

12 July 2019

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

On 12 July 2019, Lepidico Ltd (**Company**) completed the issue of 571,157,062 fully paid ordinary shares in the capital of the Company (**Shares**) to Desert Lion Energy Inc (**Desert Lion**) shareholders, 139,797,500 new warrants at exercise prices ranging from \$0.04 - \$0.44 and 39,183,982 new options at exercise prices ranging from \$0.02 - \$0.35 to Desert Lion security holders and 76,020,767 Shares to certain creditors of Desert Lion.

The Company gives notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**) that:

1. the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act; and
2. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of the Corporations Act; and
3. as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

For Lepidico Ltd
Shontel Norgate
Chief Financial Officer and Joint Company Secretary

Ph: +1 416 561 2818

Email: shontel.norgate@lepidico.com

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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
B: Warrants
C: Options
D: Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A: 571,157,062 Shares
B: 139,797,500 Warrants
C: 39,183,982 Options
D: 76,020,767 Shares |

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

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)	<p>A: Fully paid ordinary shares</p> <p>B: Warrants as follows</p> <p>14,210,780 Warrants exercisable at \$0.44 per Warrant and expiring on 22/09/19</p> <p>700,115 Warrants exercisable at \$0.35 per Warrant and expiring on 22/09/19</p> <p>4,140,941 Warrants exercisable at \$0.44 per Warrant and expiring on 10/10/19</p> <p>312,476 Warrants exercisable at \$0.35 per Warrant and expiring on 10/10/19</p> <p>2,880,085 Warrants exercisable at \$0.44 per Warrant and expiring on 29/11/19</p> <p>181,165 Warrants exercisable at \$0.35 per Warrant and expiring on 29/11/19</p> <p>1,179,387 Warrants exercisable at \$0.44 per Warrant and expiring on 06/12/19</p> <p>89,008 Warrants exercisable at \$0.35 per Warrant and expiring on 06/12/19</p> <p>7,706,421 Warrants exercisable at \$0.44 per Warrant and expiring on 13/12/19</p> <p>1,659,388 Warrants exercisable at \$0.35 per Warrant and expiring on 13/12/19</p> <p>2,832,991 Warrants exercisable at \$0.44 per Warrant and expiring on 29/12/19</p> <p>121,063 Warrants exercisable at \$0.35 per Warrant and expiring on 29/12/19</p> <p>103,783,680 Warrants exercisable at \$0.04 per Warrant and expiring on 07/12/20</p> <p>C: Options as follows</p> <p>9,450,000 Options exercisable at \$0.04 per Option and expiring on 25/10/21</p> <p>945,000 Options exercisable at \$0.10 per Option and expiring on 31/03/22</p> <p>3,921,982 Options exercisable at \$0.10 per Option and expiring on 21/06/22</p> <p>5,967,000 Options exercisable at \$0.35 per Option and expiring on 26/02/23</p> <p>18,900,000 Options exercisable at \$0.02 per Option and expiring on 14/01/24</p> <p>D: Fully paid ordinary shares</p>
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+ See chapter 19 for defined terms.

4	<p>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"> • 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 	<p>A: Yes B: No, however upon exercise each share issued will rank equally with existing fully paid ordinary shares C: No, however upon exercise each share issued will rank equally with existing fully paid ordinary shares D: Yes</p>
5	Issue price or consideration	<p>A, B and C: Issued in consideration for the acquisition of Desert Lion Energy Inc as announced on 7 May 2019 (Acquisition). D: Deemed issue price of \$0.024 per Share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>A, B and C: Issued in consideration for the Acquisition. D: Issued as a private placement to certain creditors of Desert Lion Energy Inc in settlement of debt arrangements</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	22 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	D: 76,020,767 Shares
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

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<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Nil</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>A: 571,157,062 Shares B: 139,797,500 Warrants C: 39,183,982 Options</p>
<p>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.</p>	<p>N/A</p>
<p>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</p>	<p>N/A</p>
<p>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</p>	<p>7.1: Up to 461,015,323 7.1A: Up to 139,871,970 See Annexure 1 attached.</p>
<p>7 +Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>12 July 2019</p>

+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
		4,384,881,802	Ordinary Shares
		220,518,031	Listed Options exercisable at 4.5 cents per share on or before 30/9/2020
		190,746,921	Listed Options exercisable at 5.0 cents per share on or before the date which is 3 years from the date of issue
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	Number	+Class
			Options
		65,000,000	Unlisted Incentive Options with exercise price of 2.6 cents and expiring 22 November 2021
		5,000,000	Unlisted Options with exercise price of 1.5 cents and expiring 8 November 2019.
		50,000,000	Unlisted Incentive Options with exercise price of 9.1 cents and expiring 23 November 2020
		42,500,000	Unlisted Director Incentive Options with exercise price of 2.5 cents and expiring 31 December 2019

+ See chapter 19 for defined terms.

