

QUARTERLY ACTIVITIES REPORT

for the period ending 31 December 2023

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

Key Points

Development & Finance

- Due diligence being undertaken by multiple State Owned Enterprises and multinational corporations for strategic investment, and in certain circumstances lithium offtake, with site visits to Karibib undertaken by multiple organisations
- Preferred finance structure includes direct investment in Lepidico Chemicals Manufacturing (Abu Dhabi), prepayment for lithium hydroxide supply, debt and technology licencing; project funding commitments continue to be sought for this quarter
- DFC and commercial lender due diligence can resume once the chemical plant ownership structure is agreed
- Confirmation that crystalliser structural and plate steel fabrication in Abu Dhabi is cost competitive with incumbent Chinese manufacture; material logistics cost savings, reduced delivery times and construction flexibility envisaged
- Karibib options study well advanced for 20% capital reduction target; indicates solar hybrid off-grid power and contract crushing along with other upfront capital reduction alternatives are NPV neutral
- Detailed design and engineering for the Karibib concentrator and Abu Dhabi chemical plant sufficiently developed to allow orders to be placed with major mechanical equipment vendors
- AISC of US\$8,730/t LCE and C1 costs of US\$5,891/t LCE after by-product credits place the Project competitively in the second quartile of the forecast 2030 global cost curve (BMI) and support robust margins versus implied incentive prices for new lithium capacity
- Sustainability and Climate Strategies developed supporting finance initiatives

Products & Marketing

- Term sheets agreed for supply of previously beneficiated stockpiles at Karibib; draft supply agreements under negotiation; marketing agreement to continue post 31 December 2023
- Lithium offtake negotiations continue; lithium market conditions remain soft; caesium, silica, SOP and gypsum-rich residue forecast production volumes fully allocated
- Phase 1 remains one of the most advanced integrated lithium chemical development projects globally with Front End Engineering & Design (FEED) complete and a binding lithium hydroxide offtake agency agreement in place with Traxys

Corporate & Growth

- Cash and equivalents at 31 December 2023 of \$5.7 million
 - Phase 2 Scoping Study identifies two potential sites in the U.S. and one in Namibia; capex and opex 15-20% less in the UAE versus the US; Namibia economics being revised for new opportunities including domestic natural gas and green hydrogen
-

DEVELOPMENT & FINANCE

Lepidico continues to have a zero-harm track record since health and safety incident reporting began in September 2016, while no environmental incidents were reported in the quarter.

Finance

Lepidico's strategic imperative remains to fast-track the business to free cash flow generation and in so doing demonstrate the commercial viability of its process technologies. The financing strategy for the vertically integrated Phase 1 Project has centred on core funding from the public sector for both the Karibib mine-concentrator and the Abu Dhabi chemical plant. During the December 2023 quarter renewed private sector interest was received, both in the chemical plant and the integrated project, as well as in Lepidico's proprietary process technologies. Multiple prospective strategic partners are conducting due diligence and site visits to Karibib were recently undertaken.

As advised last quarter, funding processes for Phase 1 have taken far longer than originally envisaged, in large part due to many integrated lithium development projects requiring blended finance solutions. Jefferies Investment Bank embarked on a redirected private sector strategic partner initiative in April 2023. Over the past four months several new organisations joined the strategic partner process and are actively undertaking due diligence. Lepidico is receiving recognition for the unique opportunity that the L-Max[®] and LOH-Max[®] technologies provide for a low energy intensity lithium chemical conversion solution with exceptional green credentials, including no solid process waste and no process effluent.

The U.S. Government's Development Finance Corporation (DFC) continues to be considered as the lead lender for the Karibib development. However, other Development Finance Institutions along with commercial lenders are also party to the debt finance process being managed by Cygnum Capital. DFC has advanced its due diligence to the point where key stakeholders in the Abu Dhabi chemical plant need to be identified in order to undertake associated legal due diligence, as previously announced. By way of background, due to the integrated nature of the development DFC due diligence includes the chemical plant despite its lending mandate being limited to Namibia as a developing economy. Select commercial lenders for both Karibib and the KEZAD chemical plant are also positioned to resume due diligence once key project stakeholders are identified.

