



LEPIDICO LTD

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11 October 2017

Dear Shareholder

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[®] 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.

A copy of the Prospectus is available on ASX's and LPD's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 19 October 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may take up all or some of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Security Transfer Australia Pty Ltd (**Share Registry**) by no later than 4:00pm (AEDT) on 2 November 2017, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may take up all of your Entitlements and apply for Shares under the Shortfall Offer. To take up your Entitlement and apply for Shares under the Shortfall Offer you will need to ensure your application money for your Entitlement and the Shares you wish to apply for under the Shortfall Offer is received by the Share Registry by no later than 4:00pm (AEDT) on 2 November 2017, by completing and returning your Entitlement and Acceptance Form (including the Shares under the Shortfall Offer that you wish to apply for) together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form plus the amount being applied for under the Shortfall Offer OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per New Share).
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from 13 October 2017 until the close of market on 26 October 2017. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person other than on ASX. To transfer all or some of your Entitlements you will either need to contact your CHES Controlling Participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from Share Registry) and return it, together with the purchaser's cheque for the Entitlements they wish to take up so that it is received by the Share Registry by no later than 4:00pm (AEDT) on 2 November 2017.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX Notification to option holders	10 October 2017
Notice of Rights Issue sent to security holders	12 October 2017
Existing shares quoted on an 'ex' basis Rights start trading	13 October 2017
Record date	16 October 2017
Rights Issue Documents sent to Eligible Shareholders Offer Period Opens	19 October 2017
Rights stop trading	26 October 2017
Offer Period Closes	2 November 2017
Notification of under-subscriptions to ASX (if any)	6 November 2017
Shortfall Settlement date	8 November 2017
Shares Issued Holding statements sent to Eligible Shareholders	8 November 2017

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, 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