LITHIUM WHITEPAPER

Version 1.2

Empowering innovation in the early-stage crypto space.
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INTRODUCTION

1.1 LITHIUM

Lithium was born out of a requirement to solve the systemic faults across the early-stage crypto space. As a name Lithium was chosen as it couldn’t encompass our vision and mission any better. Lithium is an element in the third group of the periodic table, which encapsulates the focus on Web 3.0 and ties nicely to the three products that make-up the Lithium ecosystem:

- The Launchpad
- The Incubator
- The Fund

As a founding team, we have traded crypto currencies for years, primarily on the Ethereum blockchain. As adoption rates increased and the space became increasingly saturated Ethereum began to become both slow and expensive creating an un-optimal space for investors looking for maximum returns.

Unless you were sending significant sums in each transaction on the blockchain the fees of each were incredibly inefficient in a lot of cases deterring the average retail investor from exploring the opportunities provided by projects launching across the Ethereum network.

As adoption rates continue to rise, additional blockchains are being established to solve problems experienced on Ethereum, or to focus on specific value adds for the specific blockchain’s users. Examples of these new and exciting blockchains are:

- Binance Smart Chain (BSC)
- Polygon (MATIC)
- Fantom (FTM)
- Cardano (ADA)
- Hadera Hashgraph (HBAR)
- Solana (SOL)
- Polkadot
These blockchains offer users, projects, and investors benefits such as quicker transactions, cheaper transactions, and more secure transactions amongst others. Like any new and largely unregulated space, there are quick and exponential returns to the early adopters and investors. However, these spaces do not come without their risks and dangers posed to investors. Scams are rampant, with investors frantically directing capital to opaque and high-risk projects in chase of those exponential returns. In 2020 alone there was an estimated $4bn lost to scams of this nature across all blockchains. These risk parameters wouldn’t be accepted in traditional finance, so why are they accepted in the crypto space?

Having invested in early-stage crypto for several years it became increasingly clear that the standards needed to change. The retail investor needed a more assured and transparent environment in which to invest with peace of mind and confidence. This is where Lithium began. Lithium is creating an ecosystem to empower both early-stage projects and early-stage investors across Web 3.0. The Lithium ecosystem is powered by our native token $EBSC. The ‘Early Blockchain Seed Capital’ token provides holders a host of utility and value across our products and connects investors to exciting and cutting edge founding teams.

1.2 DEMOCRATISING INVESTMENT AND VENTURE CAPITAL ACROSS BLOCKCHAINS

Our solution to the problems experienced across the early-stage crypto space will be deployed in a trio of investor applications. The long-term vision of Lithium is to provide assurance, transparency, and education to the retail investor with an objective to fully democratised and decentralised the traditional models of venture capitalism.

Traditionally, the retail investor is omitted from early-stage investment with wealth and opportunity pooled and reserved for the institutions and High Net Worth individuals who can afford access to these profitable networks. These barriers to entry ensure that wealth is localised, controlled, and poorly distributed. Lithium will fully democratise and decentralise venture capitalism and widen investment for the retail investor, leveraging power in numbers across our proprietary tech stack, global partner network, and hand-picked investment opportunities.
As Lithium grows we plan to iterate our Fund from closed managed to a totally community governed DAO, empowering the retail investor to the maximum, turning the traditional and inflexible VC model on its head.

Alongside this, our Launchpad will bring exclusive access to some of the most exciting projects across multiple blockchains solving real problems with real use cases and headed by some of the brightest minds in the ecosystem. Lastly, our education platform will continually work to advise, educate, and empower our community concerning financial management and investment through blogs, workshops and informative video content.
2.1 Token Overview

$EBSC is the underlying token of the Lithium ecosystem providing holders with a whole suite of utility. From passive income to reduced fund fees and priority launchpad access the $EBSC token holders of the token will experience a significant value add, exposing their portfolio to promising early opportunities in the space. The token contract was created with this expansive ecosystem in mind, providing additional value wherever it can be added.

Across the BSC blockchain, and others, shitcoins with 0 utility other than a meme-based origin and a frictionless yield tokenomic have been directing impressive amounts of capital away from legitimate projects with real use cases, to the wallets of rogue developers looking to make a quick return.

