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7 May 2019

Dear Optionholder

LEPIDICO LTD - RENOUNCEABLE RIGHTS ISSUE

As announced on 7 May 2019, Lepidico Ltd (ACN (008 894 442)) (**Company**) is undertaking a 1:9 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 372,908,354 fully paid ordinary shares (**New Share**) with one (1) free attaching, listed option (**Option**) (exercisable at \$0.05 on or before the third anniversary of the date of issue for every two (2) New Shares issued, to raise approximately \$10,814,342. The price of New Shares under the Offer is \$0.029 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 7 May 2019.

The Offer is partially underwritten by CPS Capital Group Pty Ltd (**Underwriter**) to \$3,000,000. CPS Capital Group Pty Ltd is also acting as lead manager to the Offer. The Company has agreed to:

- (a) pay a lead manager fee of \$60,000, which, on mutual agreement between the Company and the Underwriter, may be satisfied by the issue of securities to CPS Capital Group Pty Ltd (or nominees) from the shortfall under the Offer;
- (b) pay a management fee of 1% of the total amount raised under the Offer, which, on mutual agreement between the Company and the Underwriter, may be satisfied by the issue of securities to CPS Capital Group Pty Ltd (or nominees) from the shortfall under the Offer;
- (c) pay an underwriting fee of 5% of the underwritten amount; and
- (d) pay a placement fee of 5% of any shortfall securities placed beyond the underwritten amount.

The Company must also reimburse the Underwriter for costs incidental to the Offer.

If the Offer is fully subscribed, the Company proposes to use the funds raised from the Offer towards the 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 in Namibia, exploration. In the event the Company raises more than the underwritten amount \$3,000,000, the additional funds raised will be prioritised towards new process and product development and the development of lithium mineral assets.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (Perth time) on 13 May 2019, whose registered address is in Australia, New Zealand, the United Kingdom or Ontario, Canada.

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 372,908,354 New Shares resulting in total Shares on issue of approximately 3,729,083,542.

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 (Perth time) on 13 May 2019 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at 23 Belmont Avenue, Belmont WA 6104:

- (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** 5:00pm (Perth time) on 13 May 2019. 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 Alex Neuling, joint Company Secretary, on +61 9363 7800.

Yours sincerely

Alex Neuling
Joint Company Secretary