipt of this Information Memorandum is unlawful or unauthorised or requires Ekosolve to take any additional steps, including registration, must not accept the copy of the Information Memorandum and must immediately return it to Ekosolve at phil@ekosolve.com.au. Any failure to comply with restrictions on receipt or distribution of this Information Memorandum may constitute a violation of applicable securities law.

Independent advice required

In preparing this Information Memorandum, Ekosolve has taken no account of the investment objectives, financial situation and particular needs of any particular person, and prospective investors must not construe the contents of this Information Memorandum as tax, legal or financial product advice. Before making any decision to invest in the Company, prospective investors should:

- seek and rely on their own professional advice, in particular by obtaining appropriate market information on DLE lithium processing, tax, legal, financial and investment advice in light of their own circumstances; and
- conduct their own independent investigation and analysis regarding any information contained in this Information Memorandum and at the company's website www.ekosolve.com.au

Information given in this document or otherwise

Ekosolve and each of its subsidiaries, affiliates, related bodies corporate, officers, employees, advisers, agents or associates (**Relevant Persons**) do not exclude any condition, warranty or right, the exclusion of which would contravene the *Australian Competition and Consumer Act 2010* (Cth) or any other applicable law. Subject to the foregoing, the Relevant Persons:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information);
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum (or any accompanying or subsequent information); and
- do not have an obligation to advise any person if any of them becomes aware of any inaccuracy in, or omission from, this Information Memorandum (or any accompanying or subsequent information). Past performance of the Relevant Persons is not necessarily indicative of future results. In addition, certain information in this Information Memorandum may constitute forward-looking statements. All statements of opinion or belief, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of Ekosolve, any prior company, represent Ekosolve's assessment and interpretation of information available as at the date of this Information Memorandum. No representation is made or assurance given that such statements, views, projections or forecasts are reasonable or correct.

Certain information contained in this Information Memorandum has been obtained from published sources prepared by other parties and no responsibility is assumed for the accuracy or completeness of such information. In addition, all industry and market data has been sourced from research of Ekosolve, unless otherwise indicated.

Risk

An investment in Ekosolve Limited should be regarded as speculative and will involve significant risks, due to the nature of the process, domicile of clients and other factors. Ekosolve is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested or who require certain or predictable income flows. Investors should have the financial ability and willingness to accept the risks and lack of liquidity which are characteristic of the investments described in this Information Memorandum. While Ekosolve intends to consider listing on at least one Stock Exchange in the future, the time, date and ability to do so have not been determined. In particular, the attention of prospective investors is drawn to the risk factors set out in Section 9 (Risk Factors) of this Information Memorandum.

Constituent Documents

This Information Memorandum contains a summary and description of certain features of the Ekosolve Business. Any information provided in this Information Memorandum and in any other document or communication is subject to the constituent documents of Ekosolve.

Supplementary information

Ekosolve may in its absolute discretion, but is under no obligation to, update or supplement this Information Memorandum at any time. Such further information is provided under the same terms and conditions as this Information Memorandum.

Currency

All dollar amounts in this Information Memorandum are quoted in Australian dollars, unless otherwise stated.

Glossary

Certain expressions used in this Information Memorandum have defined meanings which are set out in Section 11.

2. CORPORATE DIRECTORY**Directors**

Dr Carlos R M Sorentino	(Chairman)
Phillip Thomas	(Managing Director)
Shaun Thomas	(Non-Executive Director)

Company Secretary

Jaroslav K Kopias

Registered office

2 Bagley Street Brighton, VIC 3186

Share Register

Kopias Consulting

Professional Indemnity Insurer

Solution Underwriting Agency Pty Ltd
Broker - Aon Australia

Solicitors

Moray & Agnew
Level 9, 605 Little Collins Street
Melbourne, VIC 3000

Auditors

Hall Chadwick Melbourne
Level 14, 440 Collins Street
Melbourne, VIC 3000

Website: www.ekosolve.com.au

The auditors and solicitors information is provided as a matter of record only.

3. CHAIRMAN'S LETTER

Dear Investors,

It gives me pleasure to set out the business of Ekosolve and the success we have achieved to date to efficiently extract lithium as lithium chloride and the conversion to battery grade lithium carbonate from subterranean brines in Argentina and Canada. Six years ago we embarked on research to develop a more efficient system to extract lithium from these brines, some with deleteriously high amounts of magnesium found at depth in salt lakes in Argentina and elsewhere. We have now licenced five corporations of which three have active exploration projects, two are working in the petro/geothermal brine industry in North America and we continue to field enquiries for other explorers. We have signed NDA's with two other large corporations and provided data to three oil companies in Texas and Bulgaria. In our last financial year, we achieved a modest revenue from efficiency extraction tests for 6 explorers and we converted the lithium chloride to lithium carbonate at more than 99.5% purity.

The University of Melbourne is the Licensor and Ekosolve is the Exclusive Licensee for commercialising the process. In turn Ekosolve is licenced to issue licences to lithium brine producers. Ekosolve charges a fee based on the USD FOB value of the lithium product (usually lithium chloride or lithium carbonate) and pays part of this fee to the University of Melbourne. Ekosolve has been using the pilot plant at the University of Melbourne and is now confident to build a 40-100 tonne plant in conjunction with a licensee. This plant will be expanded to its nameplate capacity of approximately 20,000 tonnes of lithium carbonate.

The key motivation was the recent rapid development of battery powered vehicles and battery storage systems. The world has now adopted the concept of battery powered vehicles and all the major automobile manufacturers have an EV or HEV model for sale. While Porsche developed a battery powered EV in 1997 it has taken a while to develop into the global industry it is now especially in China and lithium is the battery material of choice. 36% of all new cars purchased in China in 2023 were EV or HEV. Another significant development is the existence of 170 gigafactories that are large battery manufacturing facilities. More gigabattery factories are planned, being constructed or producing lithium batteries to meet the estimated 20 TW(terawatts) battery storage capacity by 2040.

Over the past two years, the lithium carbonate price more than quadrupled, retraced to \$13,500 and by March 2024 had retraced to US\$15,000. Price and future demand have attracted many explorers to the industry and today there are more than 30 companies listed and unlisted exploring for lithium in salt lakes (called salars in Latin America). The methods of extraction typically used in the 2000's was ion exchange and evaporation combined with fractional crystallisation but both processes had their

drawbacks and were reliant on evaporation ponds. This process didn't work for brines that contained high magnesium rendering some salars uneconomic.

