

ASX/Media Announcement

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Platypus to Acquire Lithium Company Lepidico

Platypus Minerals Ltd ("Platypus" or "Company") and Lepidico Ltd ("Lepidico") have reached agreement and have executed a binding term sheet ("Term Sheet") specifying terms and conditions under which Platypus agrees to acquire 100% of the issued capital of Lepidico.

The Term Sheet was unanimously supported by the Directors of both Lepidico and the Company.

Concurrently, Platypus has secured underwriting support from GTT Ventures to undertake a fully underwritten rights issue to raise up to approximately \$3.5 million from existing shareholders.

Lepidico is a globally-focused lithium company with exploration interests in Australia and Canada.

Lepidico is also the 100% owner and licensor of the L-Max technology, a proprietary metallurgical process that has the potential to commercially extract lithium and other by-products from unconventional sources at a competitive cost.

The L-Max technology delivers a potential opportunity to create a third supply source of lithium, namely the largely overlooked lithium-bearing micas such as lepidolite and zinnwaldite.

Lepidico's Executive Chairman Gary Johnson is an experienced metallurgist and the principal of Strategic Metallurgy Pty Ltd, which specialises in providing metallurgical and strategic consulting to various mining companies. As part of the transaction, Mr Johnson will be appointed to the Board of Platypus as a non-executive director post completion of the transaction.

Platypus's due diligence confirmed the prospectivity of Lepidico's exploration interests and the potential of the L-Max technology.

Verification field work on the promising Lemare project in Quebec, Canada, is scheduled for early April.

Platypus and Lepidico continue to actively pursue global lithium project acquisitions and joint venture opportunities.

Platypus retains its current projects at the Pearl Bar-Gobbos area in Western Australia, which it plans to drill in the coming quarter.

The Board of Platypus Minerals Ltd (ASX:PLP) is pleased to announce that consequent on satisfactory due diligence investigations it has reached agreement and signed a binding Term Sheet with Lepidico Ltd under which Platypus agrees to acquire 100% of the issued capital of Lepidico ("Acquisition").

Platypus Chairman, Mr Laurie Ziatas said, *“The acquisition of Lepidico and concurrent capital raising will position Platypus as an emerging company in the lithium sector with a robust balance sheet. The combination of Platypus’s current assets, Lepidico’s lithium exploration assets and the L-Max technology will provide Platypus with a sustainable competitive advantage and point of difference to other lithium juniors and allow us to create maximum value for our combined shareholders particularly across the whole of the lithium production Value Chain.”*

About Lepidico

Lepidico is a public unlisted lithium company with interests in lithium exploration assets and processing technology. It’s current exploration assets include an option over the Lemare project in Canada; ownership of the Euriowie project near Broken Hill in New South Wales; and a memorandum of understanding on a strategic 50:50 joint venture with ASX-listed Crusader Resources (ASX:CAS) to jointly exploit lithium opportunities in Brazil.

Lemare

As announced by the Company on 12 February 2016, Lepidico holds of an option agreement with TSX listed Critical Elements Corporation (“CRE”) over the Lemare project in the James Bay region of Quebec, Canada (“Lemare Option”). Upon exercise of the Lemare Option, Lepidico may commence earning up to a 75% interest in the Lemare project.

The Lemare project consists of 158 claims for a total ground position of 7,433 hectares (74 km²) in the James Bay region, which boasts several advanced lithium resources, including the Whabouchi deposit which has a total resource of 32.7Mt @ 1.56% Li₂O, and Critical Elements’ own Rose project containing a total resource of 37.2 Mt @ 0.94% Li₂O and 156 ppm Ta₂O₅ (1.25% Li₂O equivalent).

Exploration work in 2012 at Lemare identified a spodumene pegmatite up to 14 m in width and outcropping over a 200 m strike length before receding under cover. Of the 43 samples collected along 62 metres of channel sampling, 11 returned values above 2% Li₂O. The pegmatite is undrilled so the depth extent also remains unknown. Based on other lithium deposits around the world, it is a common occurrence for pegmatites to exist in ‘swarms.’ As part of the due diligence process on Lemare, Lepidico and Platypus will assess the potential for other pegmatites to exist within the project area. Verification field work at this promising project is scheduled for early April 2016.

Euriowie

The Euriowie project is secured by Lepidico through an exploration licence application (ELA 5234) that encompasses most of the historical Euriowie Tin Field located to the north of Broken Hill in New South Wales. The application encompasses three historical lithium workings in amblygonite-rich pegmatites. Amblygonite is a lithium-phosphate mineral with a high lithium content of up to 10% Li₂O. In comparison, spodumene can contain up to 8% Li₂O.

A due diligence site visit by Platypus staff to the Euriowie project, announced by the Company on 19 February 2016, included all three of the mineralised pegmatites. The amblygonite pegmatites range in size and can be in excess of 300 m in length (eg., Lady Don pegmatite) and 60 m in width (eg., Trident pegmatite). Mullock samples from each pegmatite returned excellent results, averaging between 2% Li₂O and 3% Li₂O. A high value of 4.45% Li₂O was returned from the Lady Don locality.

