ASX ANNOUNCEMENT

24 September 2021

Additional Pro-Forma Balance Sheet Information

Li-S Energy Limited
Additional Pro-Forma Balance Sheet Information (Not subject to audit or review)

Section references in this document refer to the Replacement Prospectus of Li-S Energy Limited dated 29 July 2021. Capitalised terms used in this disclosure document are defined in that document.

This document provides an updated Section 9.7.4 at the request of the Australian Securities Exchange. This section differs due to the additional pro-forma entry disclosed in Note 3 below.

9.7.4 Pro Forma Historical Financial Information

The table below sets out the Historical Statement of Financial Position of the Company as at 31 December 2020, the Pro Forma Adjustments that have been made to it (as detailed in the footnotes) and the pro forma historical statement of financial position of the Company at 31 December 2020.

	Historical 31 December 2020	Offer Proceeds – Note 1	Offer and Other Costs – Note 2	Pre-IPO Capital Raise – Note 3	Pro Forma Historical 31 December 2020
	$	$	$	$	$
Assets					
Current assets					
Cash and cash equivalents	1,462,479	34,000,000	(3,581,968)	18,978,750	50,859,261
Trade and other receivables	21,679				21,679
Other current assets	41,472				41,472
	1,525,630	34,000,000	(3,581,968)	18,978,750	50,922,412
Non-current assets					
Property, plant and equipment	92,686				92,686
Intangible assets	684,048				684,048
Investment	2,269,670				2,269,670
Deferred Tax Asset	-		895,492	265,525	1,161,017
Other non-current assets	20,737				20,737
	3,067,141		895,492	265,525	4,228,158
Total assets	**4,592,771**	**34,000,000**	**(2,686,476)**	**19,244,275**	**55,150,570**
Liabilities and equity					
Current liabilities					
Trade and other payables	10,902				10,902
Total liabilities	**10,902**				**10,902**
Net assets	**4,581,869**	**34,000,000**	**(2,686,476)**	**19,244,275**	**55,139,668**
Equity					
Contributed equity – Note 3	3,693,366	34,000,000	(101,660)	19,244,275	56,835,981
Share premium reserve	1,347,650				1,347,650
Retained earnings/(accumulated losses)	(459,147)		(2,584,816)		(3,043,963)
Capital and reserves attributable to owners of Li-S Energy Limited	**4,581,869**	**34,000,000**	**(2,686,476)**	**19,244,275**	**55,139,668**
Total equity	**4,581,869**	**34,000,000**	**(2,686,476)**	**19,244,275**	**55,139,668**

Pro Forma Adjustments

1. Cash and cash equivalents are expected to increase by $34,000,000 as a result of proceeds from the Offer assuming an issuance of 40,000,000 New Shares at the Offer Price.

2. The estimated offer costs of the Offer are $3,581,968. All costs are expected to be settled in cash. The amount estimated is inclusive of GST amounts not expected to be recovered due to limitations imposed by the Financial Acquisitions Threshold, under Australian tax law. Offer costs (net of tax) of $1,051,373 have been directly expensed and are shown in accumulated losses and costs (net of tax) directly related to the Offer of $1,635,103 have been allocated between issued capital ($101,660) and accumulated losses ($1,533,443). A deferred tax asset has been recognised to reflect the future deduction of relevant costs against taxable income. Directly expensed Offer costs include $900,000 payable to consultants including related parties (refer Section **Error! Reference source not found.**).

3. Refer Section 9.8.5 for other post 31 December 2020 contributed equity movements. As disclosed in Section 9.8.2 an equity raising subsequent event has been completed by the Company. This equity raising is not associated with nor dependent on the Initial Public Offering of Li-S Energy Limited. At the request of the Australian Securities Exchange this capital raising has been now reflected in the pro-forma balance sheet at 31 December 2020. Cash and cash equivalents have increased by the net cash raised of $18,978,750. Equity has increased by $19,244,275. This amount reflects the cash raised of $20,000,000 less cash costs of $1,021,250 and the associated deferred tax asset of $265,525.

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