Ekosolve saw an opportunity to address these problems and developed in conjunction with Tsinghua University and the University of Melbourne a process modelled on solvent exchange to extract lithium. Solvent Exchange was chosen as it has been used in the mineral and allied industries for more than 70 years and has been perfected over time. It is used in copper, uranium and rare earths to name a few.

Ekosolve is one of the first Direct Lithium Extraction technologies that uses liquid to liquid extraction technology. We are working intensively with three licensees to engineer and build 10,000 to 20,000 tonne lithium chloride/carbonate plants.

We now have now completed our strategic review of opportunities, objectives, structure, management and competitive positioning. This capital raising will allow us to scale up our operations and be ready to complete engineering, acquisition of plant, commissioning for licensees and marketing. Please go to our website for further information www.ekosolve.com.au or to view the video.



Dr Carlos Sorentino
Executive Chairman

4. EXECUTIVE SUMMARY

4.1 Business Model

The business model is a licensing fee arrangement whereby the Company contracts with the licensee to provide the intellectual property and the premixed solvents at a fee of 5% gross of the FOB price of the lithium carbonate sold. By way of illustration if the FOB price is US\$20,000 and the production facility has a 20,000 tonne capacity then the estimated gross fee would be \$20 million and the net fee \$16 million.

There are usually a few stages that the company earns revenue from:

- a. assaying the brines to determine the cation/anion mass balance, the extraction efficiency of the Ekosolve™ process and the A/O solvent mix to brine ratio.
- b. engineering summary of the plant layout and indicative costs
- c. building a small plant for the client usually between 40 tonnes and 500 tonnes capacity to implement the system
- d. building out the plant to name plate capacity.

From each of the four stages we would anticipate a fee consistent with engineering practice of 10% of the costs.

4.2 Service overview

The University of Melbourne pilot plant is being used for assay work and reporting. This work is being supervised by Professor Dr Kathryn Mumford. Preparation is being made by Ekosolve to build an Ekosolve plant of 50 tonnes so that the first three clients can see the plant in operation plus one of the major client's off-takers. Recharge Resources Ltd, which has signed a licence agreement have requested a contract to buy the pilot plant and set it up in Pocitos as a base unit for their proposed 20,000 tonne lithium carbonate plant.

Various engineering subcontractors will be used for the plant construction and commissioning.

4.3 Research and Development

There is an opportunity to further the research and development with regards to streamlining the Ekosolve process although at this stage we are more focussed on delivery of the existing plant configuration and process as it has been through rigorous testing.

4.4 Intellectual Property

The Ekosolve™ process is a trade secret and is protected in a number of ways – specifically the solvents used, how they are added and the proportions of the mix, the physical design of the columns, the design

of the pulsating shakers in the columns, the material in the columns to withstand the impact of the ionic reagents used and the recovery/regeneration system and the chemistry of the solvents for reuse. It was decided to not patent the various parts of the process to avoid a copy cat use of the novel applications.

5. FINANCIAL INFORMATION

5.1 Audited financial statements

The accounts of the company were audited by Hall Chadwick Melbourne, auditors and are presented below:

Profit and Loss Statement 30 June 2023

Ekosolve Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated Period from 2 March 2022 to 30 June 2023 \$
Revenue	3	278,782
Expenses		
Cost of goods sold		(54,000)
Corporate and administration expenses		(9,350)
Marketing expenses		<u>(12,415)</u>
Profit before income tax expense		203,017
Income tax expense	4	<u>(50,754)</u>
Profit after income tax expense for the year attributable to the owners of Ekosolve Ltd		152,263
Other comprehensive income for the year, net of tax		<u>-</u>
Total comprehensive income for the year attributable to the owners of Ekosolve Ltd		<u>152,263</u>

Balance Sheet 30 June 2023

Assets

Current assets

Cash and cash equivalents	5	204,334
Trade and other receivables	6	17,005
Other	7	28,585
Total current assets		<u>249,924</u>

Non-current assets

Intangibles	8	250,000
Total non-current assets		<u>250,000</u>

Total assets

499,924

Liabilities

Current liabilities

Trade and other payables	9	14,756
Income tax	10	44,483
Total current liabilities		<u>59,239</u>

Non-current liabilities

Borrowings	11	282,051
Deferred tax	12	6,271
Total non-current liabilities		<u>288,322</u>

Total liabilities

347,561

Net assets

152,363

Equity

Issued capital	13	100
Retained profits		<u>152,263</u>

Total equity

152,363

5.2 Capital Structure

The Company is seeking to raise up to \$37.5 million (with no minimum subscription) through the issue of 12,500,000 New Shares. In parallel, the Founders are seeking to sell-down between 12,500,000 and 36,500,000 Founder Shares.

In the event of a shortfall of the target raise size of \$37.5 million, priority will be given to the New Shares to be issued (in priority to the sale of Founder Shares).

An indicative capital structure of the Company following completion of the capital raising is set out below:

Number of Shares

	Minimum Raise	Maximum Sell-Down
Shares currently on issue	87,500,000	87,500,000
Shares to be issued	12,500,000	12,500,000
Total Shares on issue upon completion	100,000,000	100,000,000
Funds raised	\$37,500,000	\$37,500,000
Founder shares sold	12,500,000	36,500,000
Shares held by other parties	75,000,000	49,000,000
Funds paid to Founders	\$37,500,000	\$109,500,000

The 87.5M shares currently on issue are equally held by entities related to Founders Phillip Thomas and Carlos Sorentino. There is currently AUD\$302,051 in shareholder loans outstanding that will be repaid from capital raised.

5.3 Revenue Generation – Project Pipeline

We currently have licence agreements with the following companies:

- **Recharge Resources Limited** – 20,000 tonne plant – MRE 760,000t LCE inferred resource. The contract was signed on 15 September 2022 and is a licence agreement to use the technology. They have completed the first stage of the agreement which was to process their brines using the Ekosolve™ process. In subsequent announcements Recharge has indicated given its inferred mineral resource estimate of **760,000 tonnes of contained lithium carbonate** that it will build a plant with 20,000 tonnes of capacity. It needs 400,000 tonnes for a 20 year mine life. It has signed off take agreements with Richlink Capital and an American company soon to be announced as of 4 April 2024. The brines have been tested and 94.2% extraction efficiency was achieved and 99.8% purity lithium carbonate produced from the sample provided.
- **Patagonia Lithium Limited** – 20,000 tonne plant – The licence agreement contract was drafted in Sept 2022 and was subject to Patagonia estimating a resource as well as current directors signing off. Patagonia is currently drilling its initial wells at Formentera. Phil Thomas, a director will abstain from the decision. Patagonia sampled surface brines and got 264ppm of lithium of which 92.1% lithium was extracted.
- **American Salars Lithium Ltd** – 10,000 tonne plant – construction contract – MRE 465,000t LCE inferred resource – requested a contract for a plant that has been provided for review. The project requires two or three production wells to move the resource estimate to proven and probable reserve category.

