

**LEPIDICO LTD**  
**ACN 008 894 442**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.003 per Share together with one (1) free New Option for every two (2) Shares applied for and issued to raise up to \$5,728,731 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Offer is partially underwritten by Mahe Capital Pty Ltd (AFSL 517246) (**Underwriter**). Refer to Section 6.4.1 for details regarding the terms of the underwriting. Mahe Capital Pty Ltd are also acting as Lead Manager to the Offer.

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.



**Mahe Capital**

**STEINPREIS PAGANIN**  
Lawyers & Consultants



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## IMPORTANT NOTICE

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This Prospectus is dated 4 April 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' 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, as at the date of this Prospectus, 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, the Directors and the Company's management.

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 Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention 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 Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

### Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Ontario, Canada.

For further information on overseas Shareholders please refer to Section 2.9.

### Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

## Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (<https://lepidico.com/>). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

## Electronic Prospectus

A copy of this Prospectus can be downloaded from <https://investor.automic.com.au/#/home>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be a resident in Australian, New Zealand or Ontario, Canada and must only access this Prospectus from within Australia, New Zealand or Ontario, Canada.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (08) 9363 7800 during office hours or by emailing the Company at [info@lepidico.com](mailto:info@lepidico.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

## Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would

contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

## Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

## Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 (08) 9363 7800.

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## CORPORATE DIRECTORY

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### Directors

Gary Johnson  
*Non-Executive Chair*

Julian "Joe" Walsh  
*Managing Director*

Mark Rodda  
*Non-Executive Director*

Cynthia Thomas  
*Non-Executive Director*

### Joint Company Secretaries

Shontel Norgate  
Alex Neuling

### Registered Office

Suite 2  
680 Murray Street  
WEST PERTH WA 6005

Telephone: + 61 8 9363 7800  
Facsimile: +61 8 9363 7801

Email: [info@lepidico.com](mailto:info@lepidico.com)  
Website: [www.lepidico.com](http://www.lepidico.com)

**ASX Code: LPD, LPDO**

### Share Registry\*

Automic Pty Ltd  
Level 5  
191 St Georges Terrace  
PERTH WA 6000

GPO Box 5193  
SYDNEY NSW 2001

Telephone:

1300 288 664 (within Australia)

+61 (0) 2 9698 5414 (international)

Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

### Legal advisers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4  
The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Lead Manager and Underwriter

Mahe Capital Pty Ltd  
Level 8  
99 St Georges Terrace  
PERTH WA 6000

### Auditor\*

Moore Australia Audit (WA)  
Level 15  
Exchange Tower  
2 The Esplanade  
PERTH WA 6000

Telephone: (08) 9225 5355

Facsimile: (08) 9225 6181

\*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Lodgement of Prospectus with the ASIC	Thursday, 4 April 2024
Lodgement of Prospectus and Appendix 3B with ASX	Thursday, 4 April 2024
Ex date	Tuesday, 9 April 2024
Rights start trading	Tuesday, 9 April 2024
Record Date for determining Entitlements	Wednesday, 10 April 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 15 April 2024
Rights stop trading	Monday, 22 April 2024
Securities quoted on a deferred settlement basis	Tuesday, 23 April 2024
Last day to extend the Closing Date	Wednesday, 24 April 2024
Closing Date as at 5:00pm*	Tuesday, 30 April 2024
ASX and Underwriter notified of under subscriptions	Wednesday, 1 May 2024
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Thursday, 2 May, 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Tuesday, 7 May, 2024
Quotation of Securities issued under the Offer*	Wednesday, 8 May 2024

\*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

## 1.2 Key statistics of the Offer

### Shares

	Minimum Subscription (\$2,000,000) <sup>1</sup>	Maximum Subscription (\$5,728,731) <sup>2</sup>
Offer Price per Share	\$0.003	\$0.003
Entitlement Ratio (based on existing Shares)	1:4	1:4
Shares currently on issue	7,638,307,948	7,638,307,948
Shares to be issued under the Offer	666,666,667	1,909,576,987
Gross proceeds of the issue of Shares	\$2,000,000	\$5,728,731
<b>Shares on issue Post-Offer</b>	<b>8,304,974,615</b>	<b>9,547,884,935</b>

#### Notes:

1. Assuming the Minimum Subscription of \$2,000,000 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$5,728,731 is achieved under the Offer.
3. Refer to Section 4.1 for the terms of the Shares.

### Options

	Minimum Subscription (\$2,000,000) <sup>1</sup>	Maximum Subscription (\$5,728,731) <sup>2</sup>
Offer Price per New Option	nil	nil
Option Entitlement Ratio (based on Shares subscribed for)	1 for 2	1 for 2
Options currently on issue	810,918,259	810,918,259
New Options to be issued under the Offer	333,333,333	954,788,494
Gross proceeds of the issue of Options	\$Nil	\$Nil
<b>Options on issue Post-Offer</b>	<b>1,144,251,592</b>	<b>1,765,706,753</b>

#### Notes:

1. Assuming the Minimum Subscription of \$2,000,000 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$5,728,731 is achieved under the Offer.
3. Refer to Section 4.2 for the terms of the New Options.

## 1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as

highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description	Further Information
<b>Additional Requirements for capital</b>	The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under the Offer to develop its Phase 1 Project. Any additional equity financing at the Company level or its subsidiary companies will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.	Section 5.2
<b>L-Max<sup>®</sup> Technology Risk</b>	<p>The L-Max<sup>®</sup> Technology is a new process that has only been tested at a pilot scale. The technology has not been scaled up and tested and may not be technically feasible, may not perform the process as it was designed, may prove uneconomic, unreliable and may not be developed on a timely basis.</p> <p>Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.</p> <p>Although the Company will implement all reasonable endeavours to protect its L-Max<sup>®</sup> Technology, there can be no assurance that these measures have been or will be sufficient.</p>	Section 5.2
<b>LOH-Max<sup>®</sup> Technology Risk</b>	<p>The LOH-Max<sup>®</sup> Technology is a new process that has only been tested at pilot scale. The technology has not been scaled up and may not be technically feasible, may not perform the process as it was designed, may prove uneconomic, unreliable and may not be developed on a timely basis.</p> <p>Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.</p> <p>Although the Company will implement all</p>	Section 5.2



	reasonable endeavours to protect the LOH-Max <sup>®</sup> Technology, there can be no assurance that these measures have been or will be sufficient.	
<b>Research and Development</b>	The Company can make no representation that any of its research into or development of the Company's lithium technologies will be successful, that the development milestones will be achieved, or that the Technologies will be developed into products that are commercially exploitable.	Section 5.2
<b>Pilot Plant limited operation</b>	The Company has operated four pilot plants. The most recent demonstration scale pilot has only been operated for one campaign and may not perform the process as it was designed for any subsequent campaigns or at larger scale.	Section 5.2

