ASX / MEDIA ANNOUNCEMENT

LEPIDICO

27 September 2021

Financial Report for the year ended 30 June 2021

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to announce the release of its audited consolidated financial statements for the year ended 30 June 2021.

Highlights for the year

Sustainability

- No recordable incidents in 2021: Lepidico has a zero-harm health, safety and environment track-record since records began in September 2016.
- Third party Greenhouse Gas evaluation advises Phase 1 emissions are, "low compared with other emission intensities reported or derived from lithium hydroxide production facilities." Opportunities identified to reduce emissions to industry leading low levels.
- Commitment to the Initiative for Responsible Mining Assurance (IRMA) for independent third-party verification and certification on social and environmental performance standards.
- Significant socio-economic benefits in the Karibib region from creation of over 800 direct and indirect jobs, equivalent to 15% of the local population.

Projects

- EPCM works started May 2021, following contract award for the Phase 1 concentrator in Namibia and chemical plant in the UAE to Lycopodium, a highly experienced global engineering and project delivery organisation.
- All permits received for Namibian development; major approvals received for construction of the Abu Dhabi chemical plant and land lease terms agreed.
- Phase 1 operational refinements for production of 4,900tpa lithium hydroxide, plus caesium and rubidium sulphate; competitive AISC estimate of US$3,221/t after by-product credits.
- Product offtakes advanced for lithium hydroxide into the rapidly growing Electric Vehicle supply chain and caesium sulphate to industrial users facing a significant market deficit on the near horizon.

Resources

- Phase 1 provides the technologies for the world's only source of new caesium and rubidium supply, Critical Minerals for which the U.S. is 100% import reliant; caesium supply is forecast to decline by over 40% from 2020 to 2022.
- Lepidico has become a global leader in lithium mica processing, capable of unlocking significant new lithium resource potential – we have successfully tested 19 different lithium deposits from

LEPIDICO LTD
ABN 99 008 894 442

ASX: LPD

23 Belmont Avenue
Belmont WA 6104

PO Box 330
Belmont WA 6984

Phone: + 61 8 9363 7800
Email: info@lepidico.com

five continents for their amenability to produce nominal battery grade lithium chemicals using Lepidico's low emissions technologies.

- Process technology licence package sold to Cornish Lithium for C$4 million, an endorsement of the industry competitiveness of these technologies from both an environmental and economic perspective.
- Drilling started May 2021 to extend Phase 1 life and organically grow the Resource base to support the Phase 2 Project Scoping Study. Numerous Karibib near mine and regional exploration targets generated, which are being evaluated for lithium, caesium and gold.

Technology

- L-Max® offers a far less energy intensive lower carbon solution for processing lithium mica minerals than conventional roasting, with the added benefit of significant by-product revenues.
- LOH-Max® provides a lower emissions and lower cost solution for direct conversion of lithium sulphate to nominal battery grade lithium hydroxide, without production of potentially problematic sodium sulphate, and which also has application for spodumene conversion.
- Proprietary caesium and rubidium refining process from lithium mica mineral sources provides a new sustainable avenue for production of these strategic metals, which are on the cusp of dramatic supply deficit.
- Patent protection received for the L-Max® technology in Australia, Europe, Japan and the United States, with Canada pending. National phase patent applications advancing for LOH-Max™ and production of caesium and rubidium chemicals.

Lepidico's Managing Director, Joe Walsh said, "Significant advancements were made in fiscal 2021, despite the challenges presented by the COVID-19 pandemic. The Company is now well positioned to deliver on its strategy to become a globally significant alkali metals chemical producer, as demand for lithium chemicals in particular increases dramatically to support the rapid adoption of electric vehicles over the coming years. We are on the cusp on transitioning our Phase 1 Project to full implementation with commitments to product offtakes on the near horizon, in parallel with organically expanding our resource base to support our Phase 2 growth project."

Further Information

For further information, please contact

Joe Walsh	***David Waterhouse***
Managing Director	***Waterhouse IR***
Lepidico Ltd	
Tel: +1 647 272 5347	*Tel: +61(0)3 9670 5008*

Email: info@lepidico.com
Website: www.lepidico.com

About Lepidico Ltd
Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium chemicals. Lepidico owns the technology to a metallurgical processes that have successfully produced lithium carbonate from non-conventional sources, specifically lithium-rich mica minerals including lepidolite and zinnwaldite. The L-Max® Process has the potential to complement the lithium market by adding low-cost lithium carbonate supply from alternative sources. More recently Lepidico has added LOH-Max® to its technology base, which produces lithium hydroxide from lithium sulphate without by-product sodium sulphate. The Company has completed a Definitive Feasibility Study for a nominal 5,000 tonne per annum Lithium Hydroxide Monohydrate capacity Phase 1 lithium chemical plant, targeting commercial production for 2023. The Project incorporates the Company's proprietary L-Max® and LOH-Max® technologies into the chemical conversion plant design. Feed to the Phase 1 Plant is planned to be sourced from the Karibib Project in Namibia, 80% owned by Lepidico, where a predominantly Measured and Indicated Mineral Resource of 11.87 Mt grading 0.45% Li_2O, (including Measured Resources of 2.20 Mt @ 0.57% Li_2O, Indicated Resources of 6.73 Mt @ 0.39% Li_2O and Inferred Resources of 2.94 Mt @ 0.50%, at a 0.15% Li_2O cut-off) is estimated. (ASX announcement of 12 March 2021). Ore Reserves total 6.72 Mt @ 0.46% Li_2O, 2.26% rubidium, 2.02% potassium and 320ppm caesium (ASX announcement of 28 May 2020).

