

LEPIDICO LTD
ACN 008 894 442
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 10 October 2022 (**Prospectus**) issued by Lepidico Ltd (ACN 008 894 442) (**Company**).

This Supplementary Prospectus is dated 3 November 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.lepidico.com.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in section 2 and section 3 by making an additional offer under the Prospectus of up to 404,835,867 Shares at an issue price of \$0.018 per Share to raise up to \$7,287,046 together with one (1) free New Option for every two (2) Shares applied for and issued (**Additional Offer**). The Additional Offer is being made due to the significant number of applications and interest received for the Shortfall Offer.

The amendments to the Prospectus outlined in section 2 and section 3 below should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 General

The Company has resolved to seek to raise up to an additional \$7,287,046 by way of an offer of Shares (at the same price) and New Options (on the same ratio) as those securities offered under the Prospectus.

The Additional Offer is being made pursuant to this Supplementary Prospectus to remove any trading restrictions on the sale of the Shares and New Options to be issued under the Additional Offer.

2.2 The Additional Offer

Section 2.1 of the Prospectus is amended to include the following:

The Additional Offer is being made by way of a placement to third parties of up to 404,835,867 Shares at an issue price of \$0.018 per Share to raise up to \$7,287,046 together with one (1) free New Option for every two (2) Shares applied for and issued.

This Supplementary Prospectus is intended to be read with the Prospectus dated 10 October 2022 issued by Lepidico Ltd (ACN 008 894 442).

A maximum of 404,835,867 Shares and 202,418,533 New Options will be issued pursuant to the Additional Offer to raise up to \$7,287,046. No funds will be raised from the issue of the New Options.

2.3 Use of funds

Section 3.1 of the Prospectus is amended to include the following:

The Company intends to apply the \$7,287,046 raised pursuant to the Additional Offer as set out in the table below.

Item	Proceeds of the Additional Offer	Full Subscription (\$)	%
1.	EPCM Stage 2 detailed engineering & design	\$5,500,000	75.5%
2.	Exploration to support Phase 2 growth project	\$1,000,000	13.7%
3.	Research & development	\$250,000	3.4%
4.	Working capital	\$78,912	1.1%
5.	Expenses of the Additional Offer	\$458,134	6.3%
	Total	\$7,287,046	100%

2.4 Effect of the Offer and the Additional Offer

Section 3.2 of the Prospectus is amended and updated as follows:

The principal effect of the Offer, assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date, and the Additional Offer will be to:

- (a) increase the cash reserves by \$19,829,738 (after adding the funds raised from the Additional Offer, \$600,000 raised from the Controlled Placement Agreement as announced on 10 October 2022 and \$1,200,650 raised from the exercise of options announced on 11 October 2022 and 19 October 2022 and deducting the estimated expenses of the Offer and the Additional Offer) immediately after completion of the Offer and the Additional Offer;
- (b) increase the number of Shares on issue from 6,582,216,233 as at the date of this Prospectus to 7,637,771,223 Shares following completion of the Offer and the Additional Offer; and
- (c) increase the number of Options on issue from 710,629,823 as at the date of this Prospectus to 1,238,407,918 Options following completion of the Offer and the Additional Offer.

2.5 Effect on Capital Structure

Section 3.3 of the Prospectus is amended and updated by deleting the Shares and Options tables and including the following:

The effect of the Offer and the Additional Offer on the capital structure of the Company, assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue ¹	6,582,216,233
Shares offered pursuant to the Offer	650,719,123
Shares offered pursuant to the Additional Offer	404,835,867
Total Shares on issue after completion of the Offer and the Additional Offer	7,637,771,223

Note:

1. 75,000,000 unlisted Options (exercisable at \$0.016 on or before 8 December 2022) were exercised on 11 October 2022 and 25,000 listed Options (exercisable at \$0.026 on or 18 June 2023) were exercised on 19 October 2022 resulting in the issue of 75,025,000 Shares since the date of the Prospectus.

Options

	Number
Options currently on issue¹	
Listed Options exercisable \$0.026 expiring 18 June 2023	478,572,823
Unlisted Options exercisable at \$0.025 and expiring 21 November 2022	73,000,000
Unlisted Options exercisable at \$0.35 on or before 26 February 2023	5,967,000
Unlisted Options exercisable at \$0.012 on or before 19 November 2023	67,500,000
Unlisted Options exercisable at \$0.02 on or before 14 January 2024	18,090,000
Unlisted Options exercisable at \$0.072 on or before 18 November 2024	67,500,000
Total Options on issue	710,629,823
New Options to be issued pursuant to the Offer	325,359,562
New Options to be issued pursuant to the Additional Offer	202,418,533
Total Options on issue after completion of the Offer	1,238,407,918

Note:

1. 75,000,000 unlisted Options (exercisable at \$0.016 on or before 8 December 2022) were exercised on 11 October 2022 and 25,000 listed Options (exercisable at \$0.026 on or 18 June 2023) were exercised on 19 October 2022 since the date of the Prospectus.