In parallel with these core funding activities, the existing beneficiated stockpiles at Karibib as well as future concentrate are being proactively marketed, following a tender process. Significant interest has been received. A term sheet for the beneficiated stockpile material has been agreed with one consumer, with others under negotiation. A full form supply agreement is now being negotiated. Lepidico has allowed this marketing arrangement to extend past the 31 December 2023 due to the encouraging progress being made.

The alternative, sequential (versus parallel) development strategy announced the previous quarter, where the mine and concentrator are prioritised – selling lithium mica concentrate to third parties – ahead of committing to the downstream chemical plant continues to be assessed. This scenario provides for a much lower initial funding requirement and a shorter development timeline. Encouraging feedback from major mechanical equipment manufacturers, such as mill fabricators, continue to indicate shorter delivery times currently than considered in November 2022 when Front-End Engineering & Design (FEED) completed. This led to an options study for the Karibib development starting in the December 2023 quarter to evaluate more capital efficient alternatives for non-process infrastructure.

Phase 1 Development

Lepidico remains determined to pursue the development of a chemical conversion plant in Abu Dhabi given the associated strategic advantages: established infrastructure; availability of affordable energy, sulphur and other reagents; local markets for bulk products including silica and the gypsum residue; and availability of skilled/semi-skilled labour.

Continued engagement with several leading equipment manufacturers for the chemical plant has led to material cost savings being identified and shorter lead times for equipment supply. Lepidico has been working with a leading crystalliser supplier to assess the economics of developing a

manufacturing capability in the UAE. Fabrication of structural and plate steel components has been revealed to be cost competitive with existing Chinese facilities. As a result, delivery costs and times may be materially reduced, while local just-in-time delivery should provide additional flexibility during construction. Lepidico is also working with equipment manufacturers with established local presence in the UAE to bundle equipment into larger packages. Feedback is pending to determine whether this will result in cost savings and potentially stapled finance.

Advancements in solar power generation efficiency, integration with energy storage and bio-diesel backup allows an off-grid power solution to be evaluated for Karibib, which would negate the requirement for a 27km power line spur to tap into the local substation. In turn this has led the Project team to evaluate lease alternatives for ore crushing using mobile units that will provide flexibility in the early years of operation, as mining moves from Rubicon to Helikon and back to Rubicon. Consideration is also being given to lease to buy options for non-process infrastructure such as the analytical laboratory. This Karibib options study has identified the potential for a circa 20% reduction in the development capital estimated at US\$63 million when FEED completed. Preliminary evaluation suggests that the associated increase in operating costs should result in an NPV-neutral outcome.

As previously advised, Stage 2 implementation works, conducted under the Engineering Procurement & Construction Management (EPCM) contracts for both the Abu Dhabi chemical conversion plant and the Karibib concentrator will resume once project funding is secured.

By way of background, Lepidico's technologies provide a far more sustainable alternative to roasting for converting lithium mica minerals.

- L-Max[®] and LOH-Max[®] are hydrometallurgical processes that convert lepidolite concentrates to lithium hydroxide with no solid process waste generated, no effluent and no sodium sulphate. By-product revenues can be realised from caesium, rubidium, SOP, amorphous silica and a gypsum-rich residue. Energy intensity and greenhouse gas emissions are both relatively low.
- Phase 1 in Abu Dhabi has been de-risked by 4 pilot trials – each plant being progressively larger scale than the prior facility – and an exhaustive risk-based process design review during FEED that was completed in November 2022. Phase 1 is ready to transition to construction on securing finance.

Life of mine All In Sustaining Costs (AISC)¹ for the integrated project are estimated to average US\$8,730/t Lithium Carbonate Equivalent (LCE) (US\$7,680/t lithium hydroxide) while C1 costs are estimated at US\$5,890/t LCE (US\$5,185/t lithium hydroxide), after by-product credits (ASX Announcement, Phase 1 Project Economics Updated, 30 October 2023). Chemical plant by-products include caesium, rubidium, amorphous silica, sulfate of potash (SOP) and a gypsum-rich residue, with no solid process waste.

Karibib is fully permitted for the re-development of two open pit mines at Rubicon and Helikon 1, which will feed lithium mica ore to a central mineral concentrator that employs conventional flotation technology. Awarded Project permits include the Mining Licence (ML204), water extraction permit, Environmental Compliance Certificate (ECC), Accessory Works Permit and a separate ECC awarded for the overhead power transmission line.

