



LEPIDICO

ASX: LPD

QUARTERLY ACTIVITIES REPORT

for the period ending 31 March 2020

(All figures are unaudited and in A\$ unless stated otherwise)

Key Points

Operations

- Majority of Karibib Project Mineral Resource promoted into Measured and Indicated categories for 8.87 million tonnes grading 0.43% Li₂O, 0.22% Rb, 302 ppm Cs and 2.08% K. Total Karibib Project Mineral Resource inventory, including Inferred category material of 11.24 million tonnes grading 0.43% Li₂O.
- Pit designs include an inventory of 4.6 million tonnes of predominantly lepidolite mineralisation grading 0.53% Li₂O, prioritised for mining over the first 10 years of the Project, with an average strip ratio estimate of just 2.5 to 1 in the first 8 years and just 0.5 to 1 for the first 2 years.
- Phase 1 Project nameplate capacity of 5,600 tonnes per year of lithium hydroxide monohydrate; preliminary schedule includes average annual SOP production of 11,000 tonnes, amorphous silica average annual production of plus 30,000 tonnes, rubidium sulphate production to average 1,400 tonnes per year and caesium formate brine output to average 210 tonnes per year.
- LOH-MaxTM batch trial produced a nominal battery grade lithium hydroxide monohydrate with greater than 99.0% purity.
- Preliminary carbon dioxide assessment for the Phase 1 Project reveals competitive CO₂ intensity versus the industry, which may be leveraged by electric vehicle and lithium-ion battery manufacturers to assist in decarbonisation of their supply chains
- Key results of the integrated Phase 1 Plant Feasibility Study on schedule for release in late May 2020 along with the inaugural Ore Reserve estimate for the Karibib Project.
- Regional exploration work highlights excellent lithium and gold prospectivity in the 1,054km² ground holding within the Karibib Pegmatite Belt held under Exclusive Prospecting Licenses.

Corporate

- Cash and cash equivalents as at 31 March 2020 of \$2.9 million.
 - Controlled Placement Agreement for up to \$7.5 million of equity capital remains undrawn
 - Registration of L-Max[®] patent in Australia and Japan.
 - Project debt funding strategy developed and market assessment identifies multiple sources of funding interest for developments in both Namibia and Abu Dhabi, supported by the integrated Phase 1 Project's excellent sustainability credentials.
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OVERVIEW & OUTLOOK

Lepidico continues to have a zero-harm track record since health, safety and environmental incident reporting began in September 2016.

Considerable progress was made on the Phase 1 Project Feasibility Study during the quarter, which remains on track for the key results to be finalised and released in late May 2020. Work streams completed include, updated Mineral Resource Estimates (MRE's), geotechnical and hydrological studies, open pit mine designs, site investigations for the Karibib waste storage facility, final flotation test work, and updated process criteria incorporating caesium and rubidium circuit design for the chemical plant. For the first time by-product production estimates were reported out from the underlying MRE grades. Waste management design work at Karibib is now well advanced.

Chemical plant and concentrator engineering remain on the critical path for completion of the Feasibility Study and are well advanced with completion of both work streams expected in May 2020. Designed output capacity is approximately 5,600 tonnes per annum (tpa) lithium hydroxide.

The maiden Ore Reserve for the Karibib Project (KP) is scheduled for May 2020 once all cost data is available, with key study results due shortly thereafter. Evaluation of the lepidolite rich surface stockpiles from historical mining at Rubicon and Helikon indicates potential for a further two years of feed to the Karibib concentrator. The objective of this work is for a proportion of this material to be included in the Feasibility Study MRE.

Marketing of bulk by-products, Sulphate of Potash (SOP), amorphous silica, gypsum and plant residue started in January, with prospective customers identified and engaged with for all products. Samples of lithium hydroxide monohydrate were produced during the quarter for evaluation by prospective off-takers. Samples of caesium and rubidium compounds were also produced and dispatched to chemical companies for assessment, with positive feedback received.

A specialist debt advisor has been retained to develop a funding strategy and identify debt providers for the Phase 1 Project. Non-disclosure agreements (NDAs) have been entered into with 10 financing institutions, from which encouraging feedback has been received and constructive engagement is ongoing. Financing activities will accelerate once the results from the Feasibility Study are available.

