

ASX/Media Announcement

Perth: 16 March 2017

Non-Renounceable Entitlement Offer

Seeking to raise up to \$5.6 million to commence Definitive Feasibility Study

Lepidico Directors recommend all shareholders to REJECT Lithium Australia's unsolicited takeover Offer

Lepidico Ltd (ASX:LPD) (**Company** or **Lepidico**) is pleased to announce a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of one (1) New Share for every four (4) existing shares held at the record date of 21 March 2017 (**Record Date**).

Shares under the Entitlement Offer will be offered at \$0.013 per New Share. The maximum number of New Shares which will be issued under the Entitlement Offer is 437,634,398 to raise approximately \$5,689,247 (before expenses, based on the current capital structure of the Company).

New Shares issued under the Entitlement Offer will rank equally with existing shares on issue and the Company will apply for official quotation of the New Shares.

An Appendix 3B, a notice under section 708AA(2)(f) of the Corporations Act and an offer document (**Offer Document**) in respect of the Entitlement Offer accompany this announcement. The Company confirms it is in compliance with its continuous disclosure obligations.

Following the excellent results reported from the Pre-Feasibility Study (**PFS**) released to the market on 27 February 2017, and as foreshadowed in that announcement, the Board has now approved the commencement of Definitive Feasibility Study (**DFS**) activities for the Phase 1 L-Max[®] Plant, consistent with the Company's stated strategy.

The proceeds of the Entitlement Offer, along with the Company's existing cash reserves, will be used to commence the DFS, including certain exploration activities, and for other working capital requirements. If sufficient proceeds are raised from the Entitlement Offer, the Company will then use these proceeds to accelerate additional activities on its exploration prospects.

The Entitlement Offer price of \$0.013 per New Share represents a 13% discount to the last traded price of your Company's shares immediately before the Entitlement Offer was announced (being \$0.015 on 15 March 2017), and a 10% discount to the 30-day volume weighted average price of your Company's shares.

The Directors are pleased to inform you that Lepidico's largest shareholder, **Strategic Metallurgy Pty Ltd** has advised your Company that it **intends to participate in the Entitlement Offer to the fullest extent possible (subject to available funds)**. Strategic Metallurgy Pty Ltd has also advised that it **will REJECT the recently announced unsolicited, conditional and inadequate takeover Offer from Lithium Australia, when it is made formal**.

Your Directors consider that it is in the best interests of all eligible Lepidico shareholders to take up their full entitlement under the Entitlement Offer in order to continue the excellent progress made by the Company.



ASX: LPD

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The timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Entitlement Offer, Appendix 3B, Cleansing Notice and Offer Document	16 March 2017
Notice Sent to Security Holders	17 March 2017
Ex Date (date from which securities commence trading without the entitlement to participate in the Entitlement Offer)	20 March 2017
Record Date (date for determining the entitlements of eligible shareholders to participate in the Entitlement Offer)	21 March 2017
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	22 March 2017
Entitlement Offer Opens	22 March 2017
Closing Date* 5pm (WST)	5 April 2017
New Shares quoted on a deferred settlement basis	6 April 2017
ASX Notified of Shortfall	7 April 2017
Issue Date**	12 April 2017
Dispatch Holding Statements**	18 April 2017

**Subject to the Listing Rules, the Directors reserve the right to extend the Closing date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares*

*** Dates are indicative only*

Update on proposed takeover Offer by Lithium Australia NL

On 6 February 2017, Lithium Australia announced that it intended to make an unsolicited, conditional off-market takeover offer for all of Lepidico's shares. The Company received a bidder's statement from Lithium Australia on 2 March 2017.

The bidder's statement states that Lepidico shareholders will be offered one (1) fully paid ordinary share in the capital of Lithium Australia for every thirteen and a quarter (13.25) Lepidico shares held.

The Directors of Lepidico advise all shareholders to **TAKE NO ACTION** and **REJECT** Lithium Australia's unsolicited, conditional and inadequate takeover offer.

ENDS

Further Information

For further information, please contact

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About Lepidico Ltd

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium. Lepidico owns the technology to a metallurgical process that has successfully produced lithium carbonate from non-conventional sources, specifically lithium-rich mica minerals including lepidolite and zinnwaldite. The L-Max® Process has the potential to disrupt the lithium market by providing additional lithium supply from alternative sources. The Company is currently conducting a pre-feasibility study for a Phase 1 L-Max® plant, targeting production for 2019. Four potential sources of feed to the planned Phase 1 Plant are being evaluated, one of which is the Separation Rapids deposit in Ontario, Canada in partnership with its owner Avalon Advanced Materials Inc.

Lepidico's current exploration assets include options over the Lemare and the Royal projects, both in Quebec, Canada; an ore access agreement with Grupo Mota over the Alvarros Lepidolite Mine in Portugal; a farm-in agreement with Pioneer Resources (ASX:PIO) over the PEG 9 lepidolite prospect in Western Australia; ownership of the Euriowie amblygonite project near Broken Hill in New South Wales; an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max® in Brazil and Portugal; and ongoing discussions with Latin Resources (ASX:LRS) aimed at leveraging L-Max® in Peru and Argentina on suitable lithium mica opportunities.