Forward-looking Statements
All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.
The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

LEPIDICO LTD

ACN 008 894 442

FINANCIAL REPORT 2021

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Corporate Directory

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

Joint Company Secretaries
Alex Neuling
Shontel Norgate

Registered Office
23 Belmont Avenue
Belmont, WA, Australia, 6104

Telephone: (08) 9363 7800
Facsimile: (08) 9363 7801
Email: info@lepidico.com

Principal Place of Business
23 Belmont Avenue
Belmont, WA, Australia, 6104
PO Box 330 Belmont WA 6984

Website: www.lepidico.com

Country of Incorporation
Australia

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

Telephone: (08) 9225 5355
Facsimile: (08) 9225 6181

Automic Group
Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000
GPO Box 5193 Sydney NSW 2001

Telephone: 1300 288 664
Email: hello@automicgroup.com.au

Home Exchange
Australian Securities Exchange Limited
Central Park,
152-158 St Georges Terrace,
PERTH WA 6000

ASX Code: LPD, LPDOB, LPDOC, LPDOD

Directors' Report

The Directors of Lepidico Ltd (Directors) present their report on the Consolidated Entity consisting of Lepidico Ltd (the Company or Lepidico) and the entities it controlled at the end of, or during, the year ended 30 June 2021 (Consolidated Entity or Group).

DIRECTORS

The names of the Directors in office and at any time during, or since the end of, the year are:

Mr Gary Johnson	Non-executive Chair
Mr Joe Walsh	Managing Director
Mr Mark Rodda	Non-executive Director
Ms Cynthia Thomas	Non-executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

CURRENT DIRECTORS

Mr Gary Johnson - Chair (Non-executive)
Qualifications - MAusIMM, MTMS, MAICD

Mr Johnson has over 40 years' experience in the mining industry as a metallurgist, manager, owner, director and managing director possessing broad technical and practical experience of the workings and strategies required by successful mining companies. Gary is a principal and part owner of Strategic Metallurgy Pty Ltd, which specialises in high-level metallurgical and strategic consulting. He has been a Director of the Company since 9 June 2016.

Special responsibilities:
Member of Audit and Risk Committee
Member of the Remuneration and Nomination Committee

Other Current Directorships of listed public companies:
Director of Antipa Minerals Ltd (ASX listed)
Director of St-Georges Platinum and Base Metals Ltd (CSE listed Company)

Former Directorships of listed public companies in the last 3 years:
None

Mr Julian "Joe" Walsh - Managing Director (Executive)
Qualifications - BEng, MSc

Mr Walsh is a resources industry executive, mining engineer and geophysicist with over 30 years' experience working for mining and exploration companies, and investment banks in mining related roles. Joe joined Lepidico as Managing Director in 2016. Prior to this he was the General Manager Corporate Development with PanAust Ltd and was instrumental in the evolution of the company from an explorer in 2004 to a US$2+billion, ASX 100 multi-mine copper and gold company. Joe has extensive equity capital market experience and has been involved with the technical and economic evaluation of many mining assets and companies around the world.

Special responsibilities:
Member of the Diversity Committee

Other Current Directorships of listed public companies:
None

Former Directorships of listed public companies in the last 3 years:
None

Mr Mark Rodda - Non-Executive Director
Qualifications - BA, LLB

Mr Rodda is a lawyer and consultant with over 24 years' private practice, in-house legal, company secretarial and corporate experience. Mr Rodda has considerable practical experience in the management of local and international mergers and acquisitions, divestments, exploration and project joint ventures, strategic alliances, corporate and project financing transactions and corporate restructuring initiatives. Mark currently manages Napier Capital Pty Ltd, a business established in 2008 to provide clients with specialist corporate services and assistance with transactional or strategic projects. Prior to its 2007 takeover by Norilsk Nickel for in excess of $+6 billion, Mark held the position of General Counsel and Corporate Secretary for LionOre Mining International Ltd, a company with operations in Australia and Africa and listings on the TSX, LSE and ASX.

Special responsibilities:
Chair of the Remuneration and Nomination Committee
Member of Audit and Risk Committee
Member of the Diversity Committee

Other Current Directorships of listed public companies:
Director of Antipa Minerals Ltd

Former Directorships of listed public companies in the last 3 years:
None

Ms Cynthia Thomas – Non-Executive Director
Qualifications – B.Com, MBA

Ms Thomas has over 30 years' of banking and mine finance experience, and is currently the Principal of Conseil Advisory Services Inc. (Conseil), an independent financial advisory firm specialising in the natural resource industry which she founded in 2000. Prior to founding Conseil, Cynthia worked with Bank of Montreal, Scotiabank and ScotiaMcLeod in the corporate and investment banking divisions. Cynthia holds a Bachelor of Commerce degree from the University of Toronto and a Masters in Business Administration from the University of Western Ontario.

Special responsibilities:
Chair of Audit and Risk Committee
Chair of the Diversity Committee
Member of the Remuneration and Nomination Committee

Other Current Directorships of listed public companies:
Executive Chair (Interim CEO and CFO) of Victory Nickel Inc. (CSE listed)

Former Directorships of listed public companies in the last 3 years:
None

COMPANY SECRETARIES

Mr Alex Neuling
Qualifications: BSc, FCA (ICAEW)*, FCIS*

Mr Neuling has extensive corporate and financial experience including as director, chief financial officer and/or company secretary of various ASX-listed companies in the mineral exploration, mining, oil and gas and other sectors. Alex is principal of Erasmus Consulting, which provides company secretarial and financial management consultancy services to ASX-listed companies. In addition to his professional qualifications, Alex also holds a degree in Chemistry from the University of Leeds in the United Kingdom.