To ensure certainty of sulphuric acid supply two alternatives are being contemplated as there is now a heightened risk that Gulf Fluor may not expand its capacity within the requisite timeframe to meet Lepidico's steady state long term needs. To provide certainty of supply, construction of a dedicated pre-engineered acid plant has been evaluated, which provides a short 3 year payback on capital and environmental benefits associated with the plant generating power associated with the exothermic chemical process. Two acid plant suppliers have been identified. The second alternative is the import of seaborne acid. Assessment of both these alternatives reveals that the Khalifa Industrial Zone Abu Dhabi (KIZAD) represents a preferred location for the Phase 1 chemical plant, due to its port infrastructure and being categorised as a Free Zone. Both these scenarios are now well advanced and being contemplated in the feasibility study. A land application has been made for a suitable industrial plot in KIZAD for the Phase 1 chemical plant.

The Karibib Project represents the primary mineral source for the Phase 1 Project Feasibility Study. The term sheet for Alvarrões ore off-take with Mota Ceramic Solutions (MCS) lapsed on 9 March 2020 and is not planned to be renewed, with both companies preferring an alternative structure.

An initial emissions assessment for the integrated Phase 1 Project suggests that it will have a relatively modest carbon dioxide intensity versus the lithium industry by virtue of L-Max[®] being less energy intensive than spodumene roasting, along with the benefits of by-product carbon credits.

A nationwide lockdown was implemented by the Namibian Government in March in response to the COVID-19 pandemic. This necessitated Lepidico's workforce in-country to be rationalised. Further austerity measures were also implemented across the Lepidico group as a precautionary measure.

DEVELOPMENT

Karibib Project (80%), Namibia, Feasibility Study

An updated JORC Code (2012)-compliant MRE for the larger Rubicon and Helikon 1 deposits within the KP was completed by Snowden Mining Industry Consultants Pty Ltd in January 2020, upgrading the predominantly Inferred Mineral Resources into the Measured and Indicated categories. Global Mineral Resources at Karibib now total 11.24 million tonnes grading 0.43% Li₂O (0.15% Li₂O cut-off; comprising 2.2 Mt @ 0.57% Li₂O Measured, 6.66 mt @ 0.38% Li₂O Indicated and 2.37 mt @ 0.43% Li₂O Inferred) of which 78% of the tonnes are in Measured and Indicated categories versus 34% previously (0.20% Li₂O cut-off). Further details are provided in the December 2019 quarterly report. Measured and Indicated Resources at Rubicon and Helikon 1 total 8.87 million tonnes grading 0.43% Li₂O. For the first time the estimate also includes grades for the accessory metals caesium (Cs), rubidium (Rb) and potassium (K), which are being evaluated as important by-products in Lepidico's Phase 1 Project Feasibility Study.

Geotechnical analysis was completed in February, which allowed pit shells to be selected and open pit designs completed. Rubicon has three pit stages and Helikon 1 two stages. Waste to ore ratios are low at just 0.5:1 for the first two years and 2.5:1 for the first eight years. Mining equipment selection and cost estimation is well advanced. The Helikon 1 waste dump design was also finalised. The inaugural Ore Reserve estimate is on schedule for completion in May 2020. An upside schedule will be developed incorporating defined surface stocks at Rubicon and the Helikon complex. The slimes (historical tailings from petalite extraction), which are additional to the January 2020 MRE (62,200 t at 0.97% Li₂O of Indicated Mineral Resource¹), may also be incorporated upon successful completion of a suitable metallurgical testwork programme.

All flotation testwork for the concentrator has been completed. Engineering design work is progressing well with most of the major equipment packages issued for vendor pricing. The final design is on track for completion in May.

Waste and water management site investigations were completed with the drilling of two 35m deep geotechnical holes on the edge of the footprint. Geotechnical testing of the tailings was also completed to enable the design of the mine and dry stacked tailings co-disposal area to be progressed. Geochemical characterisation of tailings was completed, confirming that the waste management area can be unlined, although downstream monitoring bores will be installed.

Two offers for supply of power to the KP have been received and a trade-off assessment is being undertaken.

