

# 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<br>(b) Shares<br>(c) Unlisted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | (a) 291,750,910<br>(b) Up to 405,209,597<br>(c) 10,000,000   |
| 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<br>(b) Fully Paid Ordinary Shares<br>(c) Unlisted Options exercisable at 1.5 cents per Share, expiring 2 years from date of issue |

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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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>(a) Yes  (b) Yes  (c) No. Upon exercise each fully paid share issued will rank equally with existing shares on issue,</p>
<p>5 Issue price or consideration</p>	<p>(a) \$0.01 per Share  (b) \$0.01 per Share  (c) Nil</p>
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(a) and (b) The proceeds of the Entitlement Offer, along with proceeds raised from the private placement, are intended to be used to fund the Feasibility Study for the Company's Phase 1 L-Max® plant through to final investment decision, as well as further advance the Company's resource development and exploration activities, pay costs of the Offer and for general working capital purposes.</p> <p>(c) Proposed issue to underwriter and sub-underwriter of entitlements issue.</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 in relation to the +securities the subject of this Appendix 3B, 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>25 November 2016</p>

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+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	(a) 88,153,104 Shares (c) 10,000,000 Unlisted Options		
6d	Number of +securities issued with security holder approval under rule 7.1A	(a) 203,597,807 Shares		
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	(b) Up to 405,209,597 Shares		
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.	Yes. Placement shares agreed to be issued on 10 October 2017 at an issue price of 1.0 cents per share, representing approximately 10% discount to the 15 day VWAP of 11.75 cents (source: Miraqle).		
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: 103,714,999 7.1A: Nil  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.	(a) 11 October 2017 (expected) (b) 8 November 2017 (expected) (c) 8 November 2017 (expected)		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Number</td> <td style="width: 50%;">+Class</td> </tr> </table>	Number	+Class
Number	+Class			

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8 Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in section 2 if applicable)	2,836,467,179	Ordinary Shares
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<sup>+</sup> See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)		<b>Options</b>
	10,000,000	Unlisted Options with exercise price of 1.0 cents and expiring 2 years from their issue date.
	40,000,000	Unlisted Options with exercise price of 1.815 cents and expiring 3 August 2018
	9,000,000	Unlisted Options with exercise price of 1.0 cents and expiring 31 December 2018
	50,000,000	Unlisted Director Incentive Options with exercise price of 2.5 cents and expiring 31 December 2019
	25,000,000	Unlisted Incentive Options with exercise price of 2.5 cents and expiring 31 December 2019 (of which 12,500,000 are subject to vesting period, to be automatically waived in the event of a Change of Control event)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Renounceable
13 Ratio in which the +securities will be offered	One (1) for six (6)

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14	+Class of +securities to which the offer relates	Fully Paid Ordinary Shares
15	+Record date to determine entitlements	16 October 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded up
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>	The Offer will not be made in jurisdictions other than Australia, New Zealand and (subject to limitations as described in the Offer document) the United Kingdom.
19	Closing date for receipt of acceptances or renunciations	2 November 2016
20	Names of any underwriters	CPS Capital Group Pty Ltd
21	Amount of any underwriting fee or commission	Underwriting Fee is 5% of amount underwritten
22	Names of any brokers to the issue	CPS Capital Group Pty Ltd is Lead Manager to the Offer
23	Fee or commission payable to the broker to the issue	Lead Manager fee: \$70,000 Management fee: 1% of the total amount raised
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	TBA
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	19 October 2017
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	10 October 2017
28	Date rights trading will begin (if applicable)	13 October 2017
29	Date rights trading will end (if applicable)	19 October 2017
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<p>If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX.</p> <p>Trading of Entitlements will commence on ASX on 13 October 2017 and will cease on 26 October 2017.</p> <p>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.</p>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and forward together with your payment, or make a payment by BPAY.</p> <p>Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.</p>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<p>You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an</p>

+ See chapter 19 for defined terms.

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 you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, 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 the Prospectus and on or before the Closing Date) in accordance with the details set out in the Entitlement and Acceptance Form.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your 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 to acquire must be received by Share Registry in accordance with the conditions of the Offer as set out in the Offer .

33    <sup>+</sup>Issue date

8 November 2017

### Part 3 - Quotation of securities

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

34    Type of <sup>+</sup>securities  
(tick one)

(a)     <sup>+</sup>Securities described in Part 1 (*Fully Paid Ordinary Shares only*)

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<sup>+</sup> See chapter 19 for defined terms.



(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 (N/A)

*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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+ See chapter 19 for defined terms.

**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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+ See chapter 19 for defined terms.

**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: 10 October 2017  
(Company secretary)

Print name: Alex Neuling

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+ See chapter 19 for defined terms.