Ms Shontel Norgate
Qualifications: CA, AGIA ACIS

Ms Norgate is a Chartered Accountant with over 25 years' experience in the resources industry including debt and equity finance, financial reporting, project management, corporate governance, commercial negotiations and business analysis experience in finance and administration. Prior to joining Lepidico Shontel was CFO for ten years with TSX-listed resources company, Nautilus Minerals Inc. Prior to her appointment at Nautilus Minerals, Ms Norgate was Financial Controller with Macarthur Coal Ltd and Southern Pacific Petroleum NL, both listed on the ASX and commenced her career as an auditor with Price Waterhouse (now PricewaterhouseCoopers)

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2021, and the number of meetings attended by each director.

	Full Board Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings		Diversity Committee Meetings	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Mr Gary Johnson	5	5	2	2	2	2	0	0
Mr Joe Walsh	5	5	0	0	0	0	2	2
Mr Mark Rodda	5	5	2	2	2	2	2	2
Ms Cynthia Thomas	5	5	2	2	2	2	2	2

INFORMATION ON DIRECTORS' INTERESTS IN SECURITIES OF LEPIDICO

As at the date of this report, the notifiable interests held directly and through related bodies corporate or associates of the Directors in shares and options of Lepidico are:

	Number of fully paid ordinary shares	Number of options
Mr Gary Johnson	370,618,485	28,433,188
Mr Joe Walsh	33,108,572	46,429,286
Mr Mark Rodda	-	22,500,000
Ms Cynthia Thomas	-	22,500,000
	403,727,057	119,862,474

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year were mineral exploration and development, and development of proprietry technologies, including: L-Max®, S-Max® and LOH-Max®.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in this report including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.

DIVIDENDS PAID OR RECOMMENDED

The Directors recommend that no dividend be paid for the year ended 30 June 2021, nor have any amounts been paid or declared by way of dividend since the end of the previous financial year.

SUMMARY REVIEW OF OPERATIONS

For the financial year ending 30 June 2021 the Group recorded a net profit after tax of $282,556 (2020: net loss after tax $10,118,237) and a net cash inflow from operations of $1,036,610 (2020: net outflow $4,676,482).

The net assets of the Group increased to $74,949,679 at 30 June 2021 (2020: $59,189,215).

PHASE 1 PROJECT DEVELOPMENT

Karibib Project (80%), Namibia

Karibib is fully permitted for the re-development of two open pit mines at Rubicon and Helikon 1, feeding lithium mica ore to a central mineral concentrator that employs conventional flotation technology. Major permits include the Mining Licence (ML204), water extraction permit and Environmental Compliance Certificates (ECC) for the Project including a separate ECC awarded for the overhead power transmission line following approval of the power line EIA by the regulator.

Lycopodium Minerals Pty (Lycopodium) was awarded the engineering, procurement and construction management (EPCM) contract for the Phase 1 concentrator at Karibib with early services commencing in May 2021 and FEED activities in June. Two long lead item equipment packages were awarded for tender, for the ball mill and thickener. Positive responses have been received from all tenderers, with equipment selection scheduled by September 2021. The control estimate for construction is on track to be finalised before end December 2021, confirming the project schedule and budget.

Knight Piésold started on the infrastructure engineering package in May 2021, which includes: access road upgrade, construction of on-site roads, Rubicon waste management area starter pad construction, site water management structures and bulk earthworks pads for the concentrator, non-process buildings and stockpile areas. The geotechnical investigation for the flotation plant has been completed, and the pad design finalised and handed over to Lycopodium.

A draft agreement is under negotiation with a local utility for supply of 66kV grid power to the Karibib operations. The national grid in Namibia has significant contributions by solar and hydro with more renewables capacity coming on-stream. It is expected that 80% of grid power will be from renewable sources by 2025.

The connection to the grid requires the construction of a 30km long overhead line and substation at Rubicon Operations. The capital has been estimated at $3.5 million, which is included in the Definitive Feasibility Study (DFS) estimate. It is planned that project construction will be managed by Lepidico through an EPC contract with an approved NamPower contractor. The line will be handed over to NamPower to own and maintain for a maintenance and grid access fee. The Rubicon substation will be owned and maintained by Lepidico.

Preparations have started for tender packages and contracts for Karibib bulk earthworks and power supply construction, with site works at Karibib scheduled to start early in 2022.

A considerable tonnage of high-grade in-situ lepidolite mineralisation is exposed at surface at Rubicon with negligible requirement for mining of waste. Ore mining is planned to start in December quarter 2022, ahead of concentrator commissioning.

Chemical Conversion Plant (100%), Abu Dhabi
The Phase 1 Project Chemical Conversion Plant, to be built in Abu Dhabi represents a unique opportunity globally for production of the strategic metals rubidium and caesium, for which the United States is entirely reliant on imports. Furthermore, lithium, caesium, rubidium and potash, the main Phase 1 products, are all on the U.S. Government list of 35 Critical Minerals, making Lepidico's technologies and the Project strategically significant.

The Chemical Plant site (Figure 1) is approximately 57,000m^2 and is located within an industrial free zone, which allows full foreign ownership as well as tax exemptions on imports and exports. The off-site infrastructure is supplied through a land lease agreement with Abu Dhabi Ports (the manager of Kalifa Industrial Zone Abu Dhabi – KIZAD) and includes direct connection to natural gas, 11kV power, industrial water, and sewer services on the east side of the plot, roads and drainage. The KIZAD container port where concentrate from Walvis Bay, Namibia will be imported is 15km by road from the plant site.

Figure 1: Schematic of proposed chemical plant site with KIZAD container port in the background

During the year the Company established an incorporated subsidiary in Abu Dhabi, Lepidico Chemicals Manufacturing Ltd, and a pre-operations Industrial Licence was awarded for the Phase 1 Chemical Plant site within KIZAD.