A socio-economic survey has been completed which will be incorporated with the EIA to allow an Environment and Social Impact Assessment to be produced. Baseline data collection for the EIA was interrupted by the nationwide COVID-19 related lockdown. These works are not required for the Feasibility Study results to be finalised and will recommence as soon as possible. The Karibib Project Environmental and Social Management Plan (ESMP) advanced and will be prepared in accordance with International Finance Corporation (IFC) standards. The updated ESMP will provide the basis for renewal of the Environmental Compliance Certificate (ECC) due September 2020. The ECC is due for renewal every three years with the Mining Licence in place for 10 years from 2018. All environmental workstreams are scheduled to conclude mid-2020 and are not on the project critical path.

Phase 1 Chemical Plant Feasibility Study

Chemical plant engineering, being undertaken by Lycopodium, remains on track for completion in May 2020 based on concentrate throughput of 6.9 tonnes per hour and nameplate output of 5,600 tpa of lithium hydroxide monohydrate. By-product design capacity is for up to 16,000tpa of SOP fertiliser, 32,000tpa of amorphous silica, 450tpa of caesium rich formate and 1,700tpa of rubidium sulphate.

¹ Slimes included in JORC Code (2012) Mineral Resource estimate, Lepidico ASX Announcement, 16 July 2019.

As announced in February 2020, the mine planning schedule is optimised to maximise cash flow from the aggregated product revenue stream. Annual lithium hydroxide production is being targeted to be within 10% of nameplate for the first ten years of operation. SOP production is estimated to average 11,000tpa compared with just 3,000-4,000tpa in the 2017 Pre-Feasibility Study (PFS). Potassium head grades tend to be inversely correlated with lithium grades. Annual amorphous silica production is generally consistent, averaging 31,000t over the project life. Caesium grades vary significantly year to year, with annual production of caesium rich formate ranging from just 110t to 460t, with a post ramp-up average of 210tpa. Caesium grades at Karibib are significantly higher than those contemplated for the PFS (which at the time supported annual production of just 10-100tpa). Rubidium grades are somewhat less variable than caesium with annual production of rubidium sulphate ranging from +/- 20% from the average level of 1,400t. Marketing of caesium and rubidium chemicals has started to prospective customers in North America, Europe and Asia.

A sulphuric acid supply study was undertaken during the quarter to identify alternatives to sourcing acid from Gulf Fluor as there is a heightened risk that it may not be able to expand its capacity within the timeframe to meet Lepidico's steady state long term needs. Two alternatives have been identified: 1) a dedicated pre-engineered 80,000 tonne per year acid plant with two suppliers identified; and 2) import of seaborne acid. Construction of a dedicated facility provides certainty of supply, reduced operating costs and a relatively short payback of 3 years on an estimated capital of US\$16 million. This alternative also provides environmental benefits as the exothermic chemical process allows power to be generated. An acid supply trade-off study is being undertaken.

Assessment of both acid supply alternatives reveals that KIZAD represents a preferred location for the Phase 1 chemical plant, due to its established port infrastructure through which concentrate from Namibia is planned to be imported and it being categorised as a Free Zone. A land application has been made for a suitable industrial plot in KIZAD for the Phase 1 chemical plant.

Potential for best in class Carbon Intensity Lithium Hydroxide Production

During the quarter the Company completed its first internal carbon intensity assessment for the integrated Karibib Project and Phase 1 Chemical Plant Feasibility Study². The results compare favourably with both existing and planned lithium hydroxide production from brine and spodumene sources. Furthermore, this analysis does not take into account the potential to reduce Phase 1 Project carbon intensity from either co-products or by augmenting power from renewable sources in Abu Dhabi. Such opportunities are being evaluated with the objective of Phase 1 Project producing amongst the lowest CO₂ intensity lithium hydroxide in the industry.

Sustainability is a major trend that is going to continue to shape the lithium industry into the future. Lepidico remains committed to sustainable development and is fundamentally well positioned through its assets, including its technologies, people and systems to have industry leading ESG credentials. Having a low carbon intensity along with a clear strategy for continual improvement in reducing emissions is integral to this.