#### 1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Gary Johnson	340,689,197 <sup>1</sup>	25,998,769 <sup>2</sup>	85,172,300	42,856,150	255,517
Julian (Joe) Walsh	37,215,430 <sup>3</sup>	45,159,143 <sup>4</sup>	9,303,858	4,651,929	27,912
Mark Rodda	Nil	23,333,333 <sup>5</sup>	Nil	Nil	Nil
Cynthia Thomas	Nil	23,333,333 <sup>6</sup>	Nil	Nil	Nil

##### Notes:

- Mr Johnson's interest in 266,271,201 Shares is by virtue of the shareholding of Strategic Metallurgy Holding Pty Ltd (**Strategic Metallurgy**), a body corporate controlled by Mr Johnson. Strategic Metallurgy also has an interest in Shares by virtue of voting agreements between Strategic Metallurgy and Anne Ross Rankin (50,000,134 Shares) and The Johnson-Rankin Superannuation Fund Pty Ltd as trustee for the Johnson Superannuation Fund (23,317,862 Shares). 1,100,000 Shares are held directly by Mr Johnson.
- By virtue of being a controller of Strategic Metallurgy and beneficiary of Johnson Superannuation Fund Mr Johnson holds 2,615,436 quoted options exercisable at 3.0 cents and expiring on 4 November 2024. Mr Johnson also has a direct interest in 50,000 quoted options exercisable at 3.0 cents on or before 4 November 2024. Mr Johnson also holds 7,500,000 unlisted Options exercisable at 7.2 cents on or before 18 November 2024, 7,500,000 unlisted Options exercisable at 2.6c cents on or before 28 November 2025, 8,333,333 unlisted options exercisable at 1.3c and expiring on 22 November 2026 all of which will provide an additional Entitlement should they be exercised prior to the Record Date.
- Mr Walsh holds indirectly through a controlled body corporate, Invia Custodian Pty Limited <Fogg Walsh Family A/C> of which he is a beneficiary, 19,215,430 Shares. 18,000,000 Shares are held directly by Mr Walsh.
- Mr Walsh also holds indirectly through a controlled body corporate Invia Custodian Pty Limited <Fogg Walsh Family A/C> of which he is a beneficiary, 873,429 quoted Options

exercisable at 3.0 cents on or before 4 November 2024. Mr Walsh also holds 15,000,000 unlisted Options exercisable at 7.2 cents on or before 18 November 2024, 15,000,000 unlisted Options exercisable at 2.6 cents on or before 28 November 2025 and 14,285,714 unlisted options exercisable at 1.0 cent on or before 22 November 2026, all of which will provide an additional Entitlement should they be exercised prior to the Record Date.

5. Mr Rodda holds indirectly through a controlled body corporate Sodelu Pty Ltd 7,500,000 unlisted Options exercisable at 7.2 cents on or before 18 November 2024, 7,500,000 unlisted incentive options exercisable at 2.6 cents on or before 28 November 2025 and 8,333,333 unlisted options exercisable at 1.3 cents on or before 22 November 2026, all of which will provide an additional Entitlement should they be exercised prior to the Record Date.
6. Mrs Thomas holds indirectly as trustee of the C.P Thomas Trust 2014, 7,500,000 unlisted Options exercisable at 7.2 cents on or before 18 November 2024, 7,500,000 unlisted incentive options exercisable at 2.6 cents on or before 28 November 2025 and 8,333,333 unlisted options exercisable at 1.3 cents on or before 22 November 2026, all of which will provide an Entitlement should they be exercised prior to the Record Date.

The Board recommends all Shareholders take up their Entitlements. The Board advises that Messrs Johnson and Walsh intend to participate in the Offer to the fullest extent possible, subject to funding. In addition, Strategic Metallurgy Holdings Pty Ltd will participate in the Offer to the extent possible based on its current financial situation.

## **1.5 Details of Substantial Holders**

Based on publicly available information as at the date of this Prospectus, the Company does not have any substantial Shareholders who (together with their associates) have a relevant interest in 5% or more of the Shares on issue

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

## **1.6 Lead Manager**

Mahe Capital Pty Ltd has been appointed as the lead manager of the Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4.2 below.

## **1.7 Underwriting and sub-underwriting**

The Offer is also partially underwritten by Mahe Capital Pty Ltd. Refer to Section 6.4.1 for details of the terms of the underwriting and total fees payable.

No sub-underwriter will increase their shareholding to above 19.9% as a direct result of the issue of Securities under the Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

## **1.8 Effect on Control**

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

## 1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20.0% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 23.08% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	100,000,000	1.31%	25,000,000	100,000,000	1.05%
Shareholder 2	50,000,000	0.65%	12,500,000	50,000,000	0.52%
Shareholder 3	25,000,000	0.33%	6,250,000	25,000,000	0.26%
Shareholder 4	10,000,000	0.13%	2,500,000	10,000,000	0.10%
Shareholder 5	1,000,000	0.01%	250,000	1,000,000	0.01%

### Notes:

1. This is based on a share capital of 7,638,307,948 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## 2. DETAILS OF THE OFFER

### 2.1 The Offer

The Offer is being made as a pro-rata renounceable entitlement issue of one (1) Shares for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.003 per Share together with one (1) New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 1,909,576,987 Shares and 954,788,494 New Options may be issued under the Offer to raise up to \$5,728,731. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 810,918,259 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.009 on or before the date that is 30 months from the date of issue and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

### 2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
<b>Take up all of your Entitlement</b>	<ul style="list-style-type: none"><li>Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li><li>Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li></ul>	Section 2.3 and Section 2.4.