The Preliminary Economic Review (PER) for the Phase 1 Chemical Plant site within KIZAD was approved by the Environment Agency, EAD, and an environmental approval to construct awarded. The key commercial terms for the Company's Musataha Agreement with Abu Dhabi Ports have been agreed, which, following execution will entitle the Company to lease the land for the construction and operation of the chemical plant for a period of 25 years. Execution of the Musataha is planned to coincide with securing full funding for the Project.

The Environment and Social Impact Assessment (ESIA) for the Chemical Plant was completed in parallel with the PER. As for the Karibib Operations, this second ESIA has been completed to Equator Principles and IFC (Performance Standards) environmental and social standards to support the debt funding strategy. Both ESIAs have been made available to debt financiers.

Lycopodium was awarded the EPCM contract for the Phase 1 chemical plant, which employs Lepidico's proprietary processes technologies that include L-Max® and LOH-Max®. The selection of Lycopodium followed its successful completion of the engineering study for the Definitive Feasibility Study in May 2020.

Early services and FEED works commenced during the latter part of the year, with long lead equipment packages for the filters and crystallisers issued for tender. All tenderers have provided positive responses, with equipment selection on track by end November 2021. The control estimate for chemical plant construction is scheduled to be finalised during the December 2021 quarter.

A UAE based consultant has been appointed to manage the building permit process with the Abu Dhabi Municipality and Abu Dhabi Ports. Site investigation including geotechnical drilling is progressing for the plant and associated infrastructure, with input from Lycopodium to finalise the earthworks engineering scope.

Sulphuric acid represents the largest single consumable and operating cost for Phase 1. Acid supply proposals for the first three years of operation have been received, with the process on-track for contract award by end 2021.

Greenhouse Gas Report

The Company received a carbon footprint assessment for the integrated Phase 1 Project from leading industry consultant GHD Pty Ltd (GHD). Scope 1 and 2 emissions[1] intensity associated with the Abu Dhabi Phase 1 chemical plant was just 7.46t CO_2-e/t[2] lithium hydroxide, which GHD advised as being, "low compared with other emission intensities reported or derived from lithium hydroxide production facilities." Similar emissions associated with mining and the mineral concentrator gave an emissions intensity of 0.13 tCO_2-e/t concentrate (1.37t CO_2-e/t lithium hydroxide), which is, "comparable with other similar lithium mine and concentrator projects."

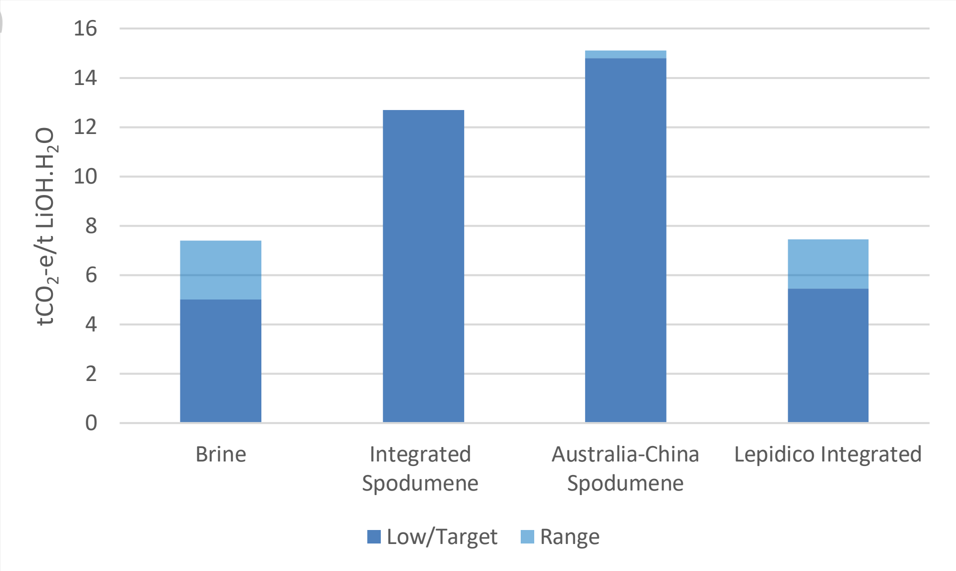
GHDs work identifies Lepidico's L-Max® and LOH-Max® technologies as providing a lower CO_2 intensity solution for the production of lithium chemicals versus conventional spodumene conversion (Figure 1). Lepidico has established a Scope 1 and 2 emissions reduction target of 2.0t CO_2-e/ t lithium hydroxide associated with a greater proportion of power sourced from non-greenhouse gas generating sources and solar pre-heating of boiler water to reduce natural gas consumption. Further reduction opportunities have been identified including from the substitution of green hydrogen for gas and the use of electric mobile equipment for mining, which have the potential to reduce Phase 1 emissions to be best in class within the lithium industry. In addition, a formal assessment of Scope 3 inventory emissions is planned once

[1] Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain.

[2] Tonnes of carbon dioxide equivalent

Phase 1 is fully operational, which GHD has advised should be competitive relative to the industry due to emissions savings from by-products, estimated at 34,009 tCO_2-e per year. This figure excludes any emission savings relating to use of caesium and rubidium compounds, which could also be significant.

Figure 1: CO_2 intensity comparison for lithium hydroxide production tCO_2-e/t LiOH



Source: GHD data

The excellent environmental and social credentials associated with Phase 1 are proving important in Lepidico's advanced debt and offtake negotiations.

Product Marketing

Excellent progress was made during the year in securing offtake agreements for both the high-value and bulk products to be manufactured by the Phase 1 Chemical Plant. Engagement with chemical consumers has enabled a structured three-pronged lithium, caesium and rubidium supply strategy to be developed.

