

ASX/Media Announcement

Perth: 18 April 2017

NON-RENOUNCEABLE ENTITLEMENT OFFER

- Subscriptions received for over \$3.1 million, 56% of the total eligible shares
- Strong interest from shareholders and other investors to participate in the next phase of the raising; a shortfall offer for up to \$2.5 million

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to advise that it has received excellent support from shareholders from its Entitlement Offer both in terms of participation in the pro-rata issue and unsolicited interest to participate in a shortfall placement.

The first phase of the Company’s capital raising is a non-underwritten, non-renounceable 1 for 4 Entitlement Offer to raise a maximum \$5,689,247 (“Entitlement Offer”) at an issue price of 1.3 cents per share, which closed on 12 April 2017. The second phase of the capital raising is the shortfall offer, for which applications forms are now being mailed to eligible shareholders under the Entitlement Offer.

The Company plans to undertake a placement of the Entitlement Offer shortfall as outlined in the Offer Document. A high level of interest has been received from both eligible shareholders and other investors to take up shortfall shares. Shortfall shares will be placed to eligible shareholders between 6 and 16 May 2017 and to sophisticated investors between 6 May and 12 July 2017 at the Board’s discretion.

Valid applications for 238,659,066 new shares were received under the Entitlement Offer, representing 56% of the total eligible amount and raising \$3,102,567. The shortfall from the Entitlement Offer was 188,871,852 shares equivalent to approximately \$2.5 million. The impressive level of participation in the Entitlement Offer confirms solid shareholder support for the Company and its strategy.

Lepidico notes that major shareholder Strategic Metallurgy Pty Ltd made a considerable commitment to the Offer by taking up 73% of its entitlement and was the largest contributor of funds. Furthermore, most of the shareholders that entered into pre-bid acceptance agreements with Lithium Australia NL participated in the Entitlement Offer, at a substantial premium to the implied takeover bid price. The Company welcomes these shareholders back onto the Lepidico share register.

Lepidico’s Managing Director, Joe Walsh said, *“56% take-up for a non-underwritten discount share issue is an excellent result. By way of comparison, the Lithium Australia NL non-underwritten discounted securities purchase plan announced in November 2016 achieved take up of just 15% of the total possible issue.”*

“Solid shareholder support has been received for funding Lepidico’s business strategy despite the risks imposed by an unsolicited takeover offer. The focus for the next six months is to delineate high quality lithium-mica Resources and finalise the process design to Feasibility Study standard for the Phase 1

L-Max® Plant. Appetite for participation in the placement of the entitlement shortfall appears excellent and I thank shareholders for their resolute support of our Company.”

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 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 Alvarrões 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; and an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max® in Brazil.