



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP17/28

Wednesday, 7 June 2017

Lepidico Limited – Panel Receives Application

The Panel has received an application from the Australian Securities and Investments Commission in relation to the affairs of Lepidico Limited. Lepidico is currently the subject of an off-market takeover bid by Lithium Australia NL.

Details of the application, as submitted by ASIC, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 6 February 2017, Lithium Australia NL announced an off-market scrip bid for Lepidico Limited of one fully paid Lithium share for every 13.25 fully paid Lepidico shares.

On 2 March 2017, Lithium lodged its bidder's statement with ASIC.

On 28 March 2017, Lepidico lodged its target's statement recommending that Lepidico's shareholders reject the offer. Lepidico's independent expert, BDO Corporate Finance (WA) Pty Ltd, prepared an independent expert's report and opined the bid was "neither fair nor reasonable".

Lithium engaged Leadenhall Corporate Advisory Pty Ltd to undertake a review of BDO's independent expert's report.

On 7 April 2017, Lithium lodged a second supplementary bidder's statement that, among other things, stated that "Leadenhall believes that BDO's opinion should have been that Lithium Australia's Takeover Offer is FAIR AND REASONABLE". Leadenhall's report reviewing BDO's independent expert's report accompanied Lithium's second supplementary bidder's statement.

On 10 April 2017, Leadenhall's statement of opinion was reiterated in media articles published by the West Australian and WA Business News and subsequently shared

by Lithium via Twitter, tweeting “Review finds our Lepidico takeover bid fair and reasonable”.

ASIC submits that Leadenhall does not have objectively reasonable grounds to provide an opinion on the takeover offer and is not an 'independent' expert. For these reasons, ASIC submits that Leadenhall's statement of opinion is likely misleading.

ASIC has sought final orders that:

- Leadenhall provide a letter retracting its statements
- Lithium dispatch updated disclosure to Lepidico’s shareholders disclosing the need for Leadenhall’s letter and
- Lithium provide withdrawal rights to all Lepidico shareholders who have accepted on or after 7 April 2017.

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