

LEPIDICO LTD
ACN 008 894 442
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 4 April 2024 (**Prospectus**) issued by Lepidico Ltd (ACN 008 894 442) (**Company**).

This Supplementary Prospectus is dated 15 April 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

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

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

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

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for new Shares and New Options under the Prospectus.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in Section 2 by making additional disclosures to the Key Risk Factors, Directors' Interests in Securities, Use of Funds and Risk Factors.

The amendments to the Prospectus outlined in Section 2 should be read in conjunction with the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Key Risk Factors

Section 1.3 of the Prospectus is amended to include the following in the table:

Risk	Description	Further Information
Going Concern	<p><i>The Company's Interim Financial Report for the Financial Year ended 31 December 2023 (Financial Report) 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.</i></p> <p><i>The Group incurred a net loss from operations of \$3,689,118 for the half year ended 31 December</i></p>	Section 5.2

2023 and had a net cash outflow from operations of \$3,048,278 for the period. As at 31 December 2023, the Company had net current assets of \$4,777,990.

Notwithstanding the 'going concern' qualification included in the Financial Report, which the Directors' consider appropriate, 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.

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.

2.2 Directors' Interests in Securities

Section 1.4 of the Prospectus is amended by deleting the table and replacing it with the following table which includes an additional column which includes Director interests in percentage terms on a fully diluted basis and assuming Maximum Subscription:

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$	Percentage (%) Maximum Subscription, Fully Diluted ⁷
Gary Johnson	340,689,197 ¹	25,998,769 ²	85,172,300	42,856,150	255,517	4.37
Julian (Joe) Walsh	37,215,430 ³	45,159,143 ⁴	9,303,858	4,651,929	27,912	0.85
Mark Rodda	Nil	23,333,333 ⁵	Nil	Nil	Nil	0.21
Cynthia Thomas	Nil	23,333,333 ⁶	Nil	Nil	Nil	0.21

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.

3. 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.
4. 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.
7. Assumes Maximum Subscription, those Directors who currently hold Shares taken up their full Entitlement and Directors' interests on a fully diluted basis.

2.3 Use of funds

Section 3.1 of the Prospectus is deleted and replaced with the following:

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 ¹	1,400,000	70%	1,400,000	24%
2.	Business Development ²	-	-	1,000,000	17%
3.	Working capital ³	271,614 ⁴	13.6%	2,956,416 ⁵	52%
4.	Expenses of the Offer ⁶	327,386	16.4%	372,315	7%
	Total	2,000,000	100%	5,728,731	100%

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. Business Development includes due diligence and mineralisation testing programs relating to possible collaborations using the Company's technology on third party deposit samples.
3. Working capital expenditure will be prioritised on key objective expenditures required to help the Company meet its short-term objectives of finalising and securing the full funding package for the Phase 1 Project and business development opportunities. The working capital expenditures are people related and will provide the necessary support to assist the Company's key employees in achieving those objectives.
4. In the event only the Minimum Subscription is achieved, the Company will focus its working capital on the employees directly related to securing the Phase 1 Project funding required. Working capital will be allocated as follows (based on the Minimum Subscription):

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

If only the Minimum Subscription is achieved, there will be no outstanding Salary and Wages owed to Directors and employees.

5. In the event the Maximum Subscription is achieved, working capital will include salaries for additional and discretionary works (possible metallurgical test work). Working capital will be allocated as follows (based on the Maximum Subscription):

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

6. 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.

Based on the Company's current cashflow forecasts, it is able to fund itself into 2025 on the basis that only the Minimum Subscription (which is the Underwritten Amount) is achieved, which reflects the time expected for the Company to complete the funding for its Phase 1 Project.

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.

2.4 Company specific risk factors

The table in Section 5.2 of the Prospectus is amended by deleting the Going Concern risk and replacing it with the following:

Risk Category	Risk
Going Concern	<p>The Company's Interim Financial Report for the Financial Year ended 31 December 2023 (Financial Report) 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>The Group incurred a net loss from operations of \$3,689,118 for the half year ended 31 December 2023 and had a net cash outflow from operations of \$3,048,278 for the period. As at 31 December 2023, the Company had net current assets of \$4,777,990.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, which the Directors' consider appropriate, 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.</p> <p>However, further funding will be required to meet the medium to long-term working capital costs of the Company. 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>

2.5 Additional announcements

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

Date	Description of Announcement
9 April 2024	LPDR Rights Commence Trading
8 April 2024	Directors and Key Managements Intention with Rights Offer
5 April 2024	Replacement Appendix 3Y
4 April 2024	Appendix 3B
4 April 2024	Enetitlement Issue Prospectus

3. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus (refer to Section 6.7) have not withdrawn that consent prior to the lodgement of this Supplementary Prospectus.

4. DIRECTORS' AUTHORISATION

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

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