



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

9 May 2019

Dear Shareholder

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.

A copy of the Prospectus is available on ASX's and the Company's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 14 May 2019. 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:

- (a) 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 (Perth time) on 29 May 2019, 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.
- (b) 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 (Perth time) on 29 May 2019, 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 \$0.029 per New Share).
- (c) You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from 10 May 2019 until the close of market on 22 May 2019. To sell any of your Entitlements you need to contact your broker as soon as possible.
- (d) 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 CHESS 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 (Perth time) on 29 May 2019.

- (e) 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 ASIC	Tuesday, 7 May 2019
Lodgement of Prospectus and Appendix 3B with ASX	Tuesday, 7 May 2019
Notice sent to Option holders	Tuesday, 7 May 2019
Notice sent to Shareholders	Thursday, 9 May 2019
Ex date	Friday, 10 May 2019
Rights start trading	Friday, 10 May 2019
Record Date for determining Entitlements	Monday, 13 May 2019
Prospectus and personalised Entitlement and Acceptance Forms sent to Eligible Shareholders	Tuesday, 14 May 2019
Rights trading ends	Wednesday, 22 May 2019
Shares quoted on a deferred settlement basis	Thursday, 23 May 2019
Last date for the Closing Date to be extended	Friday, 24 May 2019
Closing Date	Wednesday, 29 May 2019
Notification of under-subscriptions to ASX (if any)	Friday, 31 May 2019
Issue date/Shares entered into Shareholders' security holdings/Deferred settlement trading ends	Wednesday 5 June 2019
Quotation of Shares and New Options issued under the Offer	Thursday, 6 June 2019

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 Alex Neuling, joint Company Secretary, on +61 8 9363 7800.

Yours sincerely

Alex Neuling
Joint Company Secretary



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

9 May 2019

Dear Shareholder

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.

Ineligible shareholders

A Shareholder who has a registered address outside of Australia, New Zealand, the United Kingdom or Ontario, Canada (**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, the United Kingdom or Ontario, Canada compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The Company has appointed 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 Alex Neuling, joint Company Secretary, on +61 8 9363 7800.

Yours sincerely

Alex Neuling
Joint Company Secretary