There is no evidence of drilling nor records of systematic lithium sampling of the amblygonite pegmatites. Platypus concluded that the Euriowie area is therefore considered highly prospective for lithium mineralisation and that an extensive program of geochemical sampling and prospecting is warranted at Euriowie immediately upon grant of the licence.

Crusader

On 3 February 2016 the Company announced that Lepidico had signed a memorandum of understanding (“MOU”) with Crusader Resources Limited (ASX:CAS) on establishing a strategic 50:50 joint venture (“JV”) to exploit a wide range of lithium opportunities in Brazil.

Under the MOU, Crusader will contribute its prospective lithium Manga project to the joint venture and Lepidico will provide an exclusive licence of the L-Max technology to be used for projects in Brazil.

Crusader has identified significant lithium potential on its 100% owned Manga prospect located in central Brazil, which will be transferred to the JV and will be the initial focus of work. Crusader reported that historical sampling at Manga has described zinnwaldite and other lithium-rich muscovites with whole rock results of up to 1.8% Li₂O.

L-Max

Lepidico also owns the L-Max technology, a metallurgical process that has the potential to commercially extract lithium and other by-products from non-conventional sources, specifically Li-rich mica minerals such as lepidolite and zinnwaldite, and provide lithium chemicals for the burgeoning electric battery market. Lepidico has already granted its first licence of the technology to Lithium Australia NL (ASX:LIT).

Lepidico's largest shareholders are Strategic Metallurgy Pty Ltd, a company controlled by Lepidico Chairman, Gary Johnson, and Potash West Ltd (ASX:PWN).

Lepidico's Chairman, Mr Gary Johnson, said today *"The acquisition of Lepidico by Platypus will be an exciting event that creates a lithium development business, with a unique combination of exploration and technology assets. The transaction brings together the teams of Platypus and Lepidico which, combined, have the potential to exploit opportunities to provide new supplies to the rapidly expanding lithium market. Having the people and the where-with-all to deliver is the key to a successful business. The acquisition of Lepidico by Platypus creates such a team."*

Key Terms of the Acquisition

As consideration for the Acquisition, Platypus has agreed to issue 750,000,000 ordinary shares to the Lepidico shareholders ("Lepidico Consideration Shares"). The Lepidico Consideration Shares are to be voluntarily escrowed from the date of issue for a period of six months (in respect of Lepidico Consideration Shares issued to the major shareholders of Lepidico) and three months (in respect of the Lepidico Consideration Shares issued to the minor shareholders of Lepidico).

The Directors of Lepidico have advised the Company that they intend to accept the Platypus offer at the earliest opportunity.

As part of the Acquisition, Platypus has the right to direct Lepidico to exercise the Lemare Option. Upon exercise of the Lemare Option, the following must occur:

- Lepidico must pay C\$35,000 to CRE by 10 May 2016;
- Platypus must issue C\$500,000 worth of shares to CRE based on a 5 day VWAP of the Platypus share price after completion of the Acquisition; and
- Lepidico must pay C\$35,000 to CRE by 9 September 2016.

Following the exercise of the Lemare Option, Platypus and Lepidico can commence an earn-in on the Lemare Project on the terms outlined in the Company's announcement on 12 February 2016.

Completion of the Acquisition (including the issue of the Lepidico Consideration Shares and the Lemare Consideration Shares), is subject to and conditional upon the Company obtaining all necessary shareholder approvals in respect of the transactions contemplated by the Term Sheet (including but not limited to approval pursuant to Listing Rule 11.1.2).

However, the Company will not need to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The Company will dispatch a Notice of Meeting for the purpose of obtaining all necessary shareholder approvals and will keep the market informed as to the timing of this matter.

Summary of the Term Sheet

A summary of the material terms and conditions of the Term Sheet follows.

Consideration

Under the Term Sheet to acquire 100% of the issued capital of Lepidico, the Lepidico Consideration Shares issued by Platypus will:

- Comprise 750,000,000 fully paid ordinary Platypus shares issued to the Lepidico shareholders in proportion to their Lepidico shareholding
- Be voluntarily escrowed from the date of issue for a period of six months (in respect of Lepidico Consideration Shares issued to the major shareholders of Lepidico) and three months (in respect of the Lepidico Consideration Shares issued to the minor shareholders of Lepidico).

Formal Agreements

As soon as possible after the execution of the Term Sheet, Lepidico will procure that the major shareholders and minor shareholders enter into formal agreements with Platypus for the acquisition of all of their Lepidico shares, on terms consistent with the Term Sheet and including additional warranties given by the major shareholders for the benefit of Platypus.