Lithium is committed to giving exposure to projects solving problems and providing our investors access to these opportunities at the earliest stage possible. The $EBSC token will act as the backbone of our ecosystem and an access tool for investors to utilise some of the most promising financial instruments in the space.

$EBSC Token Benefits

<table>
<thead>
<tr>
<th>Role</th>
<th>$EBSC Required</th>
<th>Max. Investment in Launchpad Private Sales</th>
<th>Management Fee Discount on Fund</th>
<th>Proportional Airdrop of Launchpad Tokens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starter</td>
<td>200,000</td>
<td>$200</td>
<td>0 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Investor</td>
<td>600,000</td>
<td>$500</td>
<td>2 %</td>
<td>0 %</td>
</tr>
<tr>
<td>Strategist</td>
<td>2,500,000</td>
<td>$1,000</td>
<td>2 %</td>
<td>1 %</td>
</tr>
<tr>
<td>Evangelist</td>
<td>7,000,000</td>
<td>$2,500</td>
<td>2 %</td>
<td>1 %</td>
</tr>
</tbody>
</table>
2.2 TOKENOMICS
Deflationary tokens leverage a fixed supply, meaning that the total quantity of tokens has an upper limit that prevents new production. This characteristic provides the unique benefit of removing currency from the supply over time, making each token increasingly scarce and subsequently more valuable.

$EBSC works by taking an 8.0% transaction fee, 3.5% distributed to holders based on a percentage basis, 1.0% goes to the dev wallet, finally, 3.5% gets burned. This frictionless yield model means holders do not need to stake or wait, tokens are regularly distributed to all through fees by the smart contract and are immediately reflected in the holders balance.

2.3 BURN WALLET
Token burning refers to the permanent removal of existing cryptocurrency coins from circulation. The burn wallet is used as a mechanism vehicle to boost the value of each token by reducing the existing supply. The wallet is used to burn the tokens however, we have set aside a small percentage to be used based on a community decision on how we can spend these funds.

2.4 DEV WALLET
The dev wallet is a key financial tool for managing the project and achieving the long-term success. These funds are used to pay employees, marketing and other means to grow the Lithium community and token. The dev wallet is getting utilised alongside a smart contract to release access to a certain % of tokens to prevent over expenditure.

2.5 TEAM WALLET VESTING
The team wallet will vest over a 12-month period, with 25% of team shares being made available each quarter.
3.1 OVERVIEW

Lithium Funds invest at least 40% of its AUM into token assets launched by projects on various blockchain ecosystems. The fund will focus on projects and blockchains that have the potential to foster real-life use cases and solid Web 3.0 applications.

Given the network effects and access to early-stage projects offered via the Lithium launchpad, we plan to leverage these privileges to find and negotiate both on-chain and over-the-counter (OTC) deals at favourable terms for our investors.

Should opportunities begin to present themselves on other blockchains (e.g. ADA), the fund advisor has the autonomy to allocate such directional capital to other blockchains as required, although will inform investors of any material change in strategy no less than 24 hours after allocation.

In addition, the fund will allocate a proportion of the capital raised to non-directional arbitrage and/or margin lending trades which may occur on different protocols. This proportion of the vehicle is in place to lower the volatility of the overall fund performance and reduce the downside volatility of returns. It is anticipated these trades will make up around 40-50% of the total capital, and the remaining unallocated Dry Powder will be held in a stable coin such as USDT or equivalent.

3.2 STRUCTURE

The fund aims to disrupt the traditional fund model which is characterised by high fees, opaque structures, and/or high barriers to entry. To remould this approach, we have adopted several key features aimed to encourage participation from retail and institutional investors alike.

- Zero up-front or recurring management fees for investors who hold over 600,000 $EBSC. Performance fees are charged only after 100% of investor capital is returned. For example, should the fund raise $1m, the advisor must generate returns of at least $1m before performance fees can then be paid. Once this has been achieved, the advisor shall retain 20% of any additional returns and return the remaining 80% to investors.

- To ensure investors remain up-to-date with fund performance, the advisors will arrange an interface and/or investor portal where investors may track the daily net asset value (NAV) of the fund. This will be available 7 days a week and updated every 24 hours at a minimum.

