

17 March 2017

Dear Option Holder

NON-RENOUCEABLE RIGHTS ISSUE

Lepidico Ltd (**Lepidico** or the **Company**) announced on 16 March 2017 a 1 for 4 entitlement issue to shareholders to raise up to approximately \$5,689,247 (**Entitlement Issue** or **Offer**).

The Offer will be a 1 for 4 entitlement issue to shareholders of up to 437,634,398 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.013 each to raise up to approximately \$5,689,247, before costs.

The Entitlement Issue will be offered to shareholders registered at the Entitlement Record Date (as defined below) with a registered address in Australia or New Zealand (**Eligible Shareholders**) on the basis of one (1) New Share for every four (4) Shares held.

Lepidico has announced the record date of 5:00pm (AWST) on 21 March 2017 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Entitlement Record Date**). An offer document containing full details of the Entitlement Issue will be despatched to all Eligible Shareholders on 22 March 2017. The offer document will be available on the ASX website (company announcements section, ASX code: LPD).

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Issue, unless you exercise your options and are entered onto the register as an Eligible Shareholder on or before the Entitlement Record Date. Under the terms of your options you are entitled to receive notice of the record date set for the purposes of determining entitlements to any new issue of capital. The purpose of this letter is to give you that notice in order to permit you to participate in the Entitlement Issue, should you wish to do so.

If you are not a shareholder and wish to participate in the Entitlement Issue, or if you are already a shareholder but also wish to participate in the Entitlement Issue in respect of your option holdings, it will be necessary for you to exercise all or part of your options, and the shares in respect of those options must have been issued to you before the Entitlement Record Date. If you wish to do so, you should complete a Notice of Exercise of Options and lodge it with the Company, together with your payment for the number of options you wish to exercise. If the Notice of Exercise of Options together with payment in full for the relevant number of options being exercised is not received by 22 March 2017, you will not be able to participate in the Entitlement Issue in respect of the shares to be issued upon exercise of those options.

If you do not wish to participate in the Entitlement Issue (in respect of your options), you do not need to take any action.

This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire shares in Lepidico or to participate in the Entitlement Issue.

If you require further information, please contact Joint Company Secretary, Mr Alexander Neuling, on +61 8 9363 7800.



ASX: LPD

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Yours faithfully

A handwritten signature in black ink, appearing to read 'G. Johnson', followed by a long horizontal flourish.

Gary Johnson
Non-Executive Chairman
Lepidico Ltd