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5 September 2018

Dear Shareholder

LEPIDICO LTD – RENOUNCEABLE RIGHTS ISSUE

As announced on 3 September 2018, Lepidico Ltd (ACN (008 894 442)) (**LPD**) is undertaking a 1:7 renounceable rights issue (**Rights Issue** or **Offer**) of approximately 417,877,165 fully paid ordinary shares (**New Share**) with 1 free attaching Option (**New Option**) (exercisable at \$0.045 on or before 30 September 2020) for every 2 new Shares issued to raise approximately \$7,939,666. The Company will apply for quotation of the New Options. The price of New Shares under the Offer is \$0.019 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 3 September 2018.

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 New Options;
- (b) pay a lead manager fee of \$60,000;
- (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 \$3,000,000.

The Company proposes to use the funds raised by the Offer toward L-Max[®] pilot plant development and operation, a full scale Max[®] scoping study including product development, 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 7 September 2018, 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 417,877,165 New Shares resulting in total Shares on issue of approximately 3,343,017,316.

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 11 September 2018. 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 (AEST) on 25 September 2018, 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 (AEST) on 25 September 2018, 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 \$0.019 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 6 September 2018 until the close of market on 18 September 2018. 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 (AEST) on 25 September 2018.

- 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
Lodgement of Prospectus with the ASIC	3 September 2018
Lodgement of Prospectus & Appendix 3B with ASX	3 September 2018
Notice sent to Optionholders	3 September 2018
Notice sent to Shareholders	5 September 2018
Ex date	6 September 2018
Rights start trading	6 September 2018
Record Date for determining Entitlements	7 September 2018
Prospectus sent out to Shareholders & Company announces this has been completed	11 September 2018
Rights stop trading	18 September 2018
Shares quoted on a deferred settlement basis	19 September 2018
Closing Date*	25 September 2018
ASX notified of under subscriptions	27 September 2018
Issue date/Shares entered into Shareholders' security holdings/Deferred settlement trading ends	1 October 2018
Quotation of Shares and New Options issued under the Offer*	2 October 2018

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary

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



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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 417,877,165 New Shares resulting in total Shares on issue of approximately 3,343,017,316.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand or the United Kingdom (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and the United Kingdom compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

CPS Capital Group Pty Ltd (**Nominee**), who is also the Underwriter, as nominee to sell the rights to subscribe for New Shares pursuant to the Prospectus (**Entitlements**) to which Ineligible Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the Nominee will be able to sell Entitlements of Ineligible Shareholders on ASX and Ineligible Shareholders may receive no value for the Entitlements. Both the Company and the Nominee take no responsibility for the outcome of the sale of such Entitlements or the failure to sell such Entitlements.

If you have any queries concerning the Rights Issue, 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

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3 September 2018

Dear Optionholder

LEPIDICO LTD - RENOUNCEABLE RIGHTS ISSUE

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Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5:00pm (WST) on 7 September 2018 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Level 1, 254 Railway Parade, West Leederville WA 6007:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Lepidico Ltd".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Lepidico Ltd **no later than** 5:00 pm (WST) 7 September 2018. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, 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