Option	Key Considerations	For more information
<b>Take up all of your Entitlement and also apply for Shortfall Securities</b>	<ul style="list-style-type: none"> <li>Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li> <li>Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</li> <li>If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back.</li> <li>The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</li> </ul>	Sections 2.3, 2.4 and 2.6.
<b>Sell all of your Entitlement on ASX</b>	<ul style="list-style-type: none"> <li>The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may be traded on ASX.</li> <li>If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 9 April 2024 and will cease on 22 April 2024.</li> <li>There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.</li> </ul>	N/A
<b>Take up a proportion of your Entitlement and sell the balance on ASX</b>	<ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a> for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> <li>Subsequently, provide instructions to your</li> </ul>	Section 2.3 and Section 2.4

Option	Key Considerations	For more information
	<p>stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.</p>	
<p><b>Take up a proportion of your Entitlement and allow the balance to lapse</b></p>	<ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a> for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>	<p>Section 2.3 and Section 2.4</p>
<p><b>Sell all or a proportion of your Entitlement other than on ASX</b></p>	<ul style="list-style-type: none"> <li>You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.</li> <li>If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's payment receipt for the Shares they wish to subscribe for to the Share Registry by (by email to <a href="mailto:corporate.actions@automicgroup.com.au">corporate.actions@automicgroup.com.au</a> at any time after the issue of this Prospectus and on or before the Closing Date) in accordance with the details set out in the Entitlement and Acceptance Form.</li> <li>If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry.</li> </ul>	<p>N/A</p>
<p><b>Allow all or part of your Entitlement to lapse</b></p>	<ul style="list-style-type: none"> <li>Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enable Eligible Shareholders who do not wish to take up</li> </ul>	<p>N/A</p>

Option	Key Considerations	For more information
	<p>part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise.</p> <ul style="list-style-type: none"> <li>If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.</li> </ul>	

## 2.3 Payment options

### (a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 3:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

#### **Guidance where you have more than one CRN (Shareholding of Shares)**

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will **not** be accepted.

## 2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

## 2.5 Minimum subscription

On the basis that the Offer is partially underwritten by the Underwriter to \$2,000,000, the minimum subscription under the Offer is \$2,000,000. No Securities will be issued until the minimum subscription has been received.

If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.



## 2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.003 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.3

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

## 2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

The fact that ASX may grant Official Quotation to the Securities not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

## 2.8 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

## 2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Ontario, Canada.

### **New Zealand**

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Canada – Ontario**

This document constitutes an offering of the new Shares in the Canadian province of Ontario (the **Province**) where existing shareholders of the Company are resident. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of Securities in the Province.

No securities commission or other authority in the Province has reviewed or in any way passed upon this document, the merits of the new Shares and any representation to the contrary is an offence.

No Prospectus has been, or will be, filed in the Province with respect to the offering of new Shares or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province.

Any resale of the new Shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security of a foreign issuer that is not a reporting issuer in Canada and that is made through an exchange or market outside of Canada.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

### ***Nominees and custodians***

Nominees and custodians may not distribute this document, and may not permit any beneficial Shareholder to participate in the Offer, in any country outside Australia, New Zealand or Canada (Ontario province only) except with the prior consent of the Company, to beneficial Shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer, taking into account relevant securities law restrictions.

Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

## **2.10 Appointment of Nominee**

Pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Mahe Capital Pty Ltd, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

Shareholders resident in Australia or New Zealand holding Securities on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### 3. PURPOSE AND EFFECT OF THE OFFER

#### 3.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$5,728,731 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$)	%	Maximum Subscription (\$)	%
1.	Phase 1 Project Finance Costs <sup>1</sup>	1,400,000	70%	1,400,000	24%
2.	Business Development	-	-	1,000,000	17%
3.	Working capital	271,614 <sup>2</sup>	13.6%	2,956,416 <sup>3</sup>	52%
4.	Expenses of the Offer <sup>4</sup>	327,386	16.4%	372,315	7%
	<b>Total</b>	<b>2,000,000</b>	<b>100%</b>	<b>5,728,731</b>	<b>100%</b>

#### Notes:

1. Phase 1 Project Finance Costs consists of an estimate of legal fees to complete outstanding lender due diligence and drafting of loan agreements.

2. Working capital will be allocated as follows (based on the Minimum Subscription):

Salary and Wages	\$150,990
Office and General	\$90,273
	<u>\$271,614</u>

3. Working capital will be allocated as follows (based on the Maximum Subscription):

Salary and Wages	\$1,643,471
Office and General	\$982,592
	<u>\$2,956,416</u>

4. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

If only the Minimum Subscription is raised under the Offer, then the amount allocated to the arrangement of finance for the integrated Phase 1 Project is not expected to change. However, the Company will reduce the amount of funds allocated to Business Development and working capital by the amount of the difference between the amount raised and the Minimum Subscription.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or changes to certain future plans of the Company.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 3.2 Effect of the Offer

The principal effect of the Offer, 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, will be to:

- (a) increase the cash reserves by \$5,356,416 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 7,638,307,948 as at the date of this Prospectus to 9,547,884,935 Shares; and
- (c) increase the number of Options on issue from 810,918,259 as at the date of this Prospectus to 1,765,706,753 Options.

### 3.3 Effect on capital structure

The effect of the 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	7,638,307,948
Shares offered pursuant to the Offer	1,909,576,987
<b>Total Shares on issue after completion of the Offer</b>	<b>9,547,884,935</b>

#### Options

	Number
<b>Options currently on issue</b>	
Listed Options exercisable at \$0.03 on or before 4 November 2024	527,775,404
Unquoted Options exercisable at \$0.072 on or before 18 November 2024	67,500,000
Unquoted Options exercisable at \$0.026 on or before 28 November 2025	109,500,000
Unquoted Options exercisable at \$0.01 on or before 22 November 2026	33,142,856
Unquoted Options exercisable at \$0.013 on or before 22 November 2026	72,999,999
<b>Total Options on issue as at the date of this Prospectus</b>	<b>810,918,259</b>

	Number
New Options to be issued pursuant to the Offer	954,788,494
<b>Total Options on issue after completion of the Offer</b>	<b>1,765,706,753</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 8,449,226,207 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issues prior to the Record Date) would be 11,313,591,688 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

### 3.4 Pro-forma balance sheet

The unaudited balance sheet as at 29 February 2024 and the unaudited pro-forma balance sheet as at 29 February 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 29 February 2024 \$	PROFORMA Maximum Raise \$	PROFORMA Minimum Raise \$
<b>CURRENT ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	3,869,974	9,226,390	5,542,588
Other current assets	817,914	817,914	817,914
<b>TOTAL CURRENT ASSETS</b>	<b>4,687,888</b>	<b>10,044,304</b>	<b>6,360,502</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	17,371,656	17,371,656	17,371,656
Exploration capitalised	49,972,378	49,972,378	49,972,378
Intangibles	28,945,235	28,945,235	28,945,235
Other non-current assets	735,566	735,566	735,566