2.6 Pro-forma balance sheet

Section 3.4 of the Prospectus is amended by deleting the table in Section 3.4 and including the following:

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, the Additional Offer is fully-subscribed and including expenses of the Offer and the Additional Offer.

	AUDITED 30 June 2022 \$	PROFORMA 30 June 2022 \$
CURRENT ASSETS		
Cash	8,042,822	27,872,560 ⁽¹⁾
Other current assets	2,204,232	2,204,232
TOTAL CURRENT ASSETS	10,247,054	30,076,792
NON-CURRENT ASSETS		
Plant and equipment	8,590,777	8,590,777
Exploration costs	46,763,770	46,763,770
Intangibles	29,065,361	29,065,361
Other non-current assets	632,379	632,379
TOTAL NON-CURRENT ASSETS	85,052,287	85,052,287
TOTAL ASSETS	95,299,341	115,129,079
CURRENT LIABILITIES		
Creditors and other payables	1,986,170	1,986,170
Lease liabilities	279,751	279,751
Short term provisions	178,697	178,697
Deferred revenue	6,613,159	6,613,159
TOTAL CURRENT LIABILITIES	9,057,777	9,057,777
NON-CURRENT LIABILITIES		
Lease liabilities	6,744,318	6,744,318
Provisions	670,970	670,970
Deferred tax liability	2,384,718	2,384,718

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	AUDITED 30 June 2022 \$	PROFORMA 30 June 2022 \$
TOTAL NON-CURRENT LIABILITIES	9,800,006	9,800,006
TOTAL LIABILITIES	18,857,783	18,857,783
NET ASSETS	76,441,558	96,271,296
EQUITY		
Share capital	102,655,726	122,568,844
Reserves	8,044,715	7,961,335
Accumulated losses	(41,653,272)	(41,653,272)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	70,653,272	89,866,907
NON-CONTROLLING INTEREST	6,404,389	6,404,389
TOTAL EQUITY	76,441,558	96,271,296

Notes:

1. Pro-forma cash and cash equivalents includes \$11,712,945 assuming all Entitlements are accepted, \$600,000 raised from the Controlled Placement Agreement as announced on 10 October 2022 and \$1,200,650 raised from the exercise of options announced on 11 October 2022 and 19 October 2022.
2. Pro-forma share capital includes \$11,783,398 assuming all Entitlements are accepted, \$600,000 raised from the Controlled Placement Agreement as announced on 10 October 2022 and \$1,200,650 raised from the exercise of Options announced on 11 October 2022 and 19 October 2022.

Moore Australia Audit (WA) has consented to the inclusion of the audited financial information of the Company as at 30 June 2022 used for the purposes of the pro-forma balance sheet set out above.

2.7 Payments to Underwriter

Section 6.4.1 of the Prospectus is amended as follows:

Mahe Capital Pty Ltd will be paid a fee of 5% of the total amount raised under the Additional Offer (equating to \$364,353).

Mahe Capital Pty Ltd has given its written consent to being named in this Supplementary Prospectus, in the form and context in which it is named.

2.8 Additional announcements

Section 6.2 of the Prospectus is amended by inclusion of the following announcements to the table:

This Supplementary Prospectus is intended to be read with the Prospectus dated 10 October 2022 issued by Lepidico Ltd (ACN 008 894 442).

Date	Description of Announcement
3 November 2022	Proposed issue of securities - LPD
3 November 2022	Entitlement Offer Closes Oversubscribed
1 November 2022	Lepidico Corporate Update – IMARC, Sydney
31 October 2022	Quarterly Activities / Appendix 5B Cash Flow Report
19 October 2022	Application for Quotation of Securities - LPD
19 October 2022	Pilot trial reports completed and quality crystals produced
18 October 2022	Notice of Annual General Meeting / Proxy Form
18 October 2022	Letter to Shareholders – AGM
18 October 2022	Appendix 4G
18 October 2022	Annual Report to Shareholders
14 October 2022	Entitlement Issue – Despatch of Prospectus
14 October 2022	Update – Proposed Issue of Securities – LPD
12 October 2022	Rights commence trading on ASX
11 October 2022	Application for quotation of securities – LPD
11 October 2022	S7058A Notice – Option Exercise
11 October 2022	Entitlements issue – Letter to ineligible holders
10 October 2022	Proposed issue of securities – LPD

3. EXPENSES OF THE OFFER AND THE ADDITIONAL OFFER

Section 6.8 of the Prospectus is amended as follows:

In the event that all Entitlements are accepted, the total expenses of the Offer and the Additional Offer are estimated to be approximately \$970,904 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	4,008
ASX fees	44,543
Underwriting fee	200,000
Manager to the Offer fee	250,000
Additional Offer Manager fee	364,353
Legal fees	15,000
Printing and distribution	73,000
Miscellaneous	20,000
Total	970,904

4. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Gary Johnson
Non-Executive Chairman
For and on behalf of
LEPIDICO LTD