- Capital will be raised from a variety of retail and professional investors. There is no maximum amount a single investor can place into the fund, however, there is a $2,000 minimum. This is to ensure the advisors spend time on value-add activities related to performance and fund management rather than administrative tasks.
In line with our longer-term view of the underlying investments and strategies where capital shall be deployed, Lithium funds are and will always be run as closed-ended vehicles. 12-month lock-ups are standard to let investment thesis play out and participate in the expected upside of holdings. The fund can and may deliver funds back to investors as quarterly dividends. These will be triggered by corporate actions such as exits, windfalls, or airdrops and investors will have the opportunity to vote on the size and frequency of such distributions.

3.3 PARTICIPATION

Lithium funds will raise capital 2-4 times per year depending on the advisors' view of market opportunities and investor demand. To allow participation from the full Lithium ecosystem, we will provide ample time from the announcement to the capital call period (around 14 days). Following fund announcement, a 7-day capital call period will be defined. During this window, investors can send funds (in BNB) into the fund wallet. Once this capital period closes, the fund will be locked, investors will be classed as Limited Partners (LPs) and the capital deployment phase shall begin.

No sooner than 12 months from the capital call lock date, the fund will look to return capital to investors in lieu of performance fees owed to the advisor.

Please note that each fund may have different characteristics in terms of registered jurisdictions, mandates. Specific mandates and objectives will be released with each fund individually.
The Lithium Launchpad and Incubator will offer founders and investors in the early-stage crypto space a suite of value-add services. These services will support early-stage projects in idea validation, development, project launch and ongoing marketing. Facilitating the movement of cash from the market to projects and teams that add real value to early-crypto space.

Through utilising the synergies of the fund, the $EBSC token and the launchpad, we believe we can give innovative founding teams the best start and continuous, ongoing support to help maximise their chance of success.
4.2 TRADITIONAL PROBLEMS AND HOW WE SOLVE THEM

LACK OF GOOD QUALITY PROJECTS IN THE EARLY-CRYPTO SPACE

PROBLEM

Unfortunately, the early-stage crypto space is full of bad actors. From rug pulls to projects that offer zero utility, to founding teams with a questionable commitment to the long-term success of the project, a lot needs to be done in the early-stage crypto space to encourage investor confidence, and ensure that money is being driven to projects that offer real value to both the blockchain ecosystem, and the planet.

One of the main issues is that the strength of blockchain – its decentralisation and lack of barriers to entry for investors – is often one of its largest weaknesses. Anyone with a slick marketing campaign and a fancy looking website can start raising cash for a project that has zero long-term potential.

The current launchpads on the market have a role to play in the plethora of poor-quality projects that end up raising large amounts of capital. By promoting teams that aren’t vetted, by providing poor quality information to investors and by not auditing the code of projects, investors are exposed to the rug pulls and the like outlined earlier in this section.
SOLUTION

Lithium aims to solve this problem by surfacing only the best quality early-stage crypto projects on the launchpad. Our screening process for projects will be thorough and involve the following steps:

Lithium will have real skin in the game when it comes to the projects we promote through our launchpad, offering all teams a seed investment for more information, see section 'Lack of Capital For Talented Founding Teams'.

While these extra steps will of course prove extra work for projects that wish to use our incubator, the confidence it will provide investors that the project has real long-term potential will ensure projects that launch via our launchpad raise their required capital from committed investors.
Early-stage Web 3.0 projects have been flooded with retail investors. While during the Web 1.0 and Web 2.0 revolutions seed investment in companies required some kind of network, which in turn meant that investors at least had some idea of the companies they are invested in, in Web 3.0 the barriers to entry for investment are minimal.

In practice, this means that investors in early-stage crypto projects often don't have any idea about the fundamentals of the project they are invested in. This contributes to a short-term investment mentality that causes 'pump and dumps' a practice where investors simply put cash into a project based on short term growth potential.

At Lithium we believe the only way to be consistently successful with investing in crypto-assets is to take long term positions in companies and projects with strong fundamentals. We also believe the only way to achieve a successful launch is to have a community of early backers who are bought into your project for the right reasons and aren't just going to dump straight after the pre-sale.

