

# MERGENT INDUSTRIAL

NEW LISTING

July 20, 2010



This Supplemental News Reports is published as required, is part of the annual MERGENT INDUSTRIAL, OTC INDUSTRIAL AND OTCUNLISTED MANUALS and will be included in the bound 2010 August Monthly News Reports and is published on our Website.

## LI3 ENERGY INC

Company Website: [www.li3energy.com](http://www.li3energy.com)

**History:** Incorporated in Nevada on June 24, 2005 as Mystica Candle Corp. Name changed to NanoDynamics Holdings Inc. on July 29, 2008. Present name adopted on Nov. 18, 2009.

On Aug. 19, 2009, Co. sold all of the assets and liabilities of its Legacy Business to its founding stockholder, Jon Suk, in exchange for 71,052,626 shares of Co.'s common stock owned by Jon Suk.

On Feb. 23, 2010, Co. acquired, through a new subsidiary, Li3 Energy Peru SRL, 100% of the assets of the Loriscota, Suches and Vizcachas Projects located respectively in the Provinces of Puno, Tacna and Moquegua, Peru. The assets consist solely of undeveloped mineral rights. The aggregate purchase price for the assets was \$50,000.

On Mar. 12, 2010, Co. acquired all of the interest of Next Lithium Corp. and Next Lithium (Nevada) Corp. in exchange for 4,000,000 restricted shares of Co.'s common stock. On Mar. 12, 2010, Co. acquired all of the interest of Puna Lithium Corporation

**Business Summary:** LI3 Energy manufactures, markets and distributes soy-blend scented candles and oils. Co.'s primary retail outlets are art markets, gift shops, and outdoor markets. Co. is in the development stage. Its activities have been limited to capital formation, organization, and development of its business plan and a target customer market. Co. has determined that it cannot continue with its business operations as outlined in its original business plan because of a lack of financial results and resources. Co. has redirected its focus towards identifying and pursuing options regarding the development of a new business plan and direction.

**Property:** Co. maintains its principal executive offices in Walnut Creek, CA.

### Officers

David Rector, President

Luis Francisco Saenz, Chief Executive Officer; Treasurer; Secretary

Eric E. Marin, Interim Chief Financial Officer

### Directors

David Rector Luis Francisco Saenz

Anthony Hawkshaw Kjeld Thygesen

Antonio Ortuzar Vicuna David G. Wahl

**Auditors:** GBH CPAs, PC

**Shareholder Relations:** Luis Saenz, CEO; Treasurer; Secretary **Tel.:** 51-1-212-1880

**No. of Stockholders:** June 2, 2010, 4,311

**Address:** AV Pardo Y Aliaga 699, San Isidro, OF 802, Peru **Tel:** 51 1 212-1880 **E-mail:** luis.saenz@li3energy.com **Web:** www.li3energy.com

**Consolidated Income Account, years ended June 30 (\$):**

	2009	2008 (revised)	2007 (revised)
Revs			2,005
Tot revs			2,005
Cost of goods sold - purchases			560
Tot cost of goods sold		560	
Gross profit (loss)			1,445
Write off of inventory		1,469	
Administrative exps	17,531	34,005	9,668
Professional fees	45,833	59,897	7,858
Tot oper exps	63,364	95,371	17,526
Int income	11		
Int exp	4,552	285	
Total other income (expense)	(4,541)	(285)	
<b>Net income (loss)</b>	<b>(67,905)</b>	<b>(95,656)</b>	<b>(16,081)</b>
Common shares:			
Weigh avg shares outstg - basic	121,052,719	118,421,016	118,421,016
Weigh avg shares outstg - diluted	121,052,719	118,421,016	118,421,016
Yr end shares outstg	121,052,719	121,052,615	118,421,016
Net earnings (loss) per sh - basic	\$(0.0006)	\$(0.0008)	\$(0.0002)
Net earnings (loss) per sh - diluted	\$(0.0006)	\$(0.0008)	\$(0.0002)
Tot no of employees			1
No of com stkhldrs	5	6	14
1 Adjusted for 15.625-for-1 stock split, November 16, 2009. 2 Adjusted for 3.031578-for-1 stock split, July 29, 2008. 3 As of September 15, 2009. 4 As of September 22, 2008. 5 As of September 24, 2007.			
<b>Consolidated Balance Sheet, as of June 30 (\$):</b>			
	2009	2008	
Assets:		(revised)	
Cash	9,703	24,800	
Tot curr assets	9,703	24,800	
Equip	19,195	19,195	
Tot fixed assets	19,195	19,195	
Less: accumulated deprec	11,350	7,450	
Net fixed assets	7,845	11,745	
Tot assets	17,548	36,545	

Liabilities:		
Accts pay	3,921	4,565
Loans pay	95,000	50,000
Accrued exps	4,837	285
Tot curr liabil	103,758	54,850
Tot liabil	103,758	54,850
Com stk	7,747	7,747
Addit paid-in cap	99,753	99,753
Retain earnings (deficit) accum during devel stage	(193,710)	(125,805)
Tot stkhldrs' equity (deficit)	(86,210)	(18,305)
Reclassified to conform with 2009 presentation		

**Auditor's Report:** The following is an excerpt from the Report of the Independent Auditors, Chang G. Park, CPA, as it appeared in the 2009 10-K:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NanoDynamics Holdings, Inc. (formerly Mystica Candle Corp.) as of June 30, 2009 and 2008, and the results of its operation and its cash flows for the years then ended and for the period from June 24, 2005 (inception) to June 30, 2009 in conformity with U.S. generally accepted accounting principles.

The financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company's losses from operations raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty."

**Capital Stock: 1. LI3 Energy Inc common; par \$0.001.**

AUTHORIZED — 290,000,000 shs.

OUTSTANDING — June 30, 2009, 7,747,374 shs; par \$0.001.

STOCK SPLITS — \$0.001 par shares split 3.031578-for-1 on July 29, 2008; split 15.625-for-1 on Nov. 24, 2009.

PRIMARY EXCHANGE — Over-the-Counter (OTC): LIEG

PRIVATE PLACEMENT — (4,000,000 units) privately placed at \$0.25 per unit on June 9, 2010 for total gross proceeds of \$1,000,000. Each Unit consists of (i) one share of common stock, par value \$0.001 per share, of Co. ("Common Stock"), and (ii) a warrant to purchase one share of common stock at an exercise price of \$0.70 per share.

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