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12,500,000	Unlisted Incentive Options with exercise price of 2.5 cents and expiring 31 December 2019
14,210,780	Unlisted Warrants exercisable at \$0.44 per Warrant and expiring on 22/09/19
700,115	Unlisted Warrants exercisable at \$0.35 per Warrant and expiring on 22/09/19
4,140,941	Unlisted Warrants exercisable at \$0.44 per Warrant and expiring on 10/10/19
312,476	Unlisted Warrants exercisable at \$0.35 per Warrant and expiring on 10/10/19
2,880,085	Unlisted Warrants exercisable at \$0.44 per Warrant and expiring on 29/11/19
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18,900,000	Unlisted Options exercisable at \$0.02 per Option and expiring on 14/01/24

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|--|--|
| 15 | *Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 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> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part of</i> their entitlements through a broker and accept for the balance? | |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | *Issue date | |

Part 3 - Quotation of securities –

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

34 Type of *securities
(tick one)

(a) *Securities described in Part 1

(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

+ See chapter 19 for defined terms.

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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

+ 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)		

+ See chapter 19 for defined terms.

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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.

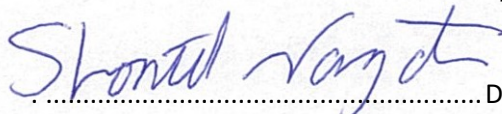
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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:


.....
(Company secretary)

Date: 12 July 2019

Print name: Shontel Norgate

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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

Rule 7.1 – Issues exceeding 15% of capital																				
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated																				
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,901,520,897																			
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 30%;">Entitlements Issue</td> <td style="width: 20%;">1/10/18</td> <td style="width: 50%; text-align: right;">417,877,142</td> </tr> <tr> <td>Unlisted Option Exercise</td> <td>17/7/18</td> <td style="text-align: right;">10,000,000</td> </tr> <tr> <td>Unlisted Option Exercise</td> <td>11/7/18</td> <td style="text-align: right;">10,000,000</td> </tr> <tr> <td>Entitlement Issue</td> <td>5/6/19</td> <td style="text-align: right;">372,908,354</td> </tr> <tr> <td>This Issue</td> <td>12/7/19</td> <td style="text-align: right;">571,157,062</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">1,381,942,558</td> </tr> </tbody> </table>		Entitlements Issue	1/10/18	417,877,142	Unlisted Option Exercise	17/7/18	10,000,000	Unlisted Option Exercise	11/7/18	10,000,000	Entitlement Issue	5/6/19	372,908,354	This Issue	12/7/19	571,157,062			1,381,942,558
	Entitlements Issue	1/10/18	417,877,142																	
Unlisted Option Exercise	17/7/18	10,000,000																		
Unlisted Option Exercise	11/7/18	10,000,000																		
Entitlement Issue	5/6/19	372,908,354																		
This Issue	12/7/19	571,157,062																		
		1,381,942,558																		
<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	Issues ratified at 2018 AGM: 16,777,149																			

+ See chapter 19 for defined terms.

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<ul style="list-style-type: none"> Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	-
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	-
“A”	4,300,240,601
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	645,036,090
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert 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"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> This applies to equity securities, unless specifically excluded – not just ordinary securities Include here (if applicable) the securities the subject of the 	<p>76,020,767 Shares issued on 12 July 2019</p> <p>Up to 108,000,000 Shares agreed to be issued on conversion of outstanding Desert Lion convertible notes on or before 7 December 2020</p>

+ See chapter 19 for defined terms.

<p><i>Appendix 3B to which this form is annexed</i></p> <ul style="list-style-type: none"> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
"C"	184,020,767
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	645,036,090
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	184,020,767
<p>Total ["A" x 0.15] – "C"</p>	<p>461,015,323</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,398,719,707
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	139,871,970
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <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> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
<p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	139,871,970
<p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
<p>Total ["A" x 0.10] – "E"</p>	<p>139,871,970</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>