SOLUTION
We will work with all companies in the Lithium Incubator program to ensure that when their product launches, a community of potential investors will be as well educated on possible on the project. We will do this in several ways.
LACK OF CAPITAL FOR TALENTED FOUNDING TEAMS

PROBLEM
There’s no way around it. Building a Web 3.0 product costs money. As a founding team, you’ll need cash for marketing, product development, legal costs, admin and everything else that comes with bringing a project to life.

THE SOLUTION
We will offer all teams a seed round investment, prior to their launch. This seed investment will be based on vision and team, rather than any functioning technology. Our usual ticket size would be in the region of $10,000–$100,000, depending on your needs.
4.3 BENEFITS AND SERVICES

FOR LITHIUM INCUBATED COMPANIES

- Hassle-free token launch
- Up to $100k seed capital to get your project off the ground
- Premium marketing through all our social channels
- Comprehensive educational content for investors
- Expert, light-touch guidance from a team with experience of multiple token launches
- Included code and tokenomics audit
- Surfacing your project to an engaged community of educated, long-term investors.

FOR INVESTORS

- Exclusive access to IDO projects at IDO prices
- Peace of mind that all projects have been fully vetted from both a business case and technical standpoint
- Premium educational content so you know exactly what you are investing in
- Peace of mind that all projects have had a full security and code audit
- A change to be a part of the Web 3.0 revolution by backing game-changing projects
- Passive income from 1% token allocation.

4.4 PARTICIPATION

The tier structure defines the quantity of $EBSC that must be held to access the IDO. Please note that as our token value increases, we may change the quantity of $EBSC required at each tier.

<table>
<thead>
<tr>
<th>TIER</th>
<th>$EBSC REQUIRED</th>
<th>MAX IDO INVESTMENT</th>
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HOW THE ROUNDS WORK

PRIVATE SALE ROUND
The first round will be a private sale round, only $EBSC token holders will be able to participate in this round. All tokens available in the pre-sale will be made available through the private sale round.

A single investor can purchase up to their maximum allowed investment.

PUBLIC SALE ROUND
After the private sale has been completed, the public sale will open. Any unsold tokens from the private sale round will be made available publicly. You will not have to hold $EBSC to take part in the public sale round.

Investment in the public sale round will be limited to $1000 per wallet. Investors who have purchased tokens in the private sale round will be able to invest further in the public sale round.

AIRDROP
As a community-driven project, we’ve chosen to give back to our community. This is why all incubated companies will be required to airdrop 1% will go to our strategist and above holders. These tokens will be distributed proportionally to the amount of $EBSC tokens they hold.
WHAT IS THE LITHIUM INCUBATOR?
We invest a small amount of cash (up to $100k) to get your blockchain startup off the ground.

We work intensively with the companies, to get them into the best possible shape and refine their product and education content. Each incubated company’s journey culminates with launch day, through our launchpad. After launch day, we’ll keep working with you to help you add as much value to the Web 3.0 ecosystem as possible.

HOW DO WE CHOOSE WHICH PROJECTS TO FUND?
If you are solving an interesting problem in the Web 3.0 space, we’ll happily fund you. We won’t fund meme/shit coins that have no utility outside of tokenomics. At this stage of venture funding, we are predominately looking at a strong team and product vision. The main way we will assess will be through founder interviews.

HOW CAN WE GET FUNDING FOR OUR STARTUP?
Fill out the incubator form on our website.

HOW MUCH DO YOU INVEST?
We don’t have a standard deal, it depends on the needs of your project. Generally, we invest between $10k-$100k.

WHAT MATERIALS WILL YOU NEED?
A working demo of your product is best. If not, any way you can communicate the value of what you are building, or the community you have built will do.

WILL YOU SIGN AN NDA?
Yes, we are happy to sign NDA’s to provide you assurance that your ideas, concepts and intellectual property is safe with us.

WILL YOU FUND MULTIPLE PROJECTS WITH THE SAME IDEA?
Yes. We can’t make exclusivity commitments to founding teams. But from our experience, this space is big enough to hold multiple players in the same space. We will work with you on carving out a niche.
WHITEPAPER

CHANGELOG

VERSION 1.0
Initial release

VERSION 1.1
Updated the new brand name, Lithium. Revised introduction to make offering of multi-chain launchpad clearer

VERSION 1.2
Tokenomics updated to reflect integer rounding.