- Geothermal Brine Co - 10,000 tonne plant – Texas USA – licence agreement pending NDA signed, technical data discussion pending, plant parameters being estimated
- Large Oil Company – Smackover formation, Southern Arkansas – discussions on extraction efficiency, technical data discussion pending
- Large existing producer in Chile – NDA signed, technical data discussion pending
- Large Mining Co in Argentina – NDA signed, Melbourne based technical centre, technical data discussion pending
- Large oil and Gas Co in Europe – NDA signed, technical data discussion pending
- Small oil producer in Texas – discussions proceeding but oil still being produced but reviewing technical geological data

5.4 Source and Application of Funds

APPLICATION OF FUNDS STATEMENT		Ekosolve Limited	
AUD/USD 0.65*		Application of Funds USD\$48M Capital	
		2024	2025
New share issue - 12.5m shares		24.38	
Share sale minimum 12.5m shares		24.38	
Capital raised - pre-IPO		48.76	
Founders may sell up to 49% of holding	Share Price*	2.00	
Cash balance		-	11.27
REVENUE			
Construction fees - 20k plant			25.00
Royalties	5.0%		15.00
Other cash inflows - capital raised		48.76	
Sub Total - inflows		48.76	40.00
EXPENSES			
Founders share sale capital proceeds		24.38	
Capital raising fees	6.0%	2.90	
Salaries		2.72	2.99
Executive recruitment		0.34	
Office rental		0.10	0.10
Small plant factory rent		0.15	0.15
Media/website		0.75	0.75
Independent technical report		0.10	
Legal expenses		0.10	
Accounting/audit		0.15	0.15
Pilot plant refurbishment		0.20	0.20
Small Plant equipment		5.00	
Research and development		0.50	
Patent application		0.10	
Sub Total - outflows		37.49	4.34
Total Surplus		11.27	35.66
Closing cash balance		11.27	46.93

6. EKOSOLVE LIMITED – COMPANY

Ekosolve was registered in March 2022 as an unlisted public company to commercialise the solvent exchange technology developed over the past seven years by Ekos Research Pty Ltd. In 2016 Ekos Research Pty Ltd began investigating and developing its Solvent Extraction process as a desperately needed alternative to the conventional Lithium recovery methods. In conjunction with the University of Melbourne, Ekosolve has developed a direct lithium extraction process that is now ready to be brought to market.

The price per share has been set at a capitalisation of AUD\$300m (approximately US\$200m at 0.68 USD/AUD). Up to 12,500,000 new shares and 12,500,000 Founder held shares (minimum scenario) will be issued to professional investors (Australian investors who satisfy S708 of Corporations Act, and others in USA for S560C, and Canada for 45-106) at a price of AUD\$3.00 per share. The share capital will be hedged into USD or converted to USD as our liabilities will be predominately in USD. While Ekos Research Pty Ltd initiated the initial research it has transferred its interests to a Singaporean company. Panopus Pte Ltd also funded 50% of the research from 2018.

The shares in the Company will be administered by Kopias Consulting share registry services where investors can request their share balance, access their certificates and reports. Any future developments in the Company will be communicated to shareholders as well as regular quarterly reports.

6.1 Commercialisation – In the market

After the brines from the Pozuelos salar in Argentina had been processed and tested and achieved outstanding results of more than 95% recovery of lithium, it was deemed the process was robust and ready to commercialise. The initial marketing attracted a client in the Incahuasi salar, and then two more clients in the Pocitos salar signed where the brines had high magnesium levels. One has slated a 20,000 tonne plant and hopes to complete their production wells in 2024. Two other clients signed for licences are working in the Canadian petro brine industry bringing the total to five and two clients recently have been requesting costs and specification in the Texas oil fields and geothermal locations.

6.2 Extraction Efficiency of Lithium from various brines tested

Salar/Location	Li content test concentration ppm	% extraction efficiency
Incahuasi	140.2	93.1
Pocitos A	86.0	94.9
Pocitos B	95.3	95.8
Rincon	195.0	92.0
Pozuelos	401.0	93.1
Formentera	266.8	92.1
Calgary Petrobrine	57.0	91.0
Stress test	37.0	91.8

6.3 Revenue Model

Ekosolve has two sources of income from each licensee - engineering revenue and licensee revenue. The licensee fee considers several factors and is set at 5% of the FOB value of the lithium exports. By way of example, a 10,000 tonne plant, selling lithium Chloride at \$20,000 per tonne would generate revenues of US\$200 million per annum. Ekosolve's licence fee on a gross basis would be US\$10 million. The Company's engineering fee is estimated at between \$9 to \$11 million depending on the location of the plant, infrastructure required and other factors. The standard engineering for EPCM (engineering, procurement, construction and management) is usually 10-15% of the construction value. With three plants earmarked for production at 40,000 tonnes total production, the revenue at US\$20,000 a tonne would be US\$800 million and our licence fees would be US\$40 million on a gross profit basis.

6.4 Marketing and Sales

A significant amount of marketing has been undertaken.

- Phil Thomas presented at the DLE Conference to about 500 attendees in Los Angeles in December 2023 and 800 attendees at the PDAC conference in Toronto in March 2024.
- Ekosolve is scheduled to present at the Buenos Aires Direct Lithium Extraction conference in May 2024.
- The website www.ekosolve.com.au has been built and on average receives a weekly enquiry. The website also hosts a three minute video on the technical tab explaining the process.
- Social media and newsletters are distributed as new milestones are achieved.

- A full-time engineering marketer will be hired to follow up the leads that have been generated so far.

6.5 Executive Team

Dr Carlos Sorentino, **Executive Chairman** has been involved in the lithium industry for more than 40 years. He qualified as a Chemical Engineer, and then went on to obtain a Master's Degree in Environmental Science and a PhD in Resource Economics. Over the past 30 years, Dr Sorentino has amassed a significant amount of expertise and experience in processing brines containing lithium. He is a Fellow of Australasian Institute of Mining and Metallurgy.

