

20 February 2019

Sandra Wutete  
Senior Adviser, Listings Compliance (Perth)  
Australian Securities Exchange Limited  
Level 40, Central Park  
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PERTH WA 6000

Dear Ms Wutete

### **Lepidico Ltd ('LPD'): Aware Query**

Please find the response to your letter dated 18 February 2019 (using the same numbers) as follows:

1. *Does LPD consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

Not applicable.

3. *If the answer to question 1 is "yes", when did LPD first become aware of the information?*

The binding exclusivity arrangement with the developers of the process technology referred to in the Announcement was received by LPD after close of the market on Friday, 15 February 2019. LPD understands that lithium hydroxide (**LiOH**) was generated in batches over the course of the week to Friday, 15 February 2019.

Confirmation that preliminary testing indicated that the LiOH was and could be described as high purity was received over the weekend (16-17 February 2019).

4. *If the answer to question 1 is "yes" and LPD first became aware of the information before the relevant date, did LPD make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe LPD was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LPD took to ensure that the information was released promptly and without delay.*

For the purposes of clarification, LPD notes that the high purity lithium hydroxide referred to in the Announcement was not developed by LPD. The high purity lithium hydroxide was produced using the LOH-Max™ process and LPD has entered into a binding exclusivity arrangement with the developers of the LOH-Max™ process, Bright



ASX: LPD

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Minz Pty Ltd, a company associated with the owners of Strategic Metallurgy Pty Ltd (**Strategic Metallurgy**). The high purity LiOH was produced by the owners of Strategic Metallurgy for their own account and purposes. LPD did not engage or instruct any parties to produce LiOH and at the time of production had no contractual rights to the LiOH produced or associated technologies, however LPD was aware of the work being performed and had requested that Strategic Metallurgy and its owners keep LPD informed of results which might be of interest to LPD.

Therefore, until a binding exclusivity arrangement was executed LPD was not obliged to release the information relating to the production of the high purity lithium hydroxide or finalisation of the binding exclusivity arrangement under Listing Rules 3.1 and 3.1A.

The binding exclusivity arrangement was received by LPD after close of the market on Friday, 15 February 2019 and LPD lodged the Announcement prior to the open of market on Monday, 18 February 2019.

5. *Please confirm that LPD is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

LPD confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. *Please confirm that LPD's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LPD with delegated authority from the board to respond to ASX on disclosure matters.*

LPD confirms that its responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy.

Yours sincerely



Alex Neuling  
Joint Company Secretary





18 February 2019

Mr Alex Neuling  
Company Secretary  
Lepidico Ltd

By email

Dear Mr Neuling

**Lepidico Ltd ('LPD'): Aware Query**

ASX refers to the following:

- A. The recent change in the price of LPD's securities from a closing price of \$0.016 on Wednesday, 13 February 2019 to an intra-day high of \$0.0235 today, Monday 18 February 2019 and a substantial increase in the volume traded over this period.
- B. LPD's announcement entitled "Lithium Hydroxide process developed" lodged on the ASX Market Announcements Platform and released at 8:21 am today, Monday 18 February 2019 (the 'Announcement'), disclosing the following:
  - (a) that it has produced high purity lithium hydroxide using a new process, LOH-Max™, and
  - (b) a binding exclusivity arrangement being entered into with the developers of the process technology.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

  - 3.1A.1 One or more of the following applies:*
    - It would be a breach of a law to disclose the information;*
    - The information concerns an incomplete proposal or negotiation;*
    - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
    - The information is generated for the internal management purposes of the entity; or*
    - The information is a trade secret; and*
  - 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

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3.1A.3 A reasonable person would not expect the information to be disclosed.”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

### **Request for Information**

Having regard to the above, ASX asks LPD to respond separately to each of the following questions and requests for information:

1. Does LPD consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did LPD first become aware of the information?
4. If the answer to question 1 is “yes” and LPD first became aware of the information before the relevant date, did LPD make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe LPD was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LPD took to ensure that the information was released promptly and without delay.
5. Please confirm that LPD is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that LPD’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LPD with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 pm (WST) Tuesday, 19 February 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in LPD’s securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LPD’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

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Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to LPD's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that LPD's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LPD's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 Trading Halts & Voluntary Suspensions.

### **Suspension**

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in LPD's securities under Listing Rule 17.3.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

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**Sandra Wutete**  
Senior Adviser, Listings Compliance (Perth)