Phase 2 L-Max[®] Plant Scoping Study

No work was undertaken during the quarter. This workstream will recommence once a development decision is made for the Phase 1 Project. The objective of the scoping study is to develop capital and operating cost figures for a hybrid LOH-Max[™]/L-Max[®] plant, with configurations ranging from 10,000tpa to 20,000tpa lithium hydroxide monohydrate. Various locations continue to be evaluated for a Phase 2 Plant, including Walvis Bay in Namibia, which will benefit from lower logistics costs so long as local markets exist for the bulk by-products.

² Karibib Project Supports Competitive Carbon Intensity, Lepidico ASX Announcement, 9 March 2020

RESEARCH & PRODUCT DEVELOPMENT

Lithium hydroxide Monohydrate (LiOH.H₂O): with a purity of greater than 99.0% was produced from the batch pilot trial in early January 2020. This is consistent with a nominal battery grade reference purity (56.5% LiOH) for many existing producers. Importantly, impurity levels of most deleterious elements for battery grade specifications were below detection limits. These results confirm the viability of LOH-Max™ at pilot scale as a new process for the production of high purity lithium hydroxide from a lithium sulphate intermediate, importantly without the production of potentially problematic sodium sulphate as a by-product.

Subsequently during the quarter, the refining of a larger sample of high purity lithium hydroxide monohydrate was undertaken, which is being prepared for dispatch to two prospective customers.

Discussions with BASF SE (“BASF”) continued during the quarter following the formal novation and extension to the Letter of Intent to 31 December 2020, whereby BASF would be able to purchase lithium hydroxide sourced from Lepidico’s integrated Phased 1 Lithium Chemical Project. BASF has confirmed that it continues to have the capability to assess chemical products despite implementation of COVID-19 related measures.

Sulphate of potash: multiple consumers have indicated interest in this product globally. Engagement with prospective customers also identified the crystallinity and solubility specifications required for a premium product. Samples were generated in February, with some dispatched to consumers. Further samples are planned to be distributed for analysis once COVID-19 related restrictions are revoked. In country marketing activities in the UAE have been suspended with engagement undertaken from Australia until Lepidico implemented travel restrictions are lifted.

Amorphous silica: encouraging testwork results were received that indicated this material can be marketed as a replacement for fly ash and possibly fumed silica. Further work is being undertaken by the CSIRO with results pending.

Caesium & Rubidium: non-disclosure agreements have been entered into with three prospective customers and the Company has engagement with several other consumers. One consumer that tested material from the pilot plant indicated that it could consume all Cs and Rb chemical production from the planned Phase 1 Plant. Further samples are being prepared for dispatch to other consumers.

EXPLORATION

Lepidico’s exploration strategy is to evaluate the geological potential within its properties with the objective of maximising the value associated with their mineralogical and metal endowment. Lithium mica and phosphate minerals are of primary interest to leverage value associated with the Company’s proprietary process technologies. However, the large Karibib Exclusive Prospecting Licences (EPL) area in Namibia is also prospective for other metals including gold (Figure 1), copper and tungsten.

Karibib Project (80%)

A regional exploration program to evaluate the lithium pegmatite and gold potential within the 1,054 km² exclusive prospecting licence areas started in January 2020.

Mapping was undertaken along the northwest extension of the Rubicon line of strike, which extends for approximately 2 km from the main pegmatite workings. This work identified target zones for further evaluation where the pegmatite swells in thickness at surface, including lepidolite bearing pegmatites up to a kilometre west of the main Rubicon workings. Soil geochemistry and portable XRF surveys will be used to prioritise potential targets for drilling.

A regional geological assessment of the Karibib area has identified potential for gold mineralisation within Lepidico's tenements, similar in nature to known gold deposits in the area. The Navachab Gold Mine (5.8 million ounces mined and in Ore Reserve) which commenced operation in 1989 and currently produces 65,000 oz to 85,000 oz of gold per year is located approximately 25 km northwest of Rubicon. More recently, in 2019 the discovery at Twin Hills of a significant gold mineralised system located less than 20 km north of Lepidico's Helikon deposits was reported by TSXV-listed Osino Resources (TSXV:OSI), which also holds the Goldkuppe gold occurrences a further 20 km to the northeast. All of these deposits are identified as being associated with skarns and sheeted quartz veins within marbles, schists and quartzites of either the Namibian or Karibib Formations. There is an abundance of the Karibib Formation within the eastern extent of Lepidico's EPLs along with occurrences of the Namibian Formation elsewhere, together with a number of late stage intrusives of late Damara age, which are thought to be responsible for gold mineralisation in the district. Collectively these factors indicate excellent prospectivity for gold within Lepidico's Karibib tenements

