

ASX/Media Announcement

Perth: 15 May 2017

SHORTFALL OFFER - ALLOTMENT OF NEW SHARES

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) announced on 18 April 2017 following the close of the first phase of the Company’s capital raising through a non-underwritten, non-renounceable Entitlement Offer that the second phase of the capital raising, being the first stage of a shortfall offer, would initially be prioritised to eligible shareholders.

Valid applications for 46.8 million New Shares were received under the Shortfall Offer, from existing eligible shareholders raising an additional \$608,000. The Company has now raised \$3.7 million of the maximum \$5.6 million under the Entitlement Offer. The impressive level of participation in the Entitlement Offer and the Shortfall Offer confirms solid shareholder support for the Company and its strategy. The Company will now consider a placement of the residual shortfall of up to \$1.85 million to sophisticated investors prior to 12 July 2017

The Company has today allotted and issued the New Shares, and an ASX Appendix 3B in respect of the New Shares accompanies this announcement.

The New Shares are not currently subject to the unsolicited takeover offer made by Lithium Australia NL (ASX:LIT) (“Lithium Australia”), which, despite having received minimal acceptances to date, was recently extended by Lithium Australia until 19 May 2017.

The Company anticipates that the New Shares will initially trade under the LPDNC code until such time as the Lithium Australia takeover offer closes, or is varied to include the New Shares.

Your Directors reiterate their advice that Shareholders should in any case **REJECT** the ill-conceived and inadequate Lithium Australia scrip takeover offer, which the Independent Expert, BDO has concluded is neither fair nor reasonable.

ENDS

Further Information

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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.