Phillip Thomas, **Managing Director** graduated with BSc in Geology from ANU and obtained a Master's Degree in Business Marketing from Monash. Since 2003 he has been involved in exploring and developing lithium projects in Argentina, and with Dr Sorentino built a pilot plant at Rincon salar, explored Pozuelos Salar and has been CEO and director of Exploration at five public companies involved with Pocitos, Incahuasi, Guayatayoc and other salars in Argentina. He has also been on work trips to Uyuni and Atacama salars in Bolivia and Chile respectively. He is a Fellow of Australasian Institute of Mining and Metallurgy, and a member of the Australasian Institute of Geoscientists.

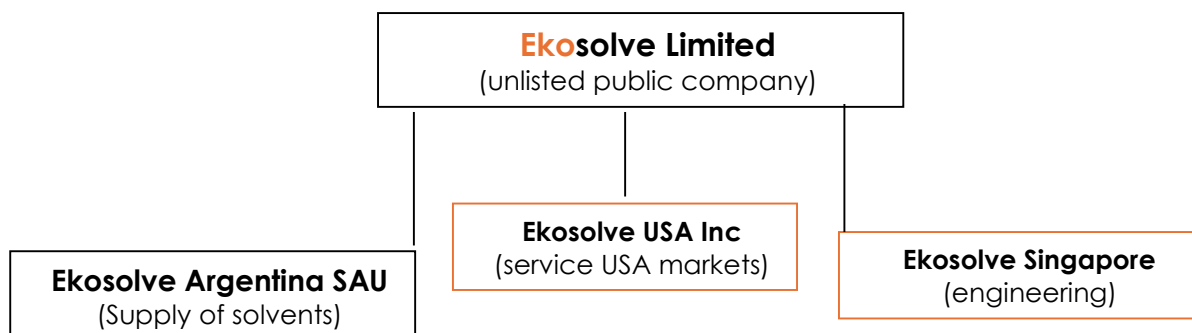
Professor Dr Kathryn Mumford – **University Liaison and Representative** - holds a PhD in Chemical Engineering and a PhD in Engineering(Chem)/Commerce - is Head of Department - Chemical Engineering at The University of Melbourne.

Kathryn's research interests are in the areas of separation processes specifically ion exchange, solvent absorption and solvent extraction technologies. These interests range from the manufacture of novel materials, to the development of novel thermodynamic models to predict performance, and onto large scale implementation in the mining, energy, environmental and wastewater processing fields.

Kathryn currently teaches the Master's of Engineering (Chemical) program, namely Chemical Engineering Management and Heat and Mass Transport Processes subjects.

Shaun Thomas – Shaun is a **Non-executive Director** and works for a multinational corporation in the packaging industry. He holds an MBA from RMIT University in Melbourne.

6.6 Organisational Structure of the Company



Companies in orange boxes will be established on successful placement of shares.

6.7 Proforma Staffing Structure

Post our capital raise we intend to recruit the following executives to implement our current and proposed business.

- **General Manager – Ekosolve Technology**
 - Manager – Technology implementation
 - Manager – 40Tonne plant /Uni of Melbourne liaison
- **General Manager - Business Development/Latam (Ekosolve Argentina SAU)**
 - Manager – Argentina
 - Manager - North America Business development (Houston office)
- **General Manager – Finance, Accounting and EPCM**
 - Manager – Sub-contractors
 - Manager – Purchasing/Import

7. USE OF FUNDS

Ekosolve has developed a business plan that incorporates the following use of funds:

- Setting up a dedicated office in Melbourne and Houston USA and hiring staff to manage pre-engineering EPCM contracts and administration.
- Develop and construct the mini plant at 50 tonnes capacity with one of our licensees, with a buyout when the plant is located in Argentina.
- Hire the chemical engineering team for the engineering design and implementation of the first plant being constructed.
- Work with universities in Argentina to train chemical engineers in the process and operation of the plants

- Establish a tendering team for Ekosolve DLE solvent exchange plant construction.

The corporate office will be set up in Melbourne. A specialised facility will be leased to house a small plant in the proximity of University of Melbourne. This will enable staff to work on pre-engineering and other client tasks. To ensure that the client projects are run by highly skilled staff when constructed, it is our intention to recruit some chemical engineering graduates from Argentina, teach them the finer points of the process and other solvent extraction technology. They will then return to Argentina and be allocated projects to run. We intend to establish a small office in Argentina and another in Houston to service our clients. This will allow us to outsource the construction of the plant and expansion as required.

7.1 The lithium market in 2023-24

Around 90% of battery demand will come from electric vehicles (EVs) and storage systems over the next two decades. Battery metals are the raw materials used in the production of batteries such as lithium, nickel, cobalt, manganese, and graphite. These battery metals are commonly used in batteries for electric vehicles, consumer electronics, and other applications. Demand for battery metals is expected to jump 500% by 2050. It is forecast that by 2038, the world will buy more passenger electric vehicles than internal combustion engine cars. In 2019, demand from EV batteries was 17,000t for lithium, 14,400t for cobalt, and 65,000t for nickel. Demand is forecast to jump to 185,000t for lithium, 90,000t for cobalt and 925,000t for nickel within the next 20 years.

The announcement on 12 August 2022 that Honda teamed with South Korean battery maker LG Energy Solution to build a \$4.4 billion EV battery plant in the U.S. was not the automaker's first move in the sector. The company will spend 43 billion yen (\$310 million) to launch a pilot production line that produces all-solid-state batteries, demonstrating that it is going all-in on the next-generation technology. Solid-state batteries, which replace liquid electrolytes with solid electrolytes, are expected to replace lithium-ion batteries. The batteries are better at **storing energy, which extends the driving ranges of EVs** on one charge. Solid-state batteries are also considered safer since they are less of a fire hazard.

Interest in lithium continues to grow due to the metal's role in the lithium-ion batteries that power electric cars, and more attention is landing on top lithium production by country. In total, about 65 percent of lithium produced goes toward battery production, but other industries also consume the metal. For example, 18% of lithium is used in ceramics and glass, while 5 percent goes to lubricating greases. Argentina will overtake Chile in lithium production around 2027, according to Daisy Jennings-Gray, senior analyst at Benchmark Mineral Intelligence, which advises governments on critical minerals. "If Argentina didn't come through, it'd be almost impossible for the lithium market to stay well-supplied," said Michael Widmer, head of metals research at Bank of America.