	UNAUDITED 29 February 2024 \$	PROFORMA Maximum Raise \$	PROFORMA Minimum Raise \$
<b>TOTAL NON-CURRENT ASSETS</b>	<b>97,024,835</b>	<b>97,024,835</b>	<b>97,024,835</b>
<b>TOTAL ASSETS</b>	<b>101,712,723</b>	<b>107,069,139</b>	<b>103,385,337</b>
<b>CURRENT LIABILITIES</b>			
Creditors and other payables	1,058,493	1,058,493	1,058,493
Provisions	340,488	340,488	340,488
Borrowings and lease liabilities	65,744	65,744	65,744
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,464,725</b>	<b>1,464,725</b>	<b>1,464,725</b>
<b>NON-CURRENT LIABILITIES</b>			
Creditors and other payables	593,024	593,024	593,024
Provisions	1,068,209	1,068,209	1,068,209
Borrowing and lease liabilities	7,856,096	7,856,096	7,856,096
Deferred Tax Liability	2,579,472	2,579,472	2,579,472
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>12,096,801</b>	<b>12,096,801</b>	<b>12,096,801</b>
<b>TOTAL LIABILITIES</b>	<b>13,561,526</b>	<b>13,561,526</b>	<b>13,561,526</b>
<b>NET ASSETS</b>	<b>88,151,197</b>	<b>93,507,613</b>	<b>89,823,811</b>
<b>EQUITY</b>			
Share capital	122,261,358	127,617,774	123,933,972
Reserves	9,675,000	9,675,000	9,675,000
Accumulated losses	(50,502,320)	(50,502,320)	(50,502,320)
Equity attributable to the	81,434,038	86,790,454	83,106,652



	UNAUDITED 29 February 2024 \$	PROFORMA Maximum Raise \$	PROFORMA Minimum Raise \$
Parent			
Non-controlling interest	6,717,159	6,717,159	6,717,159
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>88,151,197</b>	<b>93,507,613</b>	<b>89.823.811</b>

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## **4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **4.1 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings), to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts

paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.009 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 30 months from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## 5. RISK FACTORS

### 5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 5.2 Company specific

Risk Category	Risk
<b>Potential for dilution</b>	<p>In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 23.08% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p>

Risk Category	Risk
	<p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.004 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
<p><b>Additional requirements for capital</b></p>	<p>The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under the Offer to develop its Phase 1 Project. Any additional equity financing at the Company level or its subsidiary companies will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its work. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p><b>Going Concern</b></p>	<p>The Company's Interim Financial Report for the Financial Year ended 31 December 2023 (<b>Financial Report</b>) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, further funding will be required to meet the medium to long-term working capital costs of the Company.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
<p><b>L-Max® Technology Risk</b></p>	<p>The L-Max® Technology is a new process that has only been tested at a pilot scale. The technology has not been scaled up and tested and may not be technically feasible, may not perform the process as it was designed, may prove uneconomic, unreliable and may not be developed on a timely basis.</p> <p>Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.</p> <p>The L-Max® Technology is a proprietary process that is the subject of a granted USA, Canadian, Australian,</p>



Risk Category	Risk
	<p>European, and Japanese patent.</p> <p>Although the Company is not aware of any third party interests in relation to the L-Max<sup>®</sup> Technology, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.</p> <p>Although the Company will implement all reasonable endeavours to protect its L-Max<sup>®</sup> Technology, there can be no assurance that these measures have been or will be sufficient.</p>
<p><b>LOH-Max<sup>®</sup> Technology Risk</b></p>	<p>The LOH-Max<sup>®</sup> Technology is a new process that has only been tested at pilot scale. The technology has not been scaled up and may not be technically feasible, may not perform the process as it was designed, may prove uneconomic, unreliable and may not be developed on a timely basis.</p> <p>Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome.</p> <p>The LOH-Max<sup>®</sup> Technology is a proprietary process that the Company acquired on 25 November 2020 and is the subject of a granted Canadian patent and a number of patent applications across several countries. The original owners of the technology are entitled to a trailing royalty in relation to any third party LOH-Max<sup>®</sup> licences entered into by the Lepidico Group after 1 January 2021.</p> <p>Although the Company is not aware of any third party interests in relation to the LOH-Max<sup>®</sup> Technology, there is always a risk of third parties claiming involvement in technological discoveries, and if any disputes arise, they could adversely affect the Company.</p> <p>Although the Company will implement all reasonable endeavours to protect the LOH-Max<sup>®</sup> Technology, there can be no assurance that these measures have been or will be sufficient.</p>
<p><b>Intellectual property</b></p>	<p>The Company holds granted patents for its L-Max<sup>®</sup> 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.</p> <p>The Company relies on laws relating to patents, trade secrets, copyright, and trademarks to assist to protect its proprietary rights.</p> <p>The underlying technology on which the commercial value of the Company's intellectual property assets is dependent on the availability, scope and effectiveness of any relevant legal protections. These legal</p>

Risk Category	Risk
	<p>mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.</p> <p>Additionally, securing rights to (or developing) technologies complementing the Company's existing intellectual property will also play an important part in the commercial success of the Company. There is no guarantee that such rights can be secured, or that such technologies can be developed.</p>
<b>Climate Risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li> </ul>

Risk Category	Risk
<p><b>Non-binding Arrangements</b></p>	<p>The Company has entered into multiple non-binding arrangements with various parties under non-disclosure agreements. The purpose of the non-binding arrangements is to summarise the current status and understanding of discussions at that point in time.</p> <p>Other than the binding offtake agreement with Traxys Europe S.A, to acquire all of the Company's lithium hydroxide for the first seven years of operation of the planned Phase 1 chemical plant in Abu Dhabi, no other binding offtake arrangements have been entered into.</p> <p>The terms of any binding arrangements that may result from non-binding term sheets or letters of intent may vary significantly from those originally contemplated or may not eventuate at all.</p>
<p><b>Licensing of Technology</b></p>	<p>The Company has entered into binding licencing arrangements for its L-Max<sup>®</sup> and LOH-Max<sup>®</sup> Technology. The Company will only receive a monetary gain from those arrangements if the licensee is able to effectively commercialise the L-Max<sup>®</sup> and LOH-Max<sup>®</sup> processes. There is a risk of poor licensee strategy or execution which may impact the success of the L-Max<sup>®</sup> and LOH-Max<sup>®</sup> processes on third party deposits.</p> <p>A dispute over the licencing arrangements between the Company and the licensees may result in costly legal fees.</p>
<p><b>No profit to date and uncertainty of future profitability</b></p>	<p>Lepidico has incurred losses in the past and it is therefore not possible to evaluate the Company's future prospects based on past performance.</p> <p>Lepidico expects to make losses in the foreseeable future even though its proprietary process technologies might become commercialised. Factors that will determine Lepidico's future profitability are its ability to manage its costs, its ability to execute its development and growth strategies in relation to both exploration and its process technologies, the success of its activities in a competitive market, the actions of competitors and regulatory developments.</p> <p>As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such future profitability (or loss) cannot be predicted.</p>
<p><b>Definitive Feasibility Study &amp; Front-End Engineering &amp; Design results</b></p>	<p>The Company completed a definitive feasibility study (<b>DFS</b>) for a Phase 1 Project with a chemical plant located in Abu Dhabi, as well as two mines and a concentrator located in Namibia in May 2020. Subsequently, the Company completed Front-End Engineering &amp; Design (<b>FEED</b>) for a Phase 1 Project with a chemical plant located in Abu Dhabi and a concentrator located in Namibia in November 2022.</p> <p>However, the DFS and FEED reports contain statements</p>