Product Marketing

A commodity trader was appointed in April 2023 to market the stockpiles of previously beneficiated concentrate at Karibib to lithium mica converters in China, under a nine month arrangement, which now extends into the March 2024 quarter. After going out to tender in September 2023, this process has now resulted in a term sheet (including commercial terms) being agreed for the supply of existing

¹ C1 cash costs: Brook Hunt convention for the reporting of direct cash costs comprising mine site, product transportation and freight, treatment and refining charges and marketing costs.

AISC or C3: C1 cash cost plus royalties; corporate support and shared services costs; sustaining capital; lease principal and interest charges; and deferred mining and inventory adjustments capitalised.

Net of by-product credits LCE basis: costs for lithium and other products after deduction of credits for by-product revenues, per tonne of recovered lithium chemical.

concentrate stockpiles at Karibib. A draft supply agreement is currently under negotiation. Term sheets are under negotiation with other parties.

This marketing initiative has been expanded to include future supply of concentrate from the planned Phase 1 Karibib concentrator. Interest is strong given the concentrate is estimated to grade between 2.5-3.5% Li₂O over the life of mine and over 3.0% Li₂O for at least the first 5 years of operation, making this a premium product.

Lepidico Chemicals Manufacturing signed a binding offtake agreement in December 2021 with Traxys Europe S.A. ("Traxys"), where Traxys provides sales-marketing, logistics and trade finance for 100% of lithium hydroxide manufactured during the first 7 years of operation or 35,000t in total. In addition, Traxys is acting as agent for 100% of the production of caesium sulphate solution from the KEZAD chemical plant.

The Company continues to work closely with Traxys to place the lithium hydroxide produced from the Phase 1 KEZAD plant on mutually beneficial terms that are sustainable, and effectively manage price risk for supplier and consumer throughout a cycle. Offtake negotiations remain "live" however prevailing lithium price weakness has caused many consumers to continue to delay making new commitments for lithium chemicals.

Caesium sulphate agreements are in the final rounds of negotiation with all expected production volume allocated to end customers.

Letters of Intent (LOIs) are in hand from customers in the UAE for volumes exceeding the expected production of amorphous silica, sulphate of potash (SOP) and gypsum-rich residue.

Phase 2 Plant Scoping Study

Broad interest continues to be shown in large-scale lithium mica processing hubs in Europe, Namibia, the UAE, the UK and the US.

Two prospective sites on established industrial parks in the US have been shortlisted. Engagement with both State and County authorities has resulted in incentive packages being developed for each site. Key terms have been agreed for one of these sites including rates for all utilities and services. Data is still being collected and compiled for the second site. Preliminary data suggests that both capital cost and operating costs are expected to be 15-20% lower at KEZAD in the UAE than at these US site. However, reduced logistics costs for domestic or regionally source concentrate, coupled with availability of public sector funding justify the ongoing assessment of a US chemical plant.

Updated input data is being sourced for the 25-hectare chemical plant site identified near Walvis Bay, Namibia.

Two throughput scenarios are envisaged for Phase 2, a sister plant to Phase 1 with a nominal output capacity of 5,600tpa lithium hydroxide and a larger nominal 20,000tpa facility. The former is being evaluated based on concentrate feed solely from Karibib, while the larger facility will rely on lithium mica concentrate feed from third-party concentrators as well. To this end, additional sources of concentrate from third-party lithium mica mines continue to be evaluated, which could support the development of a global market for lithium mica concentrates, Lepidico's ultimate objective.

Sustainability

During the quarter, the Company finalised its Sustainability and Climate Strategies. The Sustainability Strategy is built on four pillars: Planet, People, Partnerships & Processes, and Prosperity. Both Strategies was reviewed and approved by Lepidico's Sustainability, Audit and Risk Committee and adopted by the Board.

These Strategies were developed with IBIS Consulting in collaboration with Lepidico's management and are aligned with the UN Sustainable Development Goals; the International Council on Mining and Metals principals; the Taskforce on Climate-related Financial Disclosures; and the Intergovernmental Panel on Climate Change's latest assessment report.

The Sustainability Strategy is founded on a materiality assessment to identify and prioritise the sustainability topics of greatest impact to the business and of greatest importance to Lepidico's stakeholders.