8. THE EKOSOLVE™ PROCESS

The Ekosolve process has two main steps in the process:

- The lithium rich brines are injected into a column and then mixed with pre-mix solvents that selectively extract the lithium from the brine into the solvent leaving the brine depleted of lithium, while rejecting other elements that remain mostly the same as the original input brine.
- The solvent which is now "pregnant" with lithium is stripped using hydrochloric acid and lithium chloride solution is produced. This is then converted using conventional means to Lithium Carbonate.

The solvents are collected from the stripping phase, conditioned and regenerated to be used again. A full description can be found on the website www.ekosolve.com.au and a video of the process.

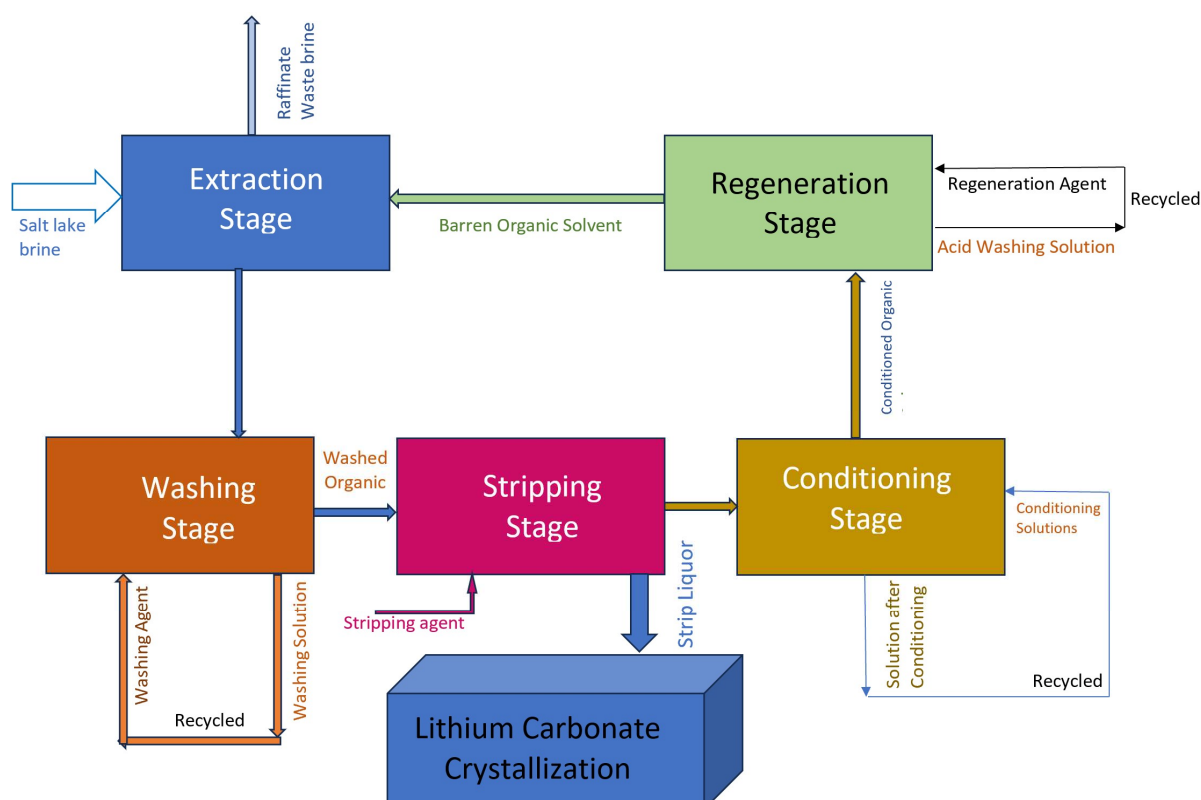


Figure 1. Schematic of the Ekosolve™ process. One pass takes less than one minute. A typical lithium extraction will require 6-10 passes.

8.1 Intellectual Property and Patents

The Ekosolve process has a number of inventions and techniques to achieve the extremely high recovery of lithium from saltwater brines. The Board has decided at this stage to keep the intellectual property a trade secret between the inventors and the University. While some of the components are readily available, it took more than five years research and collaboration to refine the final Ekosolve™ process.

There are many trade secret chemical processes that have been able to protect their processes, the most famous being Coca-Cola™ and Kentucky Fried Chicken™. The Board is leaving open the possibility of patenting in USA, Australia and Europe any developments of “Prior Art” Inventions that may result from the development of the Ekosolve™ Process over time. However, as at the date of this Information Memorandum, the Company has no patents, patent applications or other formal means of intellectual property protection.

9. DLE INDUSTRY OVERVIEW

While the three main technologies of DLE being solvent exchange, ion exchange and ion absorption have been used in industry for the last 100 years, its application to minerals commenced in the 1940's and more recently to lithium. There are new systems being laboratory trialled such as electro membranes and electro chemical, but these are still in their infancy.