Risk Category	Risk
	<p>that are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond Lepidico's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement contained in the DFS and FEED reports.</p> <p>The inclusion of such statements in the DFS and FEED reports should not be regarded as a representation, warranty, or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled.</p> <p>Lepidico undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of the DFS and FEED (subject to securities exchange disclosure requirements). The information in the DFS and FEED reports does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this announcement constitutes investment, legal, tax or other advice.</p> <p>There can be no assurance that statements made in the DFS and FEED reports will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.</p> <p>For further information, refer to the Risk Factor below: Increases in capital and operating costs.</p>
<p><b>Pilot Plant limited operation</b></p>	<p>The Company has operated four pilot plants. Most recently, a demonstration scale L-Max<sup>®</sup> plant and LOH-Max<sup>®</sup> pilot plant was operated in four phases between November 2021 and July 2022.</p> <p>Approximately 8 tonnes of concentrate grading 3.7% Li<sub>2</sub>O, sourced from the Karibib development was processed in continuous operation through the L-Max<sup>®</sup> leach and impurity removal circuits. The trial involved flexing operating parameters to identify and quantify operational sensitivities to variations in process conditions. This in turn led to several Phase 1 design revisions being implemented. The trial culminated in a period of steady state operation. Subsequent campaigns were undertaken to produce lithium hydroxide via the LOH-Max circuit and potassium, rubidium and caesium sulphates via a separate by-product circuit.</p> <p>Reports were provided by Strategic Metallurgy on the L-Max<sup>®</sup> and LOH-Max<sup>®</sup> campaigns, which were subsequently independently reviewed by Behre Dolbear Australia Pty Ltd (BDA) on behalf of prospective Project lenders.</p> <p>The most recent demonstration scale pilot has only been operated for one campaign and may not perform the process as it was designed for any subsequent campaigns or at larger scale.</p>

Risk Category	Risk
<b>Research and Development</b>	<p>The Company can make no representation that any of its research into or development of the Company's lithium technologies will be successful, that the development milestones will be achieved, or that the Technologies will be developed into products that are commercially exploitable.</p> <p>There are many risks inherent in the development of technology products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.</p>
<b>Government licences and approvals</b>	<p>Lepidico through its direct and indirect participation in corporations has interests in properties in Namibia. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.</p> <p>Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements. Outcome in courts in other jurisdictions may be less predictable than in Australia, which could affect the enforceability of contracts entered into.</p> <p>The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of Lepidico. Lepidico has made its investment and strategic decisions based on the information currently available to the Directors, however, should there be any material change in the political, economic, legal and social environments in UAE, and Namibia the Directors may reassess investment decisions and commitments to assets in these jurisdictions.</p>
<b>Conflicts of Interest</b>	<p>Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures. Situations may arise where the other interests of these Directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and are required to follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.</p>
<b>Management of growth</b>	<p>The ability of Lepidico to implement its strategy requires effective planning and management control systems. Lepidico's plans may place a significant strain on the</p>

Risk Category	Risk
	<p>Company's management, operational, financial and personnel resources. The Company's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations.</p>
<p><b>New project risk</b></p>	<p>As part of its business strategy, the Company may evaluate new business opportunities and make acquisitions of or significant investments in other resource or non-resource projects. Projects may be located in Australia or overseas. Should a suitable new business opportunity be identified, it will then need to be assessed for its technical, legal and commercial suitability. There is no guarantee that any proposed acquisition of a new business or project will be completed or will be successful. Identification and evaluation of a business opportunity or a project can take considerable time and consume significant cash resources.</p>
<p><b>Litigation risks</b></p>	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance, and financial position.</p> <p>Refer to Section 6.1 for details of the dispute that the Company is currently engaged in with Jiangxi Jinhui Lithium Co., Ltd (<b>Jinhui</b>), a Company incorporated in China and in respect to the Offtake Agreement between desert Lion Energy Pty Ltd (subsequently renamed Lepidico Chemicals Namibia Pty Ltd) and Jinhui dated 6 November 2017 (as amended from time to time).</p>
<p><b>Increases in capital and operating costs</b></p>	<p>On 30 October 2023, the Company announced updated Phase 1 Project Economics including revised capital and operating costs. The actual capital and operating costs could be significantly higher than the estimates, particularly if there are material changes in project scope or delays to the construction of the Phase 1 Project or significant movements in inflationary factors. There can be no assurance that actual capital costs and operating costs will be as estimated in that announcement.</p>

5.3 Industry specific

Risk Category	Risk
<p><b>International operations</b></p>	<p>Any potential future operations of Lepidico in overseas jurisdictions are subject to a number of risks, including:</p> <ul style="list-style-type: none"> <li>(a) geo-politics associated with competition for critical minerals that could impact financing and product supply arrangements;</li> <li>(b) potential difficulties in enforcing agreements and collecting receivables through foreign local systems;</li> <li>(c) potential difficulties in protecting rights and interests in assets; and</li> <li>(d) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.</li> </ul> <p>Any of these factors could materially and adversely affect Lepidico's business, results of operations and financial condition.</p>
<p><b>Exploration, geological and development risks</b></p>	<p>Mineral exploration and development are speculative and high risk activities that requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond Lepidico's control.</p> <p>The Company's ability to succeed in these practices involves (amongst other things):</p> <ul style="list-style-type: none"> <li>(a) discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve;</li> <li>(b) access to adequate capital throughout the acquisition/discovery and project development phases of a mineral exploration project;</li> <li>(c) securing and maintaining title to such mineral exploration projects;</li> <li>(d) obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases of the project; and</li> <li>(e) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.</li> </ul> <p>There can be no assurance that forthcoming exploration programmes, or subsequent exploration programmes, will result in the realisation of the Company's objectives such as the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited. Further, conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling</p>