1. EV supply chain direct sales: enormous growth is predicted over the balance of the current decade in this industry sector. Phase 1 is designed to produce high specification lithium chemicals from hard rock sources and will have the capability of switching between supply of lithium hydroxide monohydrate and lithium carbonate as required by the customer. This flexibility has been developed to meet the future needs of EV manufacturers and provides a competitive advantage over single chemical producer projects. Lepidico's lithium supply strategy includes a long-term commitment to at least one consumer within the EV supply chain for 60% plus of Phase 1 lithium chemical output. Lithium supply discussions are now being prioritised with three consumers.

2. Agency sales agreement: up to 40% of planned production from Phase 1 is expected to be available for sale under agency agreement(s). This will allow supply into local markets with short logistics routes to be maximised and a broad consumer base to be established. Building consumer confidence in Lepidico's products will benefit future supply from a planned Phase 2 project. Discussions are progressing with experienced chemical trading houses for supply across all industry segments that consume lithium chemicals.

3. Fine chemical direct sales: for lithium, caesium and rubidium chemicals. Discussions are progressing under confidentiality with several consumers and refiners of high-purity alkali metal compounds for offtake of these Phase 1 high-value products.

One consumer has advised that it requires a relatively substantial sample of lithium hydroxide for evaluation which would require Lepidico's pilot plant to be run again for at least a two week steady state campaign. This will only be committed to once negotiations have advanced sufficiently.

The caesium market is in just as dynamic a phase as lithium, with a substantial supply deficit on the near horizon as a major chemical producer ceases production due to upstream mineral feedstock depletion. This leaves the caesium and rubidium markets being supplied by a single size manufacturer. Lepidico's Phase 1 chemical plant is the only advanced stage source of new caesium and rubidium supply globally, which is scheduled to come on line at a time of substantial supply deficit.

A specialist consultant has been appointed to expand Lepidico's reach to caesium and rubidium chemicals consumers. The Company is now in meaningful discussions with four groups. Binding supply agreements are being targeted for the December quarter 2021.

As indicated previously, caesium and rubidium are both designated as Critical Minerals by the U.S. State Department and the United States is entirely reliant of imports of these metals. Further samples of caesium and rubidium chemicals were manufactured in the quarter to meet consumer requirements and to confirm product specifications. Requests for further samples have recently been received and these are being manufactured in Perth.

Regional markets for the 13,000tpa of SOP, 35,000tpa of amorphous silica and approximately 70,000tpa of gypsum were evaluated in the year by a consultant in the UAE, with a location benefit identified for these Phase 1 bulk products. Furthermore, general imports (non-hydrocarbon) into the regional far exceed exports providing competitive back-haul rates for cargos to premium markets for both SOP and silica products.

Phase 2 L-Max® Plant Scoping Study
Identification of strategic locations within the United States for a Phase 2 Chemical Plant was the main focus during the year. Constructive engagement was had with Government representatives from eight States identified as being prospective. There is considerable interest in securing direct foreign investment in the electric vehicle supply chain with some States indicating incentives that to be equivalent to the favourable fiscal terms at the industrial free zones in the UAE. A short list of locations is being developed with the objective of advancing discussions in early 2022 once the Phase 1 Project has advanced to full implementation.

Walvis Bay in Namibia and Abu Dhabi will continue to be evaluated as prospective locations for a Phase 2 plant along with Europe. The Scoping Study contemplates a nominal output capacity of 20,000tpa lithium carbonate equivalent (LCE). Under the P1P DFS a scoping study capital estimate was developed for a nominal 20,000tpa LCE Phase 2 Project, with associated capital intensity was estimated to be US$16,900/t LCE and just US$10,500/t LCE on a net of by-products basis.

RESEARCH & PRODUCT DEVELOPMENT

Following more than a year of research and development work, Lepidico filed a provisional patent application for a process that involves the sequestration of CO_2 into a crude LOH-Max® lithium hydroxide intermediate and subsequent refining to a nominal battery grade lithium carbonate. The process flowsheets for the refining of these two lithium chemicals mostly share common equipment, aside from the need for CO_2 reticulation and gas sparges in specific process reactors. Approximately 0.6 tonnes of CO_2 will be required for each tonne of lithium carbonate produced, equivalent to around 25% of process emissions from the upstream L-Max® plant. A preliminary evaluation by Strategic Metallurgy indicates a capital cost of less than US$1 million will be required to integrate this lithium carbonate functionality into the back end of the Phase 1 Plant. Completion of process design work will allow feasibility study work to start for retrofitting lithium carbonate functionality to the Phase 1 Plant in production year two.

It is evident from discussions with both lithium-ion battery cathode and EV manufacturers that there is an emerging need for lithium chemical companies to be able to efficiently switch between production of lithium carbonate and lithium hydroxide. Automakers are broadening out their range of EV models that employ both lithium iron phosphate (LFP) and high nickel content nickel-cobalt-manganese oxide (NCM), as well as other existing and evolving cathode chemistries. Adoption of a mixed cathode strategy such as this will likely require supplies of both lithium carbonate and lithium hydroxide, in quantities that are currently difficult to determine, due to the uncertainty of future demand for different categories of EVs, be it for example compact, mid-range or prestige passenger vehicles, or light commercial vehicles.

Lepidico has received positive feedback from lithium chemical consumers within the EV supply chain for integrating functionality that provides the flexibility to produce either hydroxide or carbonate from the Phase 1 Plant.