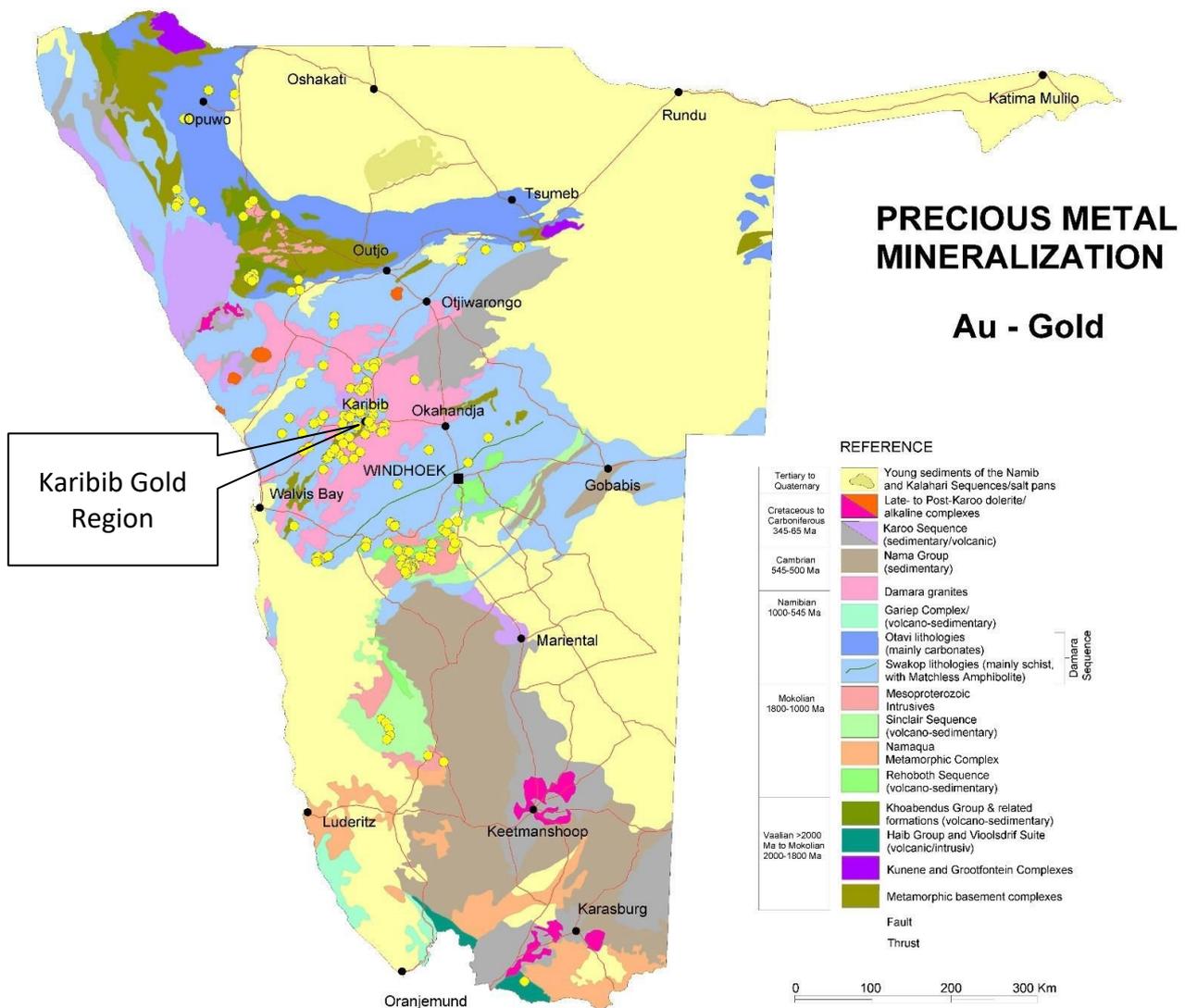


Figure 1: Geological map of Namibia showing the Karibib area as the dominant locus of known gold mineralisation occurrences (yellow dots)

CORPORATE

The health, safety and wellbeing of our people, staff and contractors, is of paramount importance at all times. Additional precautions have been taken associated with the COVID-19 pandemic including suspension of all business travel, along with a move to working from home and adherence to local

safety protocols in the jurisdictions in which we operate. A nationwide lockdown was implemented by the Namibian Government in March in response to the COVID-19 pandemic. This necessitated Lepidico's workforce in-country to be rationalised.

