



LEPIDICO LTD

ABN 99 008 894 442

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10 October 2017

Dear Optionholder

### LEPIDICO LTD - PRO-RATA RENOUNCEABLE RIGHTS ISSUE

As announced on 10 October 2017, Lepidico Ltd (ACN (008 894 442)) (**LPD**) is undertaking a 1:6 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 405,209,597 fully paid ordinary shares (**New Share**) to raise approximately \$4,052,096. The price of New Shares under the Offer is \$0.01 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 10 October 2017.

The Offer is partially underwritten by CPS Capital Group Pty Ltd (**Underwriter**). CPS Capital Group Pty Ltd is also acting as lead manager to the Offer. The Company has agreed to:

- (a) issue the Underwriter with 5,000,000 Options exercisable at \$0.015 per Option on or before the date which is two years from the date of grant of the Options;
- (b) pay a lead manager fee of \$70,000;
- (c) pay a management fee of 1% of the total amount raised under the Offer;
- (d) pay an underwriting fee of 5% of the Underwritten Amount;
- (e) pay a placement fee of 5% of any shortfall Shares placed beyond the Underwritten Amount of \$2,000,000 (excluding any placement made to Galaxy Resources Limited and Bacchus Capital Advisers Ltd).

The Company proposes to use the funds raised by the Offer toward completion of the FS activities for the Phase 1 L-Max<sup>®</sup> Plant including certain exploration activities, expenses of the Offer and working capital. If the Offer is fully subscribed, some of the funds raised will also be used towards exploration activities.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 16 October 2017, whose registered address is in Australia, New Zealand or the United Kingdom.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 405,209,597 New Shares resulting in total Shares on issue of approximately 2,836,467,179.

### Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be

entered on the Company's register of members on or before 5:00pm (WST) on 16 October 2017 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Level 1, 254 Railway Parade, West Leederville WA 6007:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Lepidico Ltd".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Lepidico Ltd **no later than 11 October 2017**. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Shontel Norgate or Alex Neuling, LPD's joint Company Secretaries, on +61 9363 7800.

Yours sincerely

**Alex Neuling**  
**Joint Company Secretary**