LOH-Max® application for spodumene conversion
Strategic Metallurgy completed a desk top evaluation of LOH-Max®, benchmarked against third party feasibility study level data for conventional production of lithium hydroxide monohydrate from a lithium sulphate intermediate, sourced from a 6.0% Li_2O spodumene concentrate. This evaluation coupled with results from further LOH-Max® testwork for the Phase 1 Project by Strategic Metallurgy supports a substantial US$52 million capital cost saving estimate (14% of estimated total spodumene converter capital) for a production rate of 20,000tpa LCE (Lithium Carbonate Equivalent), largely due to the elimination of the energy intensive sodium sulphate circuit. By not producing sodium sulphate LOH-Max® also eliminates the risk of either attempting to sell or even dispose of sodium sulphate, the market for which, is globally mature.

Strategic Metallurgy also advised that LOH-Max® may also deliver an estimated 4% increase in recovery of lithium from concentrate to final product versus conventional spodumene processing, with an overall recovery estimate of 91% (87% for the conventional process), equivalent to approximately an extra 1,000tpa of lithium hydroxide production for a nominal 20,000tpa converter.

LOH-Max® operating costs benefit from lower energy consumption, and lower reagent costs versus conventional conversion. The net benefit calculated showed an estimated reduction in absolute operating cost of US$8 million per year based on the third party feasibility study data for a 20,000tpa spodumene converter and a greater reduction in unit operating costs per tonne of product of approximately 8% due to the increased metal recovery. Furthermore, the lower energy consumption also leads to a reduction in CO_2 emissions when LOH-Max® is employed, which when combined with the increased lithium hydroxide output is expected to result in a meaningful reduction in carbon intensity. Opportunities to further reduce carbon intensity have been identified but require additional work to quantify.

Improvements in mica conversion
Testwork undertaken by Strategic Metallurgy on a third party lithium mica feed stock early in the year demonstrated the amenability of this mineralisation to L-Max® and also identified some improvements to the LOH-Max® process. Enhanced washing efficiency allows a lithium hydroxide recycle stream to be eliminated, further simplifying the process with negligible impact on lithium metal recovery. This improvement will be incorporated into the Phase 1 Project front end engineering and design.

Third Party Programs
Cornish Lithium (further detail under Corporate below) has advised that it is working with Strategic Metallurgy to develop an L-Max® and LOH-Max® pilot plant to evaluate zinnwaldite/polylithionite mineralisation sourced from the extensive St Austell granite complex in the Southwest of England. This work will further develop Lepidico's process technologies for application more broadly across the various lithium mica mineral species.

EXPLORATION[3]

Karibib Project (80%)

Lepidico is pursuing a strategy of maximising the value of its exploration properties by implementing programs targeted at a range of metals, which the Namibian properties are prospective for, including lithium, caesium, rubidium, tantalum, gold, copper, tungsten and uranium.

Exploration during the year was hampered by local movement restrictions imposed in response to the COVID-19 pandemic. Exploration activities ramped up early in May 2021 as restrictions imposed in response to the COVID-19 pandemic were relaxed. However, COVID-19 cases in Namibia increased dramatically throughout June, necessitating temporary cessation of exploration activities and closure of the Karibib camp. The camp reopened mid-July and exploration activities resumed, including drilling.

Near Mine & Regional Exploration

Fourteen reverse circulation (RC) holes were drilled at Rubicon North and Rubicon West in June, prior to the cessation of exploration activities. Pegmatite was identified in all holes, with those at Rubicon North intersecting typical Rubicon style mineralisation. Samples from this part of the program were dispatched in early July, with assays now expected in October. Two further priority targets were drilled in August.

Eight priority targets have been selected from the 23 lepidolite bearing LCT-type pegmatite targets identified within EPL 5439 and ML204 the previous quarter. Further portable XRF work is being undertaken across these targets to direct RC drilling, which is planned for later this quarter.

Geochemical surveys are scheduled for the current quarter at the three kilometre long high priority gold target identified in the previous period within EPL 5439. The eastern part of EPL 5439 where this target is located has geophysical and geological similarities to known large-scale vein-hosted gold deposits in the Karibib region.

Mineral Resource Estimates

Historical mining of the Rubicon and Helikon pegmatites was largely for petalite, used in the ceramics industry. The pegmatites are generally zoned with the petalite occurring adjacent to the central quartz core, and lepidolite-rich zones commonly peripheral to these zones. As a consequence, much of the mined lepidolite and other lithium mica mineralisation was discarded in surface stockpiles or reported as tailings from processing. Lepidico undertook a program of work during the year to augment existing data on these surface stocks to enable the classification of the first Mineral Resources under the JORC Code (2012).

[3] The information in this report that relates to the Helikon 1 and Rubicon Ore Reserve estimates is extracted from an ASX Announcement dated 28 May 2020 ("Definitive Feasibility Study Delivers Compelling Phase 1 Project Results") and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Rubicon and Helikon 1 Mineral Resource estimates is extracted from an ASX Announcement dated 30 January 2020 ("Updated Mineral Resource Estimates for Helikon 1 and Rubicon") and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Helikon 2 - Helikon 5 Mineral Resource estimates is extracted from an ASX Announcement dated 16 July 2019 ("Drilling Starts at the Karibib Lithium Project") and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

