

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

LEPIDICO LTD

ABN

99 008 894 442

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | A: Shares
B: Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A: Up to 372,908,354
B: Up to 186,454,177 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | A: Fully paid ordinary shares
B: Quoted Options exercisable at \$0.05 per share and expiring on the third anniversary of their issue date |

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>A: Yes B: No, however upon exercise each share issued will rank equally with existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.029 per Share (with one free attaching, listed option for every 2 shares issued and subscribed for).</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pursuant to the Company's entitlement issue prospectus dated 6 May 2019, funds will be used towards integration of Desert Lion Energy Inc, LOH-Max™ engineering and revised location evaluation for Phase 1 Plant Feasibility Study, Product development including Pilot Plant operations, Mineral Resource and mine development, Namibia, Mineral Resource and mine development, Portugal, exploration , expenses of the entitlement issue and working capital.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2018</p>

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6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	A: Up to 372,908,354 B: Up to 186,454,177
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1: Up to 559,362,531 7.1A: Up to 372,908,354 See Annexure 1 attached.
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	6 June 2019

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8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
		Up to 3,729, 083,542	Ordinary Shares
		220,518,031	Listed Options exercisable at 4.5 cents per share on or before 30/9/2020
		Up to 186,454,177	Listed Options exercisable at 5.0 cents per share on or before the date which is 3 years from the date of issue
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
			Options
		65,000,000	Unlisted Incentive Options with exercise price of 2.6 cents and expiring 22 November 2021
		5,000,000	Unlisted Options with exercise price of 1.5 cents and expiring 8 November 2019.
		50,000,000	Unlisted Incentive Options with exercise price of 9.1 cents and expiring 23 November 2020
		42,500,000	Unlisted Director Incentive Options with exercise price of 2.5 cents and expiring 31 December 2019
		12,500,000	Unlisted Incentive Options with exercise price of 2.5 cents and expiring 31 December 2019

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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Renounceable
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13	Ratio in which the +securities will be offered	1:9 (with one free attaching option for every 2 shares subscribed for and issued)
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14	+Class of +securities to which the offer relates	A: Shares B: Options (with entitlement being issued pro-rata for existing shares)
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15	+Record date to determine entitlements	13 May 2019
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
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17	Policy for deciding entitlements in relation to fractions	Rounded up
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18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australia, New Zealand, the United Kingdom and Ontario, Canada
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19	Closing date for receipt of acceptances or renunciations	29 May 2019
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20	Names of any underwriters	CPS Capital Group Pty Ltd
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21	Amount of any underwriting fee or commission	Underwriting fee of 5% of the underwritten amount (\$3 million underwritten). Placement fee of 5% of any shortfall securities placed beyond the underwritten amount.
22	Names of any brokers to the issue	CPS Capital Group Pty Ltd is lead manager to the issue
23	Fee or commission payable to the broker to the issue	Lead manager fee of \$60,000. A management fee of 1% of the total amount raised under the Offer.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	14 May 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	7 May 2019
28	Date rights trading will begin (if applicable)	10 May 2019
29	Date rights trading will end (if applicable)	22 May 2019
30	How do security holders sell their entitlements <i>in full</i> through a broker?	The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you Shareholders wish to sell all of their Entitlement on ASX, they must provide instructions to their stockbroker regarding the Entitlement they wish to sell on ASX.

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There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?

If Shareholders wish to take up only part of their Entitlement, they must complete their personalised Entitlement and Acceptance Form for the number of Shares they wish to take up and subsequently, provide instructions to their stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

32 How do security holders dispose of their entitlements (except by sale through a broker)?

Shareholders may elect to transfer all or a proportion of their Entitlement to another person other than on ASX. If the purchaser of the Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If a Shareholder is on the issuer sponsored subregister and they wish to transfer all or a proportion of their Entitlement to another person other than on ASX, they must forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to the account name set out in the Entitlement and Acceptance Form and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) in accordance with the details set out in the Entitlement and Acceptance Form.

If a Shareholder wishes to transfer all or a proportion of their Entitlement to or from another person on the CHES subregister they must engage your CHES controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, the Shareholder should follow their stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants

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to acquire must be received by Share Registry in accordance with the terms of the offer.

33 +Issue date

5 June 2019

Part 3 - Quotation of securities –

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b) - N/A

38 Number of *securities for which *quotation is sought

39 *Class of *securities for which quotation is sought

40 Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?

If the additional *securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another *security, clearly identify that other *security)

	Number	*Class
42 Number and *class of all *securities quoted on ASX (including the *securities in clause 38)		

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 7 May 2019
(Company secretary)

Print name: Alex Neuling

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital																				
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated																				
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,896,520,897																			
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 33%;">Entitlements Issue</td> <td style="width: 33%;">1/10/18</td> <td style="width: 33%; text-align: right;">417,877,142</td> </tr> <tr> <td>Unlisted Option Exercise</td> <td>17/7/18</td> <td style="text-align: right;">10,000,000</td> </tr> <tr> <td>Unlisted Option Exercise</td> <td>11/7/18</td> <td style="text-align: right;">10,000,000</td> </tr> <tr> <td>Unlisted Option Exercise</td> <td>16/5/18</td> <td style="text-align: right;">5,000,000</td> </tr> <tr> <td>This Issue</td> <td>UP TO</td> <td style="text-align: right;">372,908,354</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">815,785,496</td> </tr> </tbody> </table>		Entitlements Issue	1/10/18	417,877,142	Unlisted Option Exercise	17/7/18	10,000,000	Unlisted Option Exercise	11/7/18	10,000,000	Unlisted Option Exercise	16/5/18	5,000,000	This Issue	UP TO	372,908,354			815,785,496
	Entitlements Issue	1/10/18	417,877,142																	
Unlisted Option Exercise	17/7/18	10,000,000																		
Unlisted Option Exercise	11/7/18	10,000,000																		
Unlisted Option Exercise	16/5/18	5,000,000																		
This Issue	UP TO	372,908,354																		
		815,785,496																		
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	Issues ratified at 2018 AGM: 16,777,149																			

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<ul style="list-style-type: none"> • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
<p>Subtract the number of fully paid +ordinary securities cancelled during that 12 month period</p>	-
<p>“A”</p>	3,729,083,542
<p>Step 2: Calculate 15% of “A”</p>	
<p>“B”</p>	<p>0.15</p> <p><i>[Note: this value cannot be changed]</i></p>
<p>Multiply “A” by 0.15</p>	559,362,531
<p>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</p>	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the</i> 	

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<p><i>Appendix 3B to which this form is annexed</i></p> <ul style="list-style-type: none"> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
"C"	NIL
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	559,362,531
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	-
<p>Total ["A" x 0.15] – "C"</p>	559,362,531
	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	3,729,083,542
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	372,908,354
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	372,908,354
<p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
<p>Total ["A" x 0.10] – "E"</p>	<p>372,908,354</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>