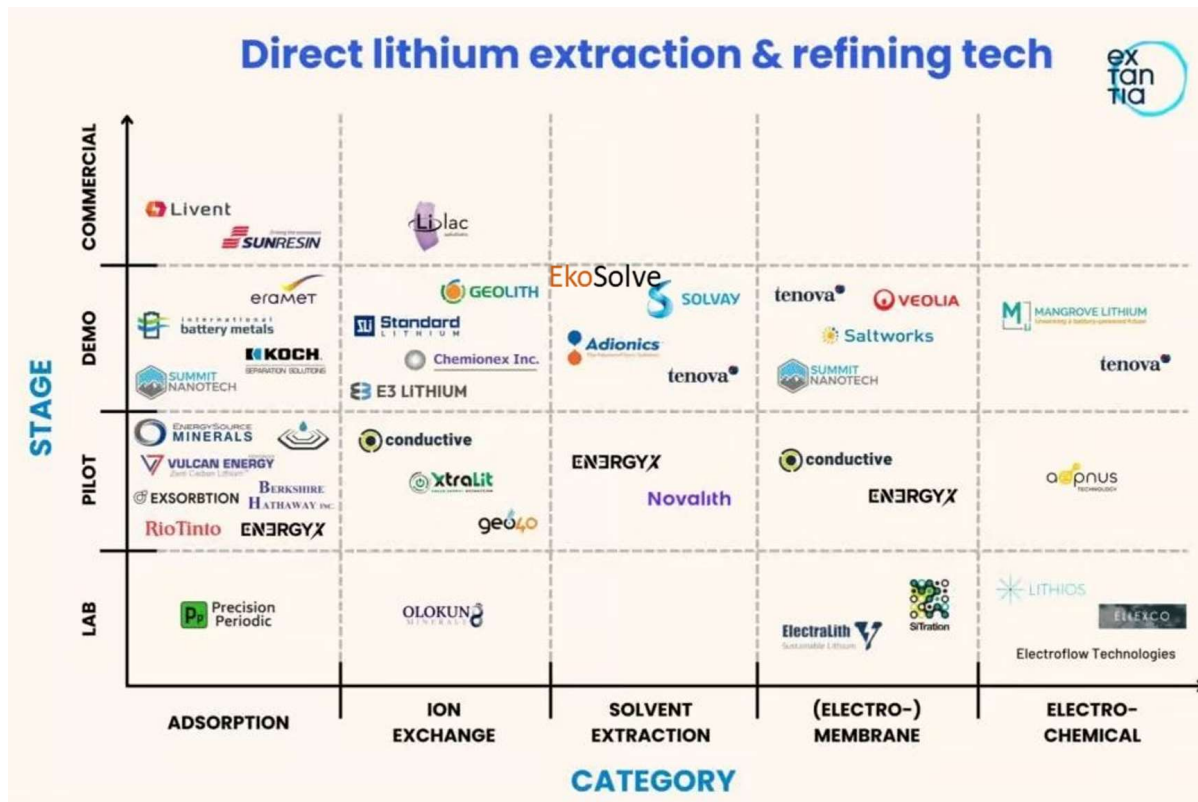


Figure 2. Adapted from Extantia and Max Werny, PhD

All DLE systems have their drawbacks and advantages and many factors come into play as not all DLE systems are the same and some systems work in all conditions (like Ekosolve) whereas others have limited operational capabilities in high or low pH brines, temperature concerns, heat is required to regenerate the solvents etc. Sometime membranes and or reverse osmosis are used to initially treat the brine. In 2005 the Ekosolve team used traditional chemistry at the Rincon Salar called fractional crystallisation to produce battery quality lithium carbonate as this was the main system used. Today there are many choices be solvent exchange has the longest commercial application history.

Operating and capital expenditures are driving factors as is the requirement for water usage which is a very topical subject in Chile and Argentina, as pumping of large amounts of ground water can have deleterious effect on the ground water supply for local farmers and villagers.