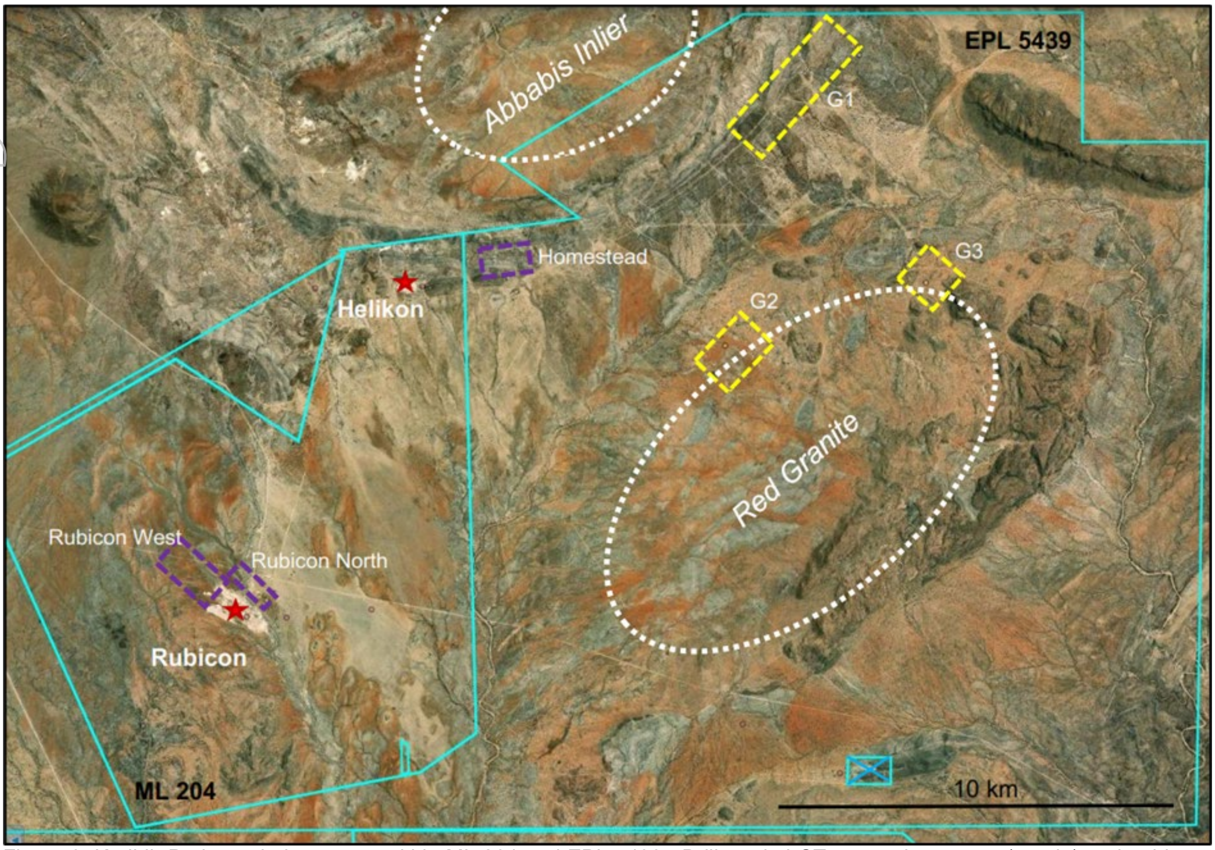


Figure 3. Karibib Project priority targets within ML 204 and EPL 5439. Drill ready LCT pegmatite targets (purple) and gold targets for geochemical survey (yellow).

During the year[4] the Company announced an increase in Resources at its 80% owned Karibib Project. The increased results were from an initial Mineral Resource estimate ("MRE") for the surface stockpiles from former operations at the Rubicon and Helikon pegmatites and a Resource update for the Rubicon tailings, as presented in Table 1. The Mineral Resource statements were reported by Resource Evaluation Services in accordance with the requirements of the JORC Code (2012). These new Mineral Resource estimates total 641,000 tonnes @ 0.81% Li_2O (Table 1). Global Mineral Resources at Karibib now total 11.87 million tonnes grading 0.45% Li_2O (Table 2).

Table 1. Summary of tailings and stockpile Resources at Karibib

Resource	Tonnes	Li_2O %	Cs ppm	Rb %	Ta ppm	Li_2O % cut-off	Classification
Rubicon tailings[1]	71 000	0.99	538	0.42	60	0.00	Indicated
Rubicon stockpiles[2]	369 000	0.86	411	0.28	56	0.00	Inferred
Rubicon historical dumps[2]	45 000	0.68					
Helikon stockpiles[3]	156,000	0.65	535	0.23	125	0.00	Inferred
Total[4]	**641 000**	**0.81**					

[1]*effective date 29 January 2021*
[2]*effective date 10 March 2021*
[3]*effective date 21 February 2021*
[4]*apparent discrepancies due to rounding.*

Mineral Resource Development

Further works are planned over the Rubicon and Helikon stockpiles to increase data density and confidence to a level that would enable this material to be classified as Indicated Resources and thereby enable the estimation of Probable Ore Reserves. This work will involve machine-aided sampling of pits

[4] ASX Announcement, Karibib Mineral Resource expanded, 12 March 2021.

and trenches, RC drilling of the finer-grained comminuted dumps, additional bulk density determinations and XRD analyses of constituent mineralogy.

In addition, pods of high-grade lithium are observed in old mine workings at the Helikon 2, 3 and 4 pegmatites. These three deposits represent excellent targets for further drilling to increase the resource inventory and to promote current Inferred Mineral Resources into Measured and Indicated categories. These pegmatites are currently planned to be drilled in the September 2021 quarter.