Embedded within the Climate Change and Energy Strategy is a commitment to follow a Paris agreement aligned decarbonization pathway, which is compatible with a 1.5°C temperature scenario in our own operations. The Strategy supports decarbonization via Lepidico's innovative proprietary low carbon lithium manufacturing solutions, as well as by progressive electrification, implementation of new adaptation solutions across operations and support of host communities to adapt to the physical impacts of climate change.

The goal is net zero by 2050 with specific targets set at years 2035, 2040 and 2050. The KPIs are focused on scope 1, 2 and 3 GHG emissions targets and efficient non-carbon generating energy usage. IBIS Consulting also conducted a revised GHG assessment that shows the Phase 1 Project's Scope 1,2 & 3 emissions estimates are more than 43% below the hard rock lithium industry average.

Modern sustainability and climate strategies are designed to be bankable and Lepidico's Sustainability Strategies are designed to meet the most stringent lender requirements at the company's current stage of development.

IBIS Consulting also undertook a Human Rights gap analysis of Lepidico's systems, which generated an action plan that will be progressively implemented through the project development phase and into operations. Lepidico is committed to the safety and well-being of its employees, contractors and the community, diversity, equity, inclusion and respect for human rights.

EXPLORATION & RESOURCE DEVELOPMENT

Karibib Project (80%)

Lepidico is pursuing a strategy of maximising the value of its exploration properties by implementing programs targeted at a range of metals for which the Namibian tenements are prospective, including lithium, caesium, rubidium, tantalum, gold, copper and tungsten. Work programs span a range of activities, from regional exploration assessing conceptual targets to Mineral Resource development. The near-term objectives of this work are to extend the operating life of the Phase 1 Project to over 20 years, expand the Resource base to support the Phase 2 Scoping Study and evaluate the Karibib licences for their gold potential.

Mineral Resource & Ore Reserve development

A short reverse circulation drilling program was completed at Helikon 4 to test mineralisation extension down dip. A total of 8 holes for 707 metres was completed, with six of the holes intercepting pegmatite, confirming a 20 m - 30 m down-dip extension over a 40 m – 60 m strike. The results also indicate the presence of a fault at depth potentially truncating the mineralised system down-dip. Assay results have been received and at the time of writing are being evaluated.

Regional Exploration and Scout Drilling

Three scout holes were drilled into a new target A1, located within regional target RT001. Regional targets are worked up using an in-house algorithm based on regional geophysics and structural interpretation, followed by gridded soil sampling and analysis by portable XRF for K, Rb and Cs and then ground magnetics over selected zones. The aim of this work is to seek out new areas of LCT type pegmatite mineralisation that do not outcrop. RT001 is one of 17 such targets delineated within the Karibib project tenements.

Target A1 is defined by an outcrop of pegmatitic granite coincident with a structural feature that was defined by ground magnetics. The orientation of this feature is parallel to the trend of the Rubicon pegmatite 2 km southeast. All the holes intercepted pegmatitic granite, with one hole intersecting a 17 m interval of perthite-quartz-muscovite pegmatite. Assay results have been received and at the time of writing are being evaluated.

CORPORATE

Cash & Facilities

At 31 December 2023, the Company held \$5.7 million in cash and cash equivalents.

Project Finance

Further to the development and finance discussion above, Cygnum Capital continues to advise Lepidico on a strategic collaboration on the KEZAD chemical plant with several Abu Dhabi state-owned organisations. There continues to be strong support from KEZAD and other Abu Dhabi government departments for the Phase 1 lithium conversion plant, which represents a platform for growth and an enabler for further direct foreign investments in EV supply chain developments within Abu Dhabi.

Cygnum Capital is also advancing discussions with other Development Finance Institutions, commercial lenders and export credit agencies for debt finance for the Abu Dhabi chemical plant development, with credit approvals expected to be sought by lenders following the completion of due diligence.

Other strategic equity options are also being pursued under the advisory agreement with Jefferies, which along with debt are intended to provide alternatives for a full Phase 1 funding package.

At-the-Market Facility Extension

On 26 January 2024, the Company agreed with Acuity Capital to extend the expiry date of its At-the-Market Subscription Agreement (“ATM”) (previously referred to as a Controlled Placement Agreement) from 31 January 2024 to 31 January 2027.

As previously announced, the ATM was initially established with an expiry date of 31 January 2021 and provided Lepidico with up to \$7.5 million of standby equity capital (see announcements on 23 December 2019 and 30 January 2022). In January 2022 the ATM expiry date was extended to 31 January 2024 (see announcements above).