Further, in response to the changing market dynamics associated with the COVID-19 pandemic Lepidico started the phased implementation of a business austerity plan in early March. All non-essential activities have been curtailed. Effective as of 1 April 2020, the Board approved a deferral of all Directors' fees and 20% of senior executives' remuneration.

The geology team has been downsized; however key personnel have been retained to ensure the requirements of the Phase 1 Project Feasibility Study are met and that all licences remain in good standing. The Company is on track to complete the Phase 1 Feasibility Study and is making good progress on offtake for its products and in assembling a project financing package. The Company will continue to monitor the COVID-19 pandemic and adjust working protocols accordingly to ensure the continued health and safety of our people and preserve the Company's assets.

As at 31 March 2020, Lepidico had cash and cash equivalents of \$2.9 million.

Project Finance

A project funding strategy has been developed in collaboration with specialist debt advisory firm, Lion's Head Global Partners ("Lion's Head"). This work included a four month market sounding phase where numerous Development Financing Institutions (DFIs), Export Credit Agencies (ECAs) and commercial lenders to the mining and chemicals industries were canvassed as to their interest in evaluating Lepidico's integrated Phase 1 Project for provision of debt funding. Feedback has been excellent with ten NDAs signed to date with prospective financing institutions. To ensure the most competitive financing terms Lepidico plans to leverage its excellent sustainability credentials associated with its planned developments in both Namibia and Abu Dhabi by way of completion of ESIA's to the highest possible standards. This work has already started, however, due to a nationwide lockdown in Namibia social surveys have been interrupted necessitating additional time for completion. Financing activities will accelerate once the results from the Feasibility Study are available.

Controlled Placement Facility of \$7.5 million undrawn

The Controlled Placement Agreement (CPA) with Acuity Capital to provide Lepidico with up to \$7.5 million of standby equity capital up to February 2022 which may be used by the Company remains undrawn as at 31 March 2020.

Patents

Lepidico currently holds International Patent Application PCT/AU2015/000608 and a granted Australian Innovation Patent (2016101526) in relation to the L-Max[®] Process.

During the quarter, the Australian Patent Office issued a Deed of Letters Patent in relation to the Company's 100% owned L-Max[®] process technology. Subsequent to the quarter end the Japanese Patent Office confirmed the registration of the L-Max[®] patent. The Australian and Japanese patents, along with the US patent granted in September 2019, takes the number of patents granted to Lepidico for its L-Max[®] process, to three.

National and regional phase patent applications are well advanced in other key jurisdictions. Patent application processes also continue to advance for Lepidico's other proprietary processes including the production of caesium, rubidium and potassium brines and other formates and LOH-Max[™].

Non-Executive Director resignation

Effective 9 April 2020 Mr Brian Talbot resigned as non-executive Director of the Company. No new Board appointments are envisaged at this time.

Exploration and Resources

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

The information in this report that relates to the Helikon 1 and Rubicon MRE is based on information compiled by Vanessa O'Toole who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". At the time of compilation of the information, Vanessa O'Toole was an employee of Snowden Mining Industry Consultants Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the Helikon 2 - Helikon 5 deposits and the Rubicon slimes within the Karibib Project is based on information compiled by Mr Jeremy Witley, who is a fellow of The Geological Society of South Africa (GSSA) and is registered professional with the South African Council for Natural Scientific Professions (SACNSAP). Mr Witley is the Head of Mineral Resources at The MSA Group (Pty) Ltd (an independent consulting company). Mr Witley has sufficient experience relevant to the style of mineralisation and the types of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Witley consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