Risk Category	Risk
	<p>techniques and to the risk of incorrect interpretation or geological, geochemical, geophysical, drilling and other data.</p>
<p><b>Operational and technical risks</b></p>	<p>The operations of the Company may be affected by various factors, including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) Failure to locate or identify mineral deposits;</li> <li>(b) Failure to achieve predicted grades and tonnes in exploration and mining;</li> <li>(c) Operational and technical difficulties encountered in mining;</li> <li>(d) Insufficient or unreliable infrastructure, such as power, water and transport;</li> <li>(e) Difficulties in commissioning and operating plant and equipment;</li> <li>(f) Mechanical failure or plant breakdown;</li> <li>(g) Unanticipated metallurgical problems which may affect extraction costs;</li> <li>(h) Adverse weather conditions;</li> <li>(i) Industrial and environmental accidents;</li> <li>(j) Industrial disputes and labour shortages; and</li> </ul> <p>Unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p>
<p><b>Commodity price fluctuations</b></p>	<p>The Company is seeking to develop projects which will be reliant on the prices of various commodities including lithium chemicals and various by-products. Lithium chemicals are considered to be specialty industrial chemicals and the contracted sales prices for the different lithium compounds are not public.</p> <p>Lithium chemicals are not traded commodities like base and precious metals. Therefore, it is possible that the sales prices used in Phase 1 Project economic assessments and other Company updates will be different than the actual prices at which the Company is able to sell its lithium compounds. Commodity and product prices fluctuate and are affected by numerous factors beyond the control of the Company.</p> <p>These factors include foreign currency fluctuation, worldwide and regional supply and demand for commodities and chemicals, industrial disruption, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.</p>



Risk Category	Risk
<b>Lithium, Caesium and Rubidium Demand</b>	<p>There are a limited number of producers of lithium, caesium and rubidium compounds and it is possible that those existing producers will try to prevent new-comers from entering the chain of supply by increasing their production capacity, lowering sales prices and/or through establishing contractual terms with consumers that make the market more challenging for new producers.</p> <p>The Company intends to produce lithium hydroxide monohydrate to be used in the making of cathodes for rechargeable batteries and certain other industrial uses. If cathode manufacturers use less lithium chemical than expected, or if the demand for rechargeable batteries, mainly used in electric and hybrid vehicles, is less than forecasted, it could have a material adverse effect on the sales price, profitability and development strategy of the Company.</p> <p>In addition, the commercialisation of new technology carries the risk that, at any stage, of development it may be deemed uncommercial for a variety of reasons, including the development of newer and better technologies. A decrease in the demand for lithium, by virtue of technological displacement, would have a significant impact on the Company's business model, operating results and financial position.</p>
<b>Title Risk</b>	<p>Interests in exploration licences are governed by the national legislation in the relevant jurisdiction. The licences which grant the title to each property are subject to compliance with certain requirements, including lodgement of reports, payment of royalties and compliance with environmental conditions and environmental legislation. Consequently, as is the case in Australia, Lepidico runs the risk of incurring penalties or loss of title to or its interest in its licences if these requirements are not met.</p>
<b>Joint venture parties, contractors and agents</b>	<p>In conducting its business, the Company relies on continuing existing strategic relationships and has been forming new relationships with other entities in the mineral exploration and mining industry, including joint venture partners, contractors and agents. There can be no assurance that existing relationships will continue to be maintained or that new ones will be successfully formed and the Company could be materially adversely affected by changes to such relationships or difficulties in forming new ones.</p> <p>The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become a party, or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities, or insolvency or other managerial failure by any of the other service providers used by the Company for any</p>

Risk Category	Risk
	activity.
<b>Environmental risk</b>	Lepidico's operations will be subject to various regulations regarding environmental matters. Development of each of Lepidico's projects will be dependent on the relevant licences meeting environmental guidelines and gaining approvals by government authorities. Whilst Lepidico intends to conduct its activities in an environmentally responsible manner, risks arise in relation to compliance with these regulations and approvals.
<b>Unforeseen expenditure risk</b>	Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. If such expenditure is subsequently incurred, this may adversely affect the expenditure proposals by Lepidico.
<b>Competition</b>	The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and businesses.

#### 5.4 General risks

Risk Category	Risk
<b>Economic</b>	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
<b>Market conditions</b>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the</p>

Risk Category	Risk
	Company.
<b>Currency risk</b>	The Company's operations currently incur expenditures in various currencies. As a result of the use of different currencies, the Company is subject to foreign currency fluctuations which may materially affect its business, results of operations and financial condition.
<b>Government policy changes and legal risk</b>	<p>Government action or policy change in relation to access to lands and infrastructure, compliance with environmental regulations, export restrictions, taxation, royalties and subsidies may adversely affect Lepidico's operations and financial performance.</p> <p>The Lepidico projects will be governed by a series of laws and regulations. Breaches of non-compliance with these laws and regulations can result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of Lepidico.</p> <p>These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for Lepidico. The legal and political conditions and any changes thereto are outside the control of Lepidico.</p> <p>The introduction of new legislation or amendments to existing legislation by government, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern Lepidico's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of Lepidico and the value of its Shares.</p>
<b>Dividends</b>	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
<b>Taxation</b>	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>

Risk Category	Risk
<b>Credit risk</b>	<p>Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the consolidated entity. The Company has adopted the policy of only dealing with creditworthy counter-parties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to any single counter-party.</p> <p>As noted in the Financial Report, the group's cash and cash equivalents are held with HSBC Bank and First National Bank Namibia, and management consider the group's exposure to credit risk is low.</p>
<b>Liquidity Risk</b>	<p>Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.</p> <p>Typically, the Group ensures it has sufficient cash on demand to meet expected expenditures, including servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as the COVID-19 pandemic.</p>
<b>Reliance on key personnel</b>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>
<b>Global Conflicts</b>	<p>The current evolving conflict between Ukraine and Russia and Israel and Palestine (<b>Ukraine and Gaza Conflicts</b>) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine and Gaza Conflicts.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to</p>

Risk Category	Risk
	<p>import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

## 5.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## 6. ADDITIONAL INFORMATION

### 6.1 Litigation

#### **Dispute with Jinhui Lithium Co., Ltd**

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) (**LCN**) 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 has been agreed.

LCN received Jinhui's Statement of Claim (**SOC**) on 4 December 2023. The SOC includes a claim for US\$5.0 million which comprises the unamortised deposit paid under the Offtake Agreement, plus expenses related to the dispute.

LCN filed its Statement of Defence and Counterclaim (**SODCC**) on 15 January 2024 and has submitted a counterclaim, which is well in excess of the claim included in Jinhui's SOC.

LCN received the Statement of Reply and Defence to Counterclaim on 8 February 2024 and on 18 March 2024, LCN filed its Statement of Rejoinder and Report to Defence to Counterclaim.