Lepidico has utilised the ATM to raise a total of \$3.525m and the remaining standby equity capital available under the ATM is \$3.975m. There is no requirement on Lepidico to utilise the ATM and the Company may terminate the ATM at any time without cost or penalty.

Acuity Capital holds 72,900,000 fully paid ordinary LPD shares as security against the ATM. No additional security has been provided or is required in relation to the ATM extension.

There were no fees or costs associated with the extension of the ATM.

Legal Dispute

On 31 May 2023, Jiangxi Jinhui Lithium Co., Ltd (Jinhui), a private Chinese corporation filed a Notice of Arbitration under the Arbitration Rules of the Singapore International Arbitration Centre (Notice).

The Notice is in connection with the offtake agreement between Desert Lion Energy (Pty) Ltd (subsequently renamed Lepidico Chemicals Namibia (Pty) Ltd) and Jinhui dated 6 November 2017 and later amended on 13 February 2018, which provided for the sale of material located in the stockpile at the Karibib project in Namibia and expired on 16 November 2022 (the Offtake Agreement).

In accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC), the panel of three arbitrators, being each party’s nominated arbitrator and the third independent arbitrator has been completed and the arbitration timetable set.

In accordance with the agreed timetable the Company received Jinhui’s Statement of Claim (SOC) in December 2023. The SOC includes a claim for US\$5.0 million which is made up of the initial deposit of US\$4.5 million, plus expenses related to the dispute.

The Company filed its Statement of Defence and Counterclaim (SODCC) in January 2024. In the SODCC the Company vigorously defends its position that the deposit was not and is not refundable

under Ontario law and has submitted a counterclaim, well in excess of the claim included in Jinhui's SOC.

Under the agreed timetable, the arbitration hearing has been provisionally fixed for early November 2024, in the event that the parties are unable to come to a settlement earlier.

Patents and Trademarks

The Company holds granted patents for its L-Max[®] technology in the United States, Canada, Europe, Japan and Australia. The Company also has patents granted for its process technology for lithium recovery from phosphate minerals (amblygonite) from the United States, Canada, Japan, Australia and Europe.

During the quarter, the Company was notified of the decision to grant a patent for the Company's LOH-Max[®] process in Japan. The national and regional phase of the patent application for LOH-Max[®] is progressing in the remaining jurisdictions under PCT/AU2020/050090. The S-Max[®] Australian patent applications are progressing under 2019262080 and 2019262079.

The national and regional phase of the patent application for the lithium carbonate recovery process from a raw lithium hydroxide material is progressing under the Patent Cooperation Treaty (PCT) and was allotted the number PCT/AU2022/050297. The patent process is expected to continue during 2024.

The International PCT application for the preparation of Cs-Rb-K alkali salt solutions from lithium mica mineral source material under the PCT number PCT/AU2022/051154 progressed to the national and regional phase during the quarter. The refining process has application in tailoring ternary materials for industrial catalyst applications and the patent process is expected to continue during 2024.

Exploration and Resources

Compliance Statement

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.

Previously Reported Results

Reference in this report is made to the Company's ASX announcements dated 22 November 2022 ("Phase 1 Economics Updated & Improved"), 30 January 2023 ("Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources"), 7 March 2023 ("Replacement Announcement – Helikon 4 Ore Reserve") and 30 October 2023 ("Phase 1 Project Economics Updated Operating Costs & Long-Term Margins Improved"). Other than as disclosed in those announcements, the Company confirms it is not aware of any new information or data that materially affect the information in those announcements.

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

Directors

Gary Johnson (Non-Executive Chair)
Joe Walsh (Managing Director)
Mark Rodda (Non-Executive Director)
Cynthia Thomas (Non-Executive Director)

Registered & Principal Office

Suite 2, 680 Murray Street,
West Perth, WA 6005, Australia

Key Management

Benedicta Uris (GM Sustainability & Country Affairs)
Timo Ipangelwa (GM Operations – Namibia)
Hans Daniels (GM Operations – UAE)
Roland Wells (Project Director)
Tom Dukovic (GM Geology)
David Hall (GM Marketing & Investor Relations)
Shontel Norgate (CFO & Joint Company Secretary)
Alex Neuling (Joint Company Secretary)

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Stock Exchange Listings

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

Issued Share Capital

As of 31 December 2023, issued capital was 7,638,307,948.