Capital Intensity of Proposed Li-rich brines projects

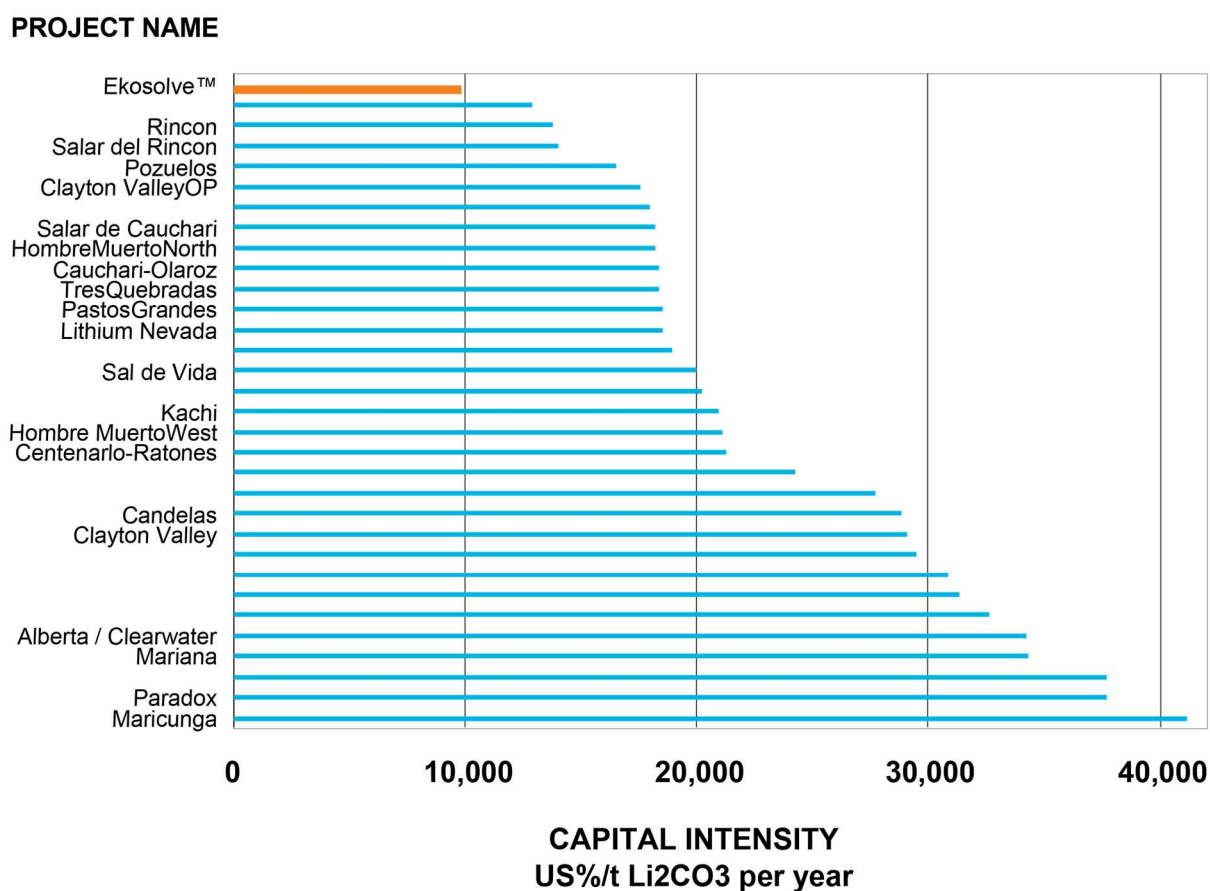


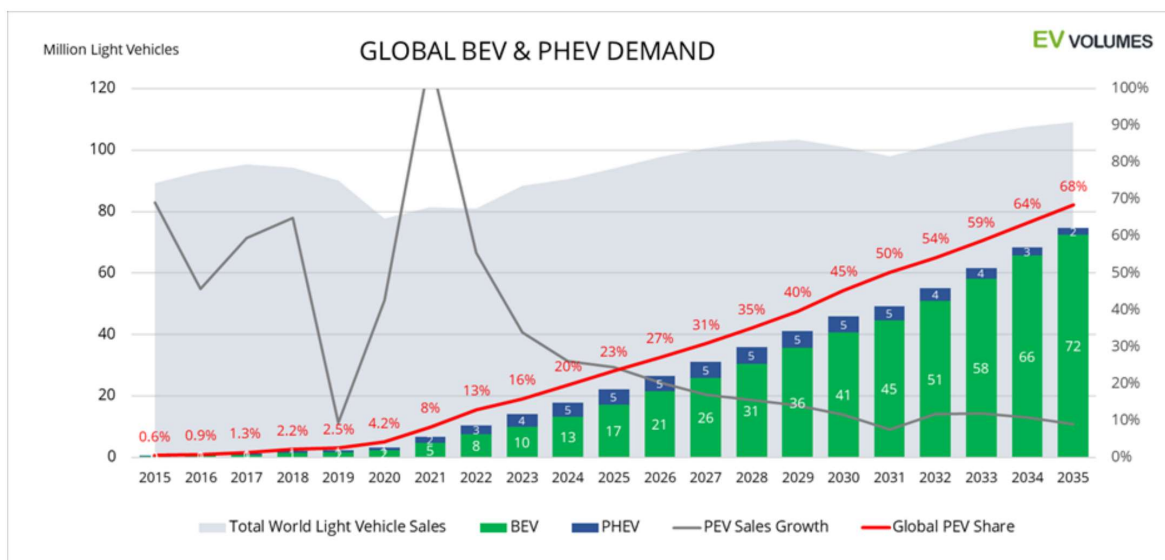
Figure 3. Adapted from Benchmark Minerals Report

The graph above demonstrates that Ekosolve is in the lowest quartile for capital expenditure to build the plant.

9.1 Lithium Industry Overview

While there is a plethora of information on the lithium industry in the public domain which points to approximately a 250% increase in lithium production is required to meet demand in 2040, there are some key trends emerging:

- Batteries take up 77% of lithium demand.
- Battery EVs take up 85% of all chemical lithium for batteries, Battery Electric Vehicles will soon be 90% of lithium chemical demand.
- More than 60% of Battery Electric Vehicle demand is in China
- Net Zero emission mandates are driving European demand
- North America will become more important with lithium recovered from spodumene in Canada and various brines and clays in the US. It is important to note the entry of Exxon into Arkansas brines using Direct Lithium Extraction (DLE) technologies. The drilling, reservoir drawing, and reservoir re-injection are standard oilfield practices and their application especially with DLE is inevitable.
- The hydromet processing of lithium is not far removed from LPG extraction in size and infrastructure. The oil majors currently have limited production growth opportunities, and so DLE brine operations will assist oil majors to participate in the energy transition concept, but more importantly, will have the balance sheets to invest the large amounts of capital the lithium supply industry requires to triple current production rates by 2030.
- Outside of SQM and Albemarle, the lithium industry is really made up of quite small players.



Source: ev-volumes.com

Figure 4. Global EV Demand Forecasts

A 250% capacity expansion to at least 2500ktpa is needed by 2030 and will come from across the board but North America, Argentina and Africa (pegmatites) will pick up major market share.

9.2 Client development profile

The typical client will have a measured and indicated Mineral Resource of more than 400,000 tonnes of lithium carbonate equivalent yield. Having more than this is not required as it is unlikely to be accessed, as this would provide 20 years production at 20,000 per tonne per year.

The client will submit brines to Ekosolve so we can determine the cations and anions in the brine and how they react to the Ekosolve™ process. In particular, we pay attention to the amount of solvent used and the number of passes required to obtain an extraction efficiency between 90-98%.

Once this data is known, then starts the engineering design of the process at a high level and the client will produce the modifying factors which typically embrace factors such as energy, infrastructure, sustainable pumping rate, disposal of the waste brines, staffing, import of solvent mix etc. This will also allow them to identify and partly quantify the risks that need to be managed.

The Client may further document the project by writing a scoping study, a pre-feasibility study, a feasibility or a bankable feasibility study. This study will cover the major items such as pumping of brines, processing of brines, production of lithium carbonate, disposal of brines, reinjection of waste brines and other relevant items such as permitting.

Ekosolve will provide the client with a detailed extraction efficiency report. Following this work, a contract will be signed to build a small plant between 50 and 500 tonnes of lithium carbonate capacity. This is to ensure the commissioning identifies any internal or external issues such as disposal of waste brines, import of solvents, permitting, environmental studies etc. Once the 500 tonne plant is built and operating this will be expanded by adding more columns and facilities to the name plate production eg 20,000 tonnes per annum.

9.3 Markets Geographically

The main markets for Ekosolve are the typical salt lakes in Latin America, geothermal brines around the world that have lithium and globally oilfield brines. The greatest number of enquiries we have received have come from Argentina, Bolivia, Chile, Peru with lithium carbonates, North America and Europe with oil field brines and USA for geothermal brines.

10. RISK FACTORS

The Shares offered under this Information Memorandum are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that investors consider the risk factors described below, together with information contained elsewhere in this Information Memorandum, and consult their professional advisers, before deciding whether to apply for Shares pursuant to the Placement.

There are specific risks which relate directly to the Company and its business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company.

Risk assessment sessions were conducted by the board and other advisors. The Ekosolve process parameters are well defined scaling of plants has been done for related minerals such as copper and rare earths to plants producing 120,000 tonnes of copper per year.

The risks are grouped by licensing, cost (CAPEX and OPEX), schedule, operations, markets and social/environmental categories. One of the most significant risks identified for the Ekosolve™ process is related to lithium markets.