# 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

<b>Rule 7.1 – Issues exceeding 15% of capital</b>																
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>																
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,750,458,712															
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> </ul> <table border="1" style="margin-left: 20px;"> <tbody> <tr> <td>Listed Option Exercises</td> <td>25/11/16</td> <td style="text-align: right;">38,234</td> </tr> <tr> <td>Listed Option Exercises</td> <td>2/12/16</td> <td style="text-align: right;">40,645</td> </tr> <tr> <td>Rights Issue</td> <td>20/4/16</td> <td style="text-align: right;">238,659,066</td> </tr> <tr> <td>Shortfall Issue</td> <td>15/5/16</td> <td style="text-align: right;">46,781,408</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"><b>285,519,353</b></td> </tr> </tbody> </table>	Listed Option Exercises	25/11/16	38,234	Listed Option Exercises	2/12/16	40,645	Rights Issue	20/4/16	238,659,066	Shortfall Issue	15/5/16	46,781,408			<b>285,519,353</b>	
Listed Option Exercises	25/11/16	38,234														
Listed Option Exercises	2/12/16	40,645														
Rights Issue	20/4/16	238,659,066														
Shortfall Issue	15/5/16	46,781,408														
		<b>285,519,353</b>														
<ul style="list-style-type: none"> <li>Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> </ul>	-															
<ul style="list-style-type: none"> <li>Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul>	-															
<p><i>Note:</i></p> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is</li> </ul>																

+ See chapter 19 for defined terms.

<p><i>annexed</i></p> <ul style="list-style-type: none"> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<p><b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period</p>	-
<p><b>“A”</b></p>	<p><b>2,035,978,065</b></p>

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+ See chapter 19 for defined terms.

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<b>Step 2: Calculate 15% of “A”</b>			
“B”	0.15 <i>[Note: this value cannot be changed]</i>		
<b>Multiply “A” by 0.15</b>		<b>305,396,710</b>	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>			
<p><b>Insert</b> 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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	This share issue	<i>Options</i>	10,000,000
	Issue announced 21/8/17	<i>Shares</i>	88,153,104
	Issue announced 25/7/17	<i>Shares</i>	6,333,432
	Issue announced 3/8/17	<i>Shares</i>	52,195,175
		<i>Shares</i>	45,000,000
			<b>201,681,711</b>
“C”		<b>201,681,711</b>	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>			
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>		<b>305,396,710</b>	
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>		<b>201,681,711</b>	
<b>Total [“A” x 0.15] – “C”</b>		<b>103,714,999</b>	
	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>		

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	<b>2,035,978,065</b>
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	<b>203,597,807</b>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <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></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<b>203,597,807 (this issue)</b>
<b>“E”</b>	<b>203,597,807</b>

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<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	<b>203,597,807</b>
<b>Subtract “E”</b> <i>Note: number must be same as shown in Step 3</i>	<b>203,597,807</b>
<b>Total</b> [“A” x 0.10] – “E”	<b>nil</b>  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.



**APPENDIX 3B – ANNEXURE 2 INFORMATION REQUIRED UNDER ASX  
LISTING RULE 3.10.5A**

As detailed in the accompanying Appendix 3B dated 10 October 2017, placement shares are to be issued partly under the 15% limit available to the Company under Listing Rule 7.1 and partly under the additional 10% approved by Shareholders at the Company's 2016 Annual General Meeting in accordance with Listing Rule 7.1A. In accordance with the requirements of Listing Rules 7.1A4(b) and 3.10.5A the following information is provided by the Company in relation to the x] Placement Shares to be issued under Listing Rule 7.1A.

*(a) Details of the dilution to existing shareholders as a result of the issue*

A total of 203,597,807 shares are to be issued pursuant to Listing Rule 7.1A, representing 9.5% of the post-placement capital.

The percentage of the post-placement capital held by pre-placement and new shareholders is as follows:

- Pre-placement security holders who did not participate in the 7.1A placement – 91.5% of issued capital
- Pre-placement security holders who participated in the 7.1A placement – n/a
- Participants in the 7.1A placement who were not previously security holders – 9.5% of issued capital

The percentage of the post-placement capital held by pre-placement security holders is 91.5% of the issued capital.

*(NOTE - Calculations relate to the part of the Placement conducted under Listing Rule 7.1A only, before adjusting for the portion of the Placement conducted under Listing Rule 7.1)*

*(b) Reasons why the Company issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro-rata issue or other type of issue in which existing ordinary shareholders would have been eligible to participate*

Not applicable - The placement shares issued under rule 7.1A are being issued in conjunction with a pro-rata issue.

*(c) Details of any underwriter arrangements including any fees payable to the underwriter*

Not Applicable. The Placement was not underwritten.

*(d) Any other fees or costs incurred in connection with the issue and the funds raised*

Brokerage fees of 6% of funds raised will be payable in connection with the LR 7.1A issue. Standard ASX listing fees and share registry expenses will also apply.