Lemare

Completion of the acquisition is subject to Platypus completing, to the extent necessary, any further due diligence on the Lemare Option and the Lemare project within 45 days from the date of the Term Sheet, during which time Lepidico must comply with all written directions provided by Platypus in respect of the Lemare Option.

If the Lemare Option is exercised the following must occur:

- Lepidico must pay C\$35,000 to CRE by 10 May 2016;
- Platypus must issue C\$500,000 worth of shares to CRE based on a 5 day VWAP of the Platypus share price after completion of the Acquisition;
- Lepidico must pay C\$35,000 to CRE by 9 September 2016; and
- Platypus and Lepidico can commence an earn-in on the Lemare Project on the terms outlined in the Company's announcement on 12 February 2016.

Capital Raising

Platypus is to use its best endeavours to raise not less than \$3.3 million via an underwritten rights issue at an issue price of 1.0 cents per share. If these terms cannot be met, Platypus can vary the amount and structure of the capital raising with the prior approval of Lepidico.

Name Change

Platypus will not change its name as part of this transaction.

Directors

Upon completion of the transaction, the Chairman and largest shareholder of Lepidico, Gary Johnson, will be appointed to the Board of Directors of Platypus as a non-executive director. Concurrently, one existing Platypus director will resign.

Completion

Completion of the Acquisition is subject to a number of conditions precedent, including:

- Platypus completing due diligence on Lemare to its satisfaction.
- Platypus obtaining all necessary shareholder and regulatory approvals (including ASX or ASIC approval).
- Platypus undertaking a capital raising by way of an underwritten rights issue of not less than \$3.3 million (or such lesser amount as agreed by Lepidico and Platypus) at an issue price of 1.0 cents per share.
- Lepidico procuring that its shareholders enter into formal share sale agreements with Platypus and Lepidico.

- Lepidico procuring that its shareholders enter into voluntary escrow agreements.
- Lepidico formally exercising the Lemare Option if directed to do so by Platypus, which condition can be waived by Platypus for the purpose of completion of the transaction.

Lepidico and Platypus will use their best endeavours to ensure these conditions precedent are satisfied as soon as possible.

Expiry Date

If any of these conditions precedent are not satisfied, or waived by Platypus, within three months from the date of the Term Sheet, unless extended by written agreement, either party may terminate the Term Sheet by notice in writing to the other, following which the Term Sheet will be at an end and the parties will be released from their obligations under the Term Sheet and to each other without any further liability to the other.

Summary of the Rights Issue

As part of the Acquisition, Platypus has secured underwriting support from GTT Ventures (the Company's Corporate Advisor) ("Underwriter") for a fully underwritten rights issue to raise up to approximately \$3.5 million (before costs) ("Rights Issue"). The funds raised from the Rights Issue will be used to advance the combined assets of Platypus. The Rights Issue will be a pro rata entitlement to existing shareholders offering three new shares for every five shares held at an issue price of 1.0 cent per share.

The Underwriter agrees to have the underwritten amount fully sub-underwritten with parties approved by the Underwriter and the directors of the Company and Lepidico. The Underwriter also agrees, and agrees to cause sub-underwriters to agree, that they or their related parties or associates will not sell any shares in the Company that they own or control whilst the Rights Issue is open and until any shortfall shares are taken up.

Further information pertaining to the record date and the timetable for the Rights Issue will be disclosed when these details are finalised by the Company and the Underwriter. The Company's non-executive Director, Mr Rocco Tassone, who is a principal of GTT Ventures, did not participate in the Board's negotiation of the underwriting.

The capital structure of the Company as a result of the Acquisition and the Capital Raising is as follows:

Category of Shareholder	No. of Shares	Percentage of Total Shares
Existing Shareholders	584,350,921	33.68
Lepidico Consideration Shares	750,000,000	43.23
Lemare Consideration Shares [subject to exercise of the Lemare Option, based on a price of 1 cent per share and assuming A\$:C\$ parity]	50,000,000	2.88
Right Issue Shares (based on the minimum price of 1 cent per share and 3 for 5 rights)	350,610,552	20.21
TOTAL	1,734,861,473	100%

Platypus Managing Director, Mr Tom Dukovic, commented, "We're very pleased to be able to announce that we have reached agreement on the terms of the potential acquisition. The expansion of our exploration portfolio through the entry by Platypus into the lithium sector marks a particularly exciting stage in the Company's development and opens opportunities for sustained ongoing growth."

About Platypus Minerals Ltd

Platypus Minerals Ltd (ASX:PLP) is a Perth-based company that is dedicated to the exploration and development of mineral projects prospective for copper, gold and other strategic metals in both Australia and overseas in stable jurisdictions. The focus is on projects that exhibit proven mineralisation, are under-explored, and have the potential to generate large economic deposits and deliver returns to shareholders.

In late 2015 Platypus announced its intention to focus on its current assets in the Pearl Bar-Gobbos area whilst also initiating an entry into the lithium sector, and since then has been seeking and screening potential lithium opportunities globally.

For further Information, please contact

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The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.
