FAQ’s

Your questions, answered.

Aqualithium

FAQ's

I hope a frequently asked question is **"Why should I invest in Aqualithium ?"**

My answer is very straight forward- The world needs lithium and the demand is rising as the supply is falling. The world's oceans contain an inexhaustible supply of lithium that can be extracted in a sustainable manner with zero environmental impact. Aqualithium have developed and proved a scalable extraction method .If this disruptive innovation can be made commercially viable the potential return on investment will be unprecedented.

My frequently asked question is: What other investment represents a game changing opportunity to be part of a solution to a global issue of such magnitude ?

David Oddie
CEO

What evidence is there that lithium is running out?

The USGS estimates that there are 39 million tonnes of land based lithium on the planet only 14 million tonnes of which is considered commercially viable to extract. It is commonly accepted that at current rates of demand we will be using in excess of 1 million tonnes a year before 2026. This means resources currently fulfilling the supply chain will be exhausted well before 2040.

What are the current methods of extraction?

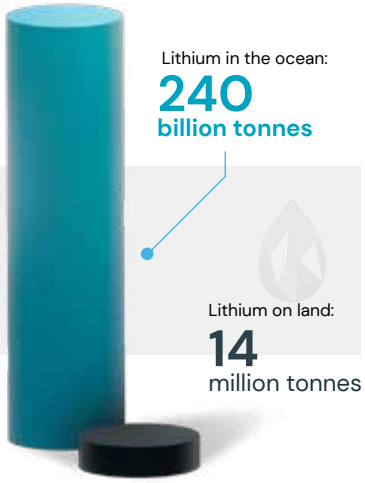
Lithium is currently mined from hard rock ore in Australia and China using traditional mining methods. Not only is this very expensive but mining "tailings" scar the countryside. Once mined the lithium has to be treated with Hydrochloric acid to form Lithium Hydroxide for the EV battery market. This is a polluting process which environmentally damaging and dangerous.

This accounts for around half of the worlds lithium supply. The other half comes from underground salar brines in the "Lithium triangle" of South America where brines are pumped to the surface from underground aquifers to huge pools on the surface where solar evaporation takes up to two years to reduce the brine to salts which can then undergo treatment to create lithium carbonate. This treatment involves the need for 500,000 gallons of fresh water to produce one tonne of lithium carbonate. Water that is need for surrounding villages and agriculture. This process is slow and hugely damaging to the environment.

FAQ's

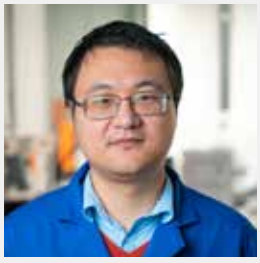
What evidence is there of lithium in the world's oceans ?

Depending on which source you consider the most reliable there is anything from 180- 240 billion tonnes of lithium in the world's oceans.



What evidence is there to support the claim that lithium can be extracted from seawater?

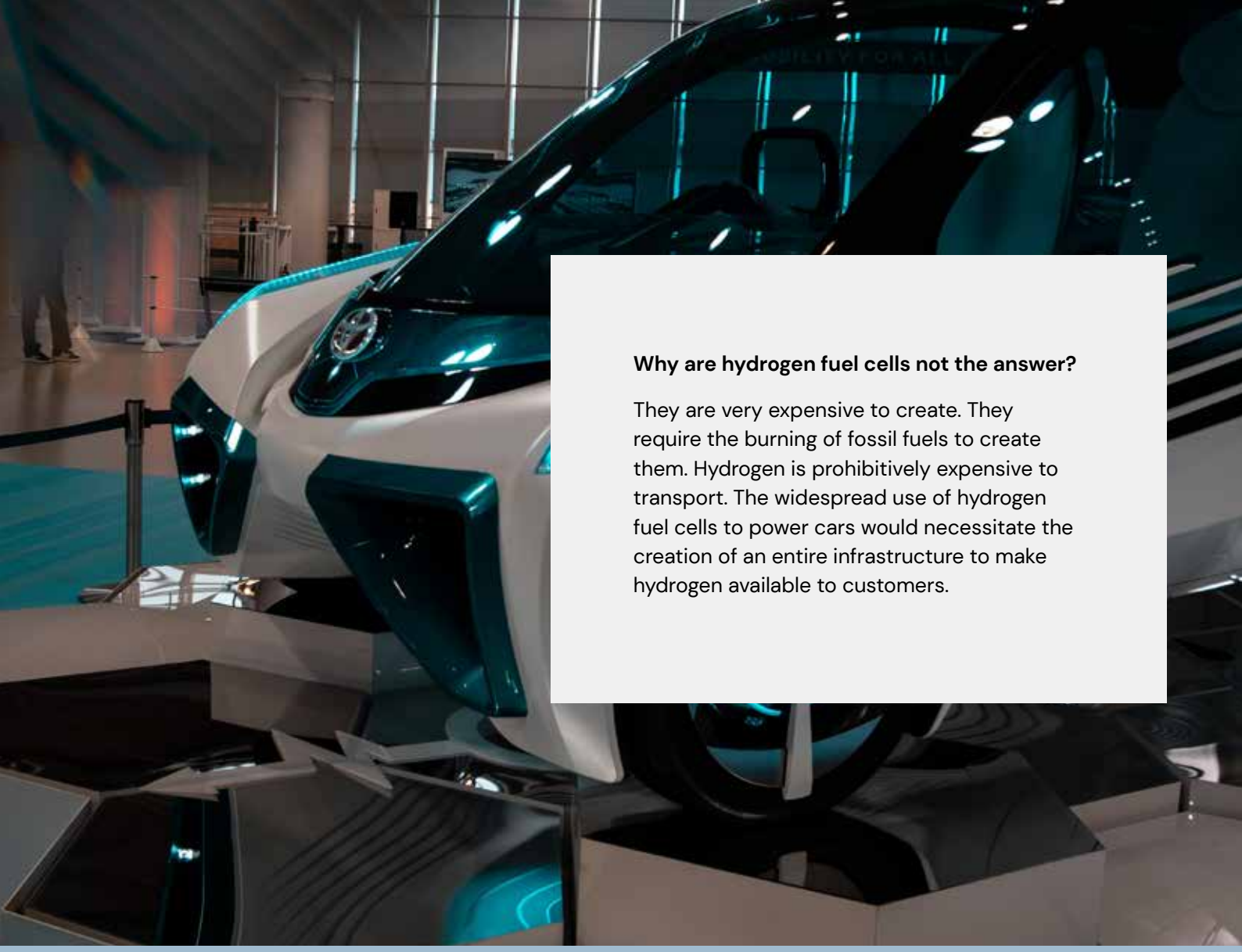
Lithium has been extracted from seawater in Universities in Japan, South Korea and more recently Saudi Arabia. This has been done using electrodialysis, a method that is very slow and requires a permanent supply of electricity. It has been established beyond all reasonable doubt that this process is energy inefficient, unscalable and therefore not commercially viable. In November 2021 Aqualithium's partners at the Department of Chemical Engineering in Bath were the first to extract lithium from seawater using their innovative process of adsorption separation and nanofiltration membranes.