Forward-looking Statements

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

CORPORATE INFORMATION

Board & Management

Gary Johnson	Non-Executive Chairman
Joe Walsh	Managing Director
Mark Rodda	Non-Executive Director
Cynthia Thomas	Non-Executive Director
Brian Talbot	Non-Executive Director (resigned 9 April 2020)
Tom Dukovcic	GM Geology
Peter Walker	GM Projects
Shontel Norgate	CFO & Joint Company Secretary
Alex Neuling	Joint Company Secretary

Registered & Principal Offices

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Stock Exchange Listings

Australian Securities Exchange (Ticker LPD)
Frankfurt Stock Exchange (Ticker AUB)

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+61 (0) 2 9698 5414

Email: hello@automicgroup.com.au

Website: www.automicgroup.com.au

Issued Share Capital

As at 31 March 2020, issued capital was 4,633,668,407.

As at 19 April 2020, issued capital was 4,633,668,407.

Quarterly Share Price Activity

	High	Low	Close
January – March 2020	1.75c	0.6c	0.8c

Further Information

For further information, please contact

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TENEMENT INFORMATION (Provided in accordance with ASX Listing Rule 5.3.3)

NAMIBIAN OPERATIONS, Karibib Project

Karibib Project Tenement Schedule

Tenement ID	Registered Holder	Lepidico Interest	Expiry Date	Area
ML 204	Desert Lion Energy (Pty) Ltd	80%	18/06/2028	69 km ²
EPL 5439	Desert Lion Energy (Pty) Ltd	80%	27/10/2021	301 km ²
EPL 5555	Desert Lion Energy (Pty) Ltd	80%	03/04/2021	539 km ²
EPL 5718	Desert Lion Energy (Pty) Ltd	80%	26/10/2019 ¹	200 km ²

Note:

¹ Two-year extension approved, awaiting endorsed title document.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lepidico Ltd

ABN

99 008 894 442

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	(855)	(2,132)
	(c) production	-	-
	(d) staff costs	(516)	(1,632)
	(e) administration and corporate costs	(313)	(2,506)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,011	1,011
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(672)	(5,242)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities (Desert Lion acquisition costs)	-	(1,185)
	(b) tenements	-	-
	(c) property, plant and equipment	-	(2)
	(d) exploration & evaluation (if capitalised)	(474)	(5,789)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Cash acquired on Desert Lion acquisition)	-	416
2.6	Net cash from / (used in) investing activities	(474)	(6,560)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	75
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(30)	(30)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(30)	45

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,664	13,660
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(672)	(5,242)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(474)	(6,560)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	45
4.5	Effect of movement in exchange rates on cash held	437	1,022
4.6	Cash and cash equivalents at end of period	2,925	2,925

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,925	3,664
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,925	3,664

6. Payments to related parties of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	575
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Details regarding Item 6.1	\$'000
Salaries	102
Directors Fees	85
Payments to Director Related Entities (Development)	388
	<u>575</u>

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	7,500*	0
7.3 Other (Convertible Note)	5,743**	5,743
7.4 Total financing facilities	13,243	5,743
7.5 Unused financing facilities available at quarter end		7,500*
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>* On 23 December 2019 the Company executed a Controlled Placement Agreement (CPA) with Acuity Capital to provide Lepidico with up to \$7.5 million of standby equity capital to February 2022. Under the CPA Lepidico sets a floor price and the final issue price will be calculated as the greater of that floor price and a 10% discount to a Volume Weighted Average Price (VWAP) over a period nominated by Lepidico. As collateral for the CPA, Lepidico issued 230,000,000 ordinary shares from its LR7.1 capacity, at nil consideration to Acuity Capital ("Collateral Shares") but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).</p> <p>** The Company inherited a C\$5,000,000 Convertible Note ("Note"), which matures on 7 December 2020, as part of its acquisition of Desert Lion Energy Inc. Under the terms of Note, C\$1,000,000 must be repaid on the maturity date. The remaining C\$4,000,000 may be converted into 108,000,000 Shares at a deemed issue price of C\$0.037 per Share at the discretion of the noteholder on or before 7 December 2020. The Note is secured over the assets acquired by the Company from Desert Lion Energy Inc.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(672)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(474)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,146)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,925
8.5 Unused finance facilities available at quarter end (Item 7.5)	7,500
8.6 Total available funding (Item 8.4 + Item 8.5)	10,425
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9.09
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:17 April 2020.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.