As of 30 January 2024, issued capital was 7,638,305,948.

Quarterly Share Price Activity

| | High | Low | Close |
|-------------------------|------|------|-------|
| October - December 2023 | 1.2c | 0.7c | 0.8c |

Authorised for release by the Managing Director.

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 | Lepidico Chemicals Namibia (Pty) Ltd | 80% | 18/06/2028 | 69 km ² |
| EPL 5439 | Lepidico Chemicals Namibia (Pty) Ltd | 80% | 09/06/2024 | 165 km ² |

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

Payments made during the quarter and included in Item 6.1 of Appendix 5B – Mining Exploration Entity Quarterly Cash Flow Report, comprise the following:

Item 6.1: Aggregate amount of payments to related parties and their associates included in cash flows from operating activities is \$207,000:

| | |
|---|-------------------|
| | \$'000 |
| Remuneration | 131 |
| Directors Fees | 72 |
| Payments to Director-Related Entities (Development) | 4 |
| Total included in 6.1 | <u>207</u> |

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 December 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation (expensed) | - | - |
| (b) development | (191) | (587) |
| (c) production | - | - |
| (d) staff costs | (641) | (1,467) |
| (e) administration and corporate costs | (941) | (1,579) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 51 | 126 |
| 1.5 Interest and other costs of finance paid | (3) | (10) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (legal dispute) | (3) | (118) |
| 1.9 Net cash from / (used in) operating activities | (1,728) | (3,635) |

| | | |
|--|-------|---------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (62) | (64) |
| (d) exploration & evaluation (capitalised) | (860) | (1,333) |
| (e) investments | - | - |
| (f) other non-current assets (patents) | (68) | (79) |

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 (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 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 | - | - |
| 2.6 | Net cash from / (used in) investing activities | (990) | (1,476) |

| | | | |
|-------------|---|-----------|-----------|
| 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 | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | 53 | 53 |
| 3.6 | Repayment of borrowings | (18) | (21) |
| 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 | 35 | 32 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 8,279 | 10,829 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,728) | (3,635) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (990) | (1,476) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 35 | 32 |

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 (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | 94 | (60) |
| 4.6 | Cash and cash equivalents at end of period | 5,690 | 5,690 |

| 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 | 5,690 | 8,279 |
| 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) | 5,690 | 8,279 |

| 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 | 207 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>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.</i> | | |

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. 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 ** | Up to 7,500 | 3,525 |
| 7.3 | Other (Revolving Vehicle Financing Facility) | 190 | 188 |
| 7.4 | Total financing facilities ** | Up to 7,690 | 3,713 |
| 7.5 | Unused financing facilities available at quarter end | | Up to 3,977 |
| 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>On 19 April 2021 the Company announced it had raised A\$2,925,000 (after costs) through the set-off of 134,000,000 collateral shares (Set-off Shares) previously issued to Acuity Capital under the Controlled Placement Agreement (CPA) as announced on 23 December 2019.</p> <p>On 10 October 2022 the Company announced it had raised A\$600,000 (after costs) through the set-off of 23,100,000 Set-off Shares previously issued to Acuity Capital under the CPA.</p> <p>The Set-Off Shares reduces the total collateral shares to 72,900,000 million, which Acuity Capital is otherwise required to return to the Company upon termination of the CPA. The unused facility reduced by \$0.6 million following the capital raise and cash increased by \$0.6 million.</p> <p>On 26 January 2022 the Company agreed with Acuity Capital to extend the expiry date of its Controlled Placement Agreement ("CPA") to 31 January 2024. On 26 January 2024, the CPA was further extended to 31 January 2027.</p> | | |

| 8. | Estimated cash available for future operating activities | \$A'000 |
|-----|--|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,728) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (860) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (2,588) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 5,690 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | Up to 3,977 |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 9,667 |

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

| | | |
|---|---|-----|
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.7 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: Although the Company has positive relevant outgoings at Item 8.3 it provides the following information due to the nature of the cash from operating activities during the quarter. | |
| 8.8.1 | 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 | | |
| 8.8.2 | 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 | | |
| 8.8.3 | 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 | | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | | |

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: 30 January 2024.....

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.