The parties continue to discuss with a view to seeking a commercial settlement of the dispute and will continue with the timetable that has been agreed. In the event the parties are unable to come to a settlement earlier, the arbitration hearing has been provisionally set for early November 2024.

#### **Public Road Access (Namibia)**

Lepidico Chemicals Namibia (Pty) Ltd (**LCN**) has filed a motion with the High Court in Namibia against Ombujomenge Close Corporation for hindering and/or restricting the access of the LCN to Public Road FR1965.

LCN needs to access the Public Road to be able to reach its exploration tenement and in order to undertake exploration work on a neighbouring property.

The respondents filed a notice of intention to oppose on 8 March 2024. At a hearing on 22 March 2024, the matter was postponed allowing the parties to exchange affidavits. LCN's legal team anticipate receiving the respondent's affidavits on or before 3 April 2024, at which time the matter will be listed for hearing.

## 6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
4 April 2024	Renounceable Entitlement Offer
3 April 2024	Trading Halt
26 February 2024	Half Yearly Reports and Accounts
19 February 2024	Sustainability Strategy Summary
5 February 2024	Company Presentation – Lepidico Corporate Update – Mining Indaba
30 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
16 January 2024	Appendix 3H

Date	Description of Announcement
27 November 2023	Appendices 3Y x 4
27 November 2023	Appendix 3G
27 November 2023	Sustainability and Climate Strategy
23 November 2023	Appendix 3H
21 November 2023	Results of Meeting
21 November 2023	AGM Presentation – November 2023
21 November 2023	Chair's Address to Shareholders
21 November 2023	AGM Update
31 October 2023	Quarter Activities/Appendix 5B Cash Flow Report
30 October 2023	Progress Report – Phasee 1 Project Economics Updated
24 October 2023	Sustainability Performance Data Sheet – FY2023
23 October 2023	Notice of Annual General Meeting / Proxy Form
27 September 2023	Notice under ASX LR3.13

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.lepidico.com](http://www.lepidico.com).

### 6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.009	9 January 2024
Lowest	\$0.004	2 April 2024
Last	\$0.004	3 April 2024

### 6.4 Material Contracts

#### 6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Mahe Capital Pty Ltd, (**Underwriter** or **Mahe**) pursuant to which Mahe has agreed to underwrite the Offer up to a value of \$2,000,000 (the **Underwritten Amount**) (being 34.91% of the funds to be raised under the Offer



(and equal to 666,666,667 Shares and 333,333,333 New Options) (**Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

<b>Fees</b>	<p>Pursuant to the Underwriting Agreement, the Company has agreed to:</p> <ul style="list-style-type: none"><li>(a) pay a lead manager fee of \$60,000, which, on mutual agreement between the Company and the Underwriter, may be satisfied by the issue of Shares to Mahe (or its nominees) from the shortfall under the Offer;</li><li>(b) pay a management fee of 1% of the total amount raised under the Offer, which, on mutual agreement between the Company and the Underwriter, may be satisfied by the issue of Shares to Mahe (or its nominees) from the shortfall under the Offer;</li><li>(c) pay an underwriting fee of 5% of the Underwritten Amount;</li><li>(d) pay a placement fee of 5% of any shortfall securities placed beyond the Underwritten Amount. This will apply to any amount that might be placed in addition to the amount raised under the Offer; and</li><li>(e) pay a termination fee of \$20,000 in the event that the Underwriting Agreement is terminated by the Underwriter in accordance with the Underwriter termination clauses contained in the Underwriting Agreement and listed below.</li></ul>
<b>Termination Events</b>	<p>The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:</p> <ul style="list-style-type: none"><li>(a) <b>Indices fall:</b> The S&amp;P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement.</li><li>(b) <b>Prospectus:</b> The Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Offer is withdrawn by the Company.</li><li>(c) <b>No Listing Approval:</b> The Company fails to lodge an Appendix 3B and/or an Appendix 2A in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations.</li><li>(d) <b>No Official Quotation:</b> ASX has advised the</li></ul>

Company that it will not or may not grant official quotation to the Underwritten Securities or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to the Shortfall Notice deadline date.

(e) **Price:** The Price (being \$0.003) is greater than the volume weighted average market price (as defined in the Listing Rules) of Shares calculated over three trading days after the date of the Underwriting Agreement.

(f) **Supplementary prospectus**

(i) The Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (s)(iv) below, forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or

(ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter.

(g) **Non-compliance with disclosure requirements**

It transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:

(i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

(ii) the rights and liabilities attaching to the Underwritten Securities.

(h) **Misleading Prospectus:** It transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive.

(i) **Misleading Announcement:** It transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or

deceive.

- (j) **Restriction on issue:** The Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority.
- (k) **Withdrawal of consent to Prospectus:** Any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent.
- (l) **ASIC application:** An application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice dealing date has arrived, and that application has not been dismissed or withdrawn.
- (m) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act.
- (n) **Takeovers Panel:** The Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel.
- (o) **Hostilities:** There is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the Underwriting Agreement has been signed involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.
- (p) **Authorisation:** Any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably.
- (q) **Event of Insolvency:** An Event of Insolvency occurs in respect of a Relevant Company (as those terms are defined in the Underwriting Agreement).

- (r) **Indictable offence:** A director or senior manager of a Relevant Company is charged with an indictable offence.
- (s) **Termination Events:** Subject to the paragraph below regarding Material Adverse Effect, any of the following events occurs:
  - (i) **Default:** Default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking.
  - (ii) **Incorrect or untrue representation:** Any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect.
  - (iii) **Contravention of constitution or Act:** A contravention by the Company or any of its subsidiaries (**Relevant Company**) of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
  - (iv) **Adverse change:** An event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time.
  - (v) **Error in Due Diligence Results:** It transpires that any of the Due Diligence Results or any part of the verification material was false, misleading or deceptive or that there was an omission from them.
  - (vi) **Significant change:** A "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor.
  - (vii) **Public statements:** Without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing

Rules and/or the Corporations Act.

- (viii) **Misleading information:** Any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive.
- (ix) **Change in Act or policy:** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement.
- (x) **Prescribed Occurrence:** A Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus.
- (xi) **Judgment against a Relevant Company:** A judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days.
- (xii) **Litigation:** Litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus.
- (xiii) **Board and senior management composition:** Other than as disclosed to the Underwriter prior to the Execution Date, there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld.
- (xiv) **Change in shareholdings:** There is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly

announced in relation to a Relevant Company.