UNIVERSITY OF BATH

Why is the Aqualithium process scalable to a degree of being commercially viable when compared to other methods of extraction ?

Aqualithium's process requires considerably less energy and is quicker.



Why are hydrogen fuel cells not the answer?

They are very expensive to create. They require the burning of fossil fuels to create them. Hydrogen is prohibitively expensive to transport. The widespread use of hydrogen fuel cells to power cars would necessitate the creation of an entire infrastructure to make hydrogen available to customers.

Why can't the battery industry use metals other battery metals ?

They can and do but serious issues surround the availability, suitability and concerns over the unethical ways these metals are obtained. None however come close to matching lithium which is why every single battery Gigafactory in the world is geared up for lithium.

Why are the energy costs of extracting lithium from seawater not prohibitive ?

Because they are less than the very high cost of mining lithium form a hard rock ore and the subsequent processing.

Will Aqualithium patent and or protect the process ?

Aqualithium have already patented parts of their process and will continue to control and own all the Intellectual Property created by the partnership.

What will investment funds be used for ?

Research, commercialisation and overheads.

How long will the next stage of research take and what is the expected outcome ?

The next stage of research is expected to take 18 months and the target is to establish in that time if the process can be made commercially viable.

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What is the expected investment ?

The investment call is for £500k for 5% equity.

What is the expected return on investment ?

The return on investment is estimated at 120x+.

Does investment in Aqualithium qualify for EIS ?

Yes. www.gov.uk replies:

What is the timescale for onboarding investors ?

1st April – 18th April 2022.

What is the proposed exit for investors ?

It is anticipated that a battery manufacturer will come in for the business when it has proved its scalability. The alternative of an IPO is an option that would be kept open.

How do I obtain further information ?

Please see the website www.aqualithium.com or contact David or Tom @aqualithium.com

Income Tax relief

You can get relief by investing in newly issued shares - or by loaning money to a social enterprise (through a debt instrument) for SITR. You can invest in different companies through different schemes, as long as you keep within the limits for each scheme in that tax year.

Scheme	Maximum annual investment you can claim relief on	Percentage of investment on which you can claim	Tax relief on income rom dividends
EIS	£1 million £2 million if at least £1 million of that is invested in knowledge intensive companies	30%	No
SEIS	£100,000	50%	No
SITR	£1 million	30%	No
VCT	£200,000	30%	Yes

When you can claim Income Tax relief

For EIS, SEIS and SITR, you can either claim relief in:

- The tax year you make the investment
- The tax year before you make the investment - if you choose to treat some or all of the investment as being made in a previous year

You can only claim relief against the amount of Income Tax you need to pay in the UK.

You cannot carry forward unused Income Tax relief to future tax years.
If you invest in a VCT, you can only claim tax relief in the tax year you invest.
You do not need to pay Income Tax on any dividends from a VCT (both for newly-issued shares and those previously owned).

You cannot claim Income Tax relief if you invest through SITR and receive new shares or debt investment in a company you already hold other shares or debt investments in, unless the shares you already hold:

- Were issued to you when the company was formed
- Have had a compliance statement submitted for them

Capital Gains Tax exemption when you sell your investment

If you invest in shares in a company through either EIS, SEIS and SITR, you will not have to pay any Capital Gains Tax when you sell your shares if both the following apply:

- You've received Income Tax relief on that investment which has not been reduced or withdrawn at a later date
- You've held the shares for the minimum amount of time for the scheme - which will be at least 3 years

If you invest in a VCT, you will not have to pay any Capital Gains Tax on any profits when you sell your shares. This applies for both newly issued or previously owned (second owner) shares.

Aqualithium

The Kennels Suite
Nostell Business Park,
Wakefield, UK.
WF4 1AB

Tel: 07879 559100
info@aqualithium.com
www.aqualithium.com