The following risks are highlighted for the business:

- Lithium market sale price and demand (commercial trends) and this is because our licence fee is calculated on the FOB price of the lithium sold
- Delay in receiving the Environmental Operation Licences by the client – this will push back our revenues and impact our cashflows
- Other lithium DLE providers capturing a large market share, so we don't grow the business by more than the six licences and five corporations with which we have NDA's
- Fluctuations in the exchange rate and inflation, particularly in Argentina
- Labour strikes or lack of skilled personnel at the plant (construction and operation)
- Taxes increasing reducing the profitability
- Increased demands from the local community once in operation
- Pumping rates may change over time reducing the amount of feedstock brines
- Failure of the reinjection of brines, relying on waste evaporation ponds, and larger desalination systems

	Capital	Operation Complexity	Lithium Recovery	Development time	Operating Expenditure	Environment	Reagent Supply	Reagent Recovery	Safety	University Collaboration
EKOSOLVE™	Green	Green	Green	Yellow	Green	Green	Yellow	Green	Green	Green
A - Solvent/Ion Exchange	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
B - Adsorption	Yellow	Red	Green	Yellow	Red	Red	Yellow	Red	Yellow	Yellow
C - Adsorption Combination	Red	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Yellow
D - Ion Exchange/Rev Osmosis	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Green	Red	Yellow
E - Ion Exchange	Yellow	Green	Yellow	Yellow	Green	Yellow	Yellow	Green	Yellow	Red
F - Conventional	Red	Green	Red	Red	Green	Red	Green	Red	Yellow	Yellow

Figure 5. The risk matrix above shows the risks of implementing generic technologies where Red indicates a high risk, Yellow is a medium risk and Green is low risk. Ekosolve is not assessed as having any Red factors.

Other risks include:

Future Capital Needs - Additional funding beyond the funds raised under the Capital Raising may be required by the Company to support its ongoing operations and development. There can be no assurance that such funding will be available on satisfactory terms to the Company or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance and ability to take advantage of opportunities to develop projects.

Further, any additional funding raised by issue of equity will be dilutive to the then current Shareholders. Equally, debt funding, if available in the future, may involve restrictions on financing and operating activities of the Company and its subsidiaries.

Development risk - establishment of production facilities, cost control, commodity price movements and successful contract negotiations for production.

Future profitability - The Company's profitability will be impacted by, among other things, the success of its clients' activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

Operational Risks - The operations of the Company may be affected by various factors, including:

- failure of clients to achieve predicted grades in pumping aquifers;
- operational and technical difficulties encountered in pumping or processing;
- insufficient or unreliable infrastructure, such as power, acids, and transport;
- political or civil unrest, including outbreaks of violence or other hostilities;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated metallurgical/chemical problems which may affect extraction costs;
- adverse weather conditions;
- industrial and environmental accidents;
- industrial disputes; and
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Approval, Government and Regulatory Risks - Operations by the Company or its clients may require approvals, consents or permits from government or regulatory authorities, including renewals of existing mining permits or environmental permits, which may not be forthcoming, or which may not be able to be obtained on terms acceptable to the client.

Whilst there is no reason to believe that necessary government and regulatory approvals will not be forthcoming, the Company cannot guarantee that those required approvals will be obtained. Failure to obtain any such approvals could mean the ability of the Company may be inhibited or negated.

Agents and Contractors - The Directors are unable to predict the risk of financial failure or default or the insolvency of any of the contractors which will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activity. Any default or insolvency is outside the Company's control and may have an adverse effect on the Company's operations.

Insurance - The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered

by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with chemical processing and production is not always available.

Further, where coverage is available, the costs of insurance may not be justifiable.

Environmental Risks - The Company's activities are subject to the environmental laws inherent in the mining industry and those specific to the provinces or states and countries where we operate. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

In addition, environmental approvals may be required from relevant government or regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Climate Change Regulations – The pumping of mineral resources is relatively energy intensive and is dependent partly on the consumption of fossil fuels although where possible solar will be used. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

Contract Risk - The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

- financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its exploration activities; or
- insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such contract risks.

Acquisitions - The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

Safety - Safety is a fundamental risk for any chemical production company in regard to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of

operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

Litigation - The Company may, in the ordinary course of business, become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

Commercialisation Risks - Even if the Company contracts with one or more clients to produce Ekosolve plants, there is a risk the Company will not achieve a commercial return. The Company may not be able to transport any minerals extracted from its operations at a reasonable cost or may not be able to sell the minerals to customers at a rate which would cover its operating and capital costs. There is also a risk that necessary regulatory approvals may not be obtained.

Competition Risks - The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may affect the operating and financial performance of the Company's projects and business.

Unforeseen Expenditure Risk - Expenditure may need to be incurred that has not been considered in the preparation of this Information Memorandum. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

Key Management - The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

Changes to Legislation or Regulations - The Company may be affected by changes to laws and regulations in Australia (and other countries in which the Company operates in or may operate in the future) concerning property, the environment, superannuation, taxation, trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

Economic Risks - The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the chemical industries including, but not limited to, the following:

- general economic conditions;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector;
- movement in, or outlook on, interest rates and inflation rates; and
- natural disasters, social upheaval or war.

Force Majeure Risk - Events may occur within or outside the markets in which the Company operates that could impact upon the global or Australian economies and the operations of the Company. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or

natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

Taxation - The acquisition and disposal of Shares may have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors of the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

Other Risks - This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Shares offered under the Placement carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under the Placement.

11. GLOSSARY OF TERMS

Company means Ekosolve Limited ACN 657 738 120.

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

Directors means the directors of the Company as at the date of this Information Memorandum.

DLE means Direct Lithium Extraction.

Founder Shares means any Shares held by the Founders that are to be sold and transferred pursuant to the Placement Letter.

Founders means entities affiliated with Phillip Thomas and Carlos Sorentino on a 50/50 basis.

Fractional Crystallisation – a process whereby the raw lithium brine is treated with slaked lime to remove magnesium, then with sodium sulphate to remove potassium then ion exchange to remove any boron present. The final step is to mix the soluble lithium chloride with sodium carbonate to produce salt water and lithium carbonate.

New Share means any new Shares to be issued pursuant to the Placement Letter.

Placement Shares means, together, the New Shares and Founder Shares.

Proven and Probable Reserve – is an estimate of the commercially available lithium calculated under the ASX and Joint Ore Reserve Committee guidelines. A similar policy and guideline exist for Canadian listed companies (NI 43-101) and American listed companies (S-K1300).

Reinjection of brines – this is most commonly used in the oil and gas industry where waste brines are reinjected to depths of up to 5,000 metres where porous sandstone or carbonate aquifer lithological units exist.

Salar – is the Latin American term for a salt lake containing lithium usually the water is several hundred meters below the surface and only the salt on the surface is visible.

Share means a fully paid ordinary share in the capital of the Company.

12. APPENDICES

S708 Application forms, form of accountants certificate for Australian, European Sophisticated investors and forms for USA and Canada investors

Those investors who wish to invest that reside in **USA** will need to access the information memorandum and application form that contains the **560C application form** and appropriate declarations. Those in **Canada** may use the **45-106 application form** and information memorandum. Both are on the Ekosolve website or contact phil@ekosolve.com.au and the application package will be emailed to you.