- (xv) **Force Majeure:** A Force Majeure (as that term is defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs.
- (xvi) **Certain resolutions passed:** A relevant company passes or takes any steps to pass a resolution under Section 254N, Section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter.
- (xvii) **Capital Structure:** Any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement.
- (xviii) **Breach of Material Contracts:** Any of the contracts is terminated or substantially modified.
- (xix) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xx) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The events listed in sub-paragraphs (s)(i) to (s)(xx) do not entitle the Underwriter to exercise its termination rights unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

## Indemnity

Subject to the limitations of the indemnity included in the Underwriting Agreement, the Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees and agents (**Related Parties**) and hold them harmless from and against all prosecutions, losses (including loss of profit or losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency but

excluding indirect, special or consequential losses), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) (**Liability**) arising out of or in respect of:

- (a) non-compliance by the Company with or breach of any legal requirement or the Listing Rules in relation to the Prospectus or any Supplementary Prospectus;
- (b) any advertising of the Offer (notwithstanding that the Underwriter may have consented to it) or any documents in respect of the Offer which accompany the Prospectus or any Supplementary Prospectus or otherwise arising out of the Offer;
- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus or any Supplementary Prospectus, any advertising of the Offer or any documents in respect of the Offer which accompany the Prospectus or any Supplementary Prospectus;
- (d) any breach or failure by the Company to observe any terms of the Underwriting Agreement.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

#### 6.4.2 Lead Manager Mandate

The Company has signed a mandate letter to engage Mahe Capital Pty Ltd to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

<b>Fees</b>	For details of the fees payable under the Lead Manager Mandate please refer to Section 6.4.1 above. For the avoidance of doubt, the Lead Manager is entitled to the fees detailed in Section 6.4.1 for its services as Lead Manager and Underwriter to the Offer.
<b>Termination Events</b>	<p>The Company may terminate the Lead Manager Mandate at any time before any offers have been made with two days' written notice or if the Lead Manager breaches the Lead Manager Mandate.</p> <p>The Lead Manager may terminate the Lead Manager Mandate at any time by giving two days' notice in writing of its intention to do so to the Company or if any of the following events occur:</p> <ul style="list-style-type: none"> <li>(a) the Company defaults in relation to any term of the Lead Manager Mandate;</li> <li>(b) any information provided to the Lead Manager contains a false or a misleading statement;</li> <li>(c) the All Ordinaries Index as published by ASX falls 7% or more below the closing level on the date of the</li> </ul>

	<p>Lead Manager Mandate;</p> <p>(d) any representations or warranties made by the Company are or become untrue; or</p> <p>(e) the conditions specified in section 3 of the Lead Manager Mandate are not satisfied.</p>
<b>Right of First Refusal</b>	<p>The Company agrees to offer the Lead Manager the lead role in any future capital raising undertaken by the Company within three months of completion of the Offer.</p>

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

## 6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions



by each non-executive Director. The current amount has been set at an amount not to exceed \$600,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2023 Annual Report.

Director	FY ending 30 June 2024	FY ended 30 June 2023
Gary Johnson <sup>1</sup>	\$111,000	\$163,000
Julian "Joe" Walsh <sup>2</sup>	\$526,946	\$893,564
Mark Rodda <sup>3</sup>	\$88,800	\$140,900
Cynthia Thomas <sup>4</sup>	\$88,800	\$140,900

**Notes:**

1. In FY2023 Mr Johnson was paid \$100,000 for cash and salary fees, \$10,500 in retirement benefits and \$52,500 in share-based payments. For FY2024, Mr Johnson will be paid \$100,000 for cash and salary fees and \$11,000 in retirement benefits.
2. In FY2023, Mr Walsh was remunerated in Canadian dollars and his total fixed remuneration was C\$465,500. The Company used the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of C\$1.00 for every A\$1.1202. Mr Walsh also received \$105,000 in share based payments and will receive C\$235,077 for FY2023 STIs on satisfaction of certain KPIs. For FY2024, Mr Walsh will be paid C\$465,500. The Company uses the average annual rate to translate remuneration into the reporting currency and has translated at the rate of C\$1.00 for every A\$1.1320. Mr Walsh may also receive up to C\$232,750 for FY2024 STIs.
3. In FY2023 Mr Rodda was paid \$80,000 for cash and salary fees, \$8,400 in retirement benefits and \$52,500 in share-based payments. For FY2024, Mr Rodda will be paid \$80,000 for cash and salary fees and \$8,800 in retirement benefits.
4. In FY2023 Ms Thomas was paid \$88,400 for cash salary and fees and \$52,500 in share-based payments. For FY2024, Ms Thomas will be paid \$88,800 for cash and salary fees.

**6.6 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Mahe Capital Pty Ltd has acted as the lead manager and underwriter of the Offer. The Company estimates it will pay Mahe Capital Pty Ltd the fees set out in Section 6.4.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mahe Capital Pty Ltd has received \$1,108,923.43 (excluding GST) in fees from the Company.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$48,995.01 (excluding GST and disbursements) for legal services provided to the Company.

Mahe Capital Pty Ltd has been appointed as the nominee under section 615 of the Corporations Act. Mahe Capital Pty Ltd will be paid for this service on standard industry terms and conditions.

## **6.7 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mahe Capital Pty Ltd has given its written consent to being named as the lead manager and underwriter to the Offer in this Prospectus. Mahe Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Mahe Capital Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in this Prospectus.

Mahe Capital Pty Ltd has given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7.

## 6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$372,315 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	16,822
Underwriting fee	157,287
Lead Manager fees	60,000
Legal fees	15,000
Printing and distribution	80,000
Miscellaneous	40,000
<b>Total</b>	<b>372,315</b>

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**7. DIRECTORS' AUTHORISATION**

This 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 Prospectus with the ASIC.

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## 8. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at Section 1 (unless extended).

**Company** or **Lepidico** means Lepidico Ltd (ACN 008 894 442).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CRN** means Customer Reference Number in relation to BPAY®.

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder as at the Record Date who is eligible to participate in the Offer.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Exercise Price** means the exercise price of the New Options being \$0.009.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Ontario, Canada.

**Lead Manager** means Mahe Capital Pty Ltd (AFSL 517246).

**New Option** means an Option issued on the terms set out in Section 4.2.

**Offer** means the renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at Section 1.

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Options as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Securities not applied for under the Offer (if any).

**Shortfall Application Form** means the Shortfall Offer application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

**Shortfall Securities** means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

**Underwriter** means Mahe Capital Pty Ltd (AFSL 517246).

**Underwritten Amount** means \$2,000,000.

**WST** means Western Standard Time as observed in Perth, Western Australia.