Table 2. Karibib Project Global Mineral Resources+

Deposit	Resource Category	Mt	Li_2O %	Rb %	Cs ppm	Ta ppm	K %	Cut-off % Li_2O	Effective Date
Rubicon*	Measured	1.56	0.53	0.28	335	47	2.24	0.15	28.01.2020
	Indicated	5.72	0.36	0.20	232	37	2.11	0.15	28.01.2020
Helikon1*	Measured	0.64	0.65	0.25	520	61	1.90	0.15	28.01.2020
	Indicated	0.94	0.50	0.22	531	74	1.81	0.15	28.01.2020
	Inferred	0.17	0.70	0.29	1100	150	2.18	0.15	28.01.2020
Helikon2#	Inferred	0.216	0.56					0.20	18.10.2018
Helikon3#	Inferred	0.295	0.48					0.20	18.10.2018
Helikon4#	Inferred	1.510	0.38					0.20	18.10.2018
Helikon5#	Inferred	0.179	0.31					0.20	18.10.2018
Rubicon tailings	Indicated	0.07	0.99	0.42	538	60		0.00	29.01.2021
Rubicon stockpiles	Inferred	0.41	0.84					0.00	10.03.2021
Helikon stockpiles	Inferred	0.16	0.65	0.23	535	125		0.00	21.02.2021
Global	**Measured**	**2.20**	**0.57**	**0.27**	**389**	**51**	**2.14**		21.02.2021
	Indicated	**6.73**	**0.39**	**0.21**	**277**	**42**			29.01.2021
	Inferred	**2.94**	**0.50**						10.03.2021
	Total	**11.87**	**0.45**						10.03.2021

Notes: +*Resources are inclusive of Ore Reserves*
**ASX announcement dated 30 January 2020: Updated Mineral Resource Estimates for Helikon 1 and Rubicon*
#*ASX announcement dated 16 July 2019: Drilling starts at the Karibib Lithium Project*

CORPORATE

As at 30 June 2021, Lepidico had cash and cash equivalents of $14.7 million.

COVID-19

The health, safety and wellbeing of our people, staff and contractors, remains of paramount importance. The additional precautions associated with the COVID-19 pandemic remained in place during the year, including suspension of all business travel, along with working from home and adherence to local safety protocols in the jurisdictions in which we operate. All staff in Canada and the UK are now fully immunised, which may allow limited business travel in 2022. There is only limited availability of vaccines in Namibia, however, some staff have managed to get vaccinated, with Lepidico looking to assist where possible.

The Company will continue to monitor the COVID-19 pandemic and adjust working protocols accordingly to ensure the continued health and safety of our people and preserve the Company's assets.

Entitlement Offer completed and significantly oversubscribed

On 15 June 2021 the Renounceable Entitlements Offer, previously announced on 20 May 2021 (the "Offer"), closed significantly oversubscribed following strong support by the Company's eligible directors, shareholders and new investors.

The Offer has raised $9.6 million (before costs) and the Company issued 741,125,690 new shares and 370,562,845 new options on Monday 21 June 2021. The new options are listed under the ASX code LPDOD.

High demand, particularly from new institutional and professional investors resulted in subscriptions being substantially scaled back, with the Company agreeing to place a further 223,076,924 fully paid ordinary shares at $0.013 with 111,538,462 attaching LPDOD options to raise an additional $2,900,000 ("Placement"). The Placement was made using the Company's existing capacity under Listing Rule 7.1.

Funds from the Placement funds are intended to be used to manufacture additional lithium hydroxide and other Phase 1 product samples for consumer qualification assessment and working capital following growing unsolicited interest in lithium hydroxide supply for use in the rapidly developing electric vehicle supply chain in the United States and Europe.

Mahe Capital advised the Company and acted as Lead Manager and Underwriter.

Utilisation of Controlled Placement Agreement
In April 2021, Lepidico successfully raised A$2,925,000 (after costs) through the set-off of 134,000,000 collateral shares (Set-off Shares) previously issued to Acuity Capital under the Controlled Placement Agreement (CPA) as announced on 23 December 2019. The Set-Off Shares reduces the total 230,000,000 collateral shares which Acuity Capital is otherwise required to return to the Company upon termination of the CPA. These Set-Off Shares had a deemed price of $0.0218.

Project Finance
The Phase 1 Project will have operations across two jurisdictions: Namibia and Abu Dhabi; and potential offtake partners across further jurisdictions resulting in various regulatory and fiscal regimes. The structure of the Phase 1 Project requires separate legal entities to be established in each operating jurisdiction.

Lepidico Chemicals Namibia (Pty) Ltd (LCN), an 80% owned subsidiary, will operate the Karibib Project. A newly formed Namibian subsidiary, Lepidico Infrastructure Namibia (Pty) Ltd (LIN), has been created following third-party interest in direct investment in project infrastructure including the concentrator, which will be leased and operated by LCN. Lepidico Chemical Manufacturing Ltd (LCM), a 100% owned Abu Dhabi subsidiary will develop and operate the Phase 1 Chemical Plant. LCM will enter into a Concentrate Sales Agreement with LCN to acquire concentrate on commercial terms. LCM will also enter into offtake/sales Agreements for the sale of lithium hydroxide and the various by-products.

The United States International Development Finance Corporation (DFC) completed a preliminary review of the project proposal and application for financing for the lepidolite mining and processing project in Namibia and confirmed its interest in pursuing further its analysis of this upstream part of the Project. Following receipt of an indicative, non-binding term sheet from DFC to provide the required debt funding for the Karibib Project in Namibia, the Company entered into a formal Mandate Agreement with DFC to undertake detailed due diligence on the Project, with a view to providing the necessary debt financing for the Namibian portion. DFC has appointed BDA as the independent engineer to undertake detailed technical due diligence.

LOH-Max® acquisition
During the year, Lepidico Holdings Pty Ltd, a wholly-owned subsidiary of Lepidico Ltd, acquired all of the issued capital of Bright Minz Pty Ltd ("Bright Minz"), a company controlled by director, Mr Gary Johnson. Bright Minz is the holder of the LOH-Max® process technology which was developed for the production of high purity lithium hydroxide monohydrate from a lithium sulphate intermediate.

In addition to the cash payment of $10,000 (as reimbursement to the shareholders of Bright Minz for establishment costs incurred by them), a royalty deed was executed entitling the previous shareholders of Bright Minz to a trailing royalty in relation to any third party LOH-Max® licences entered into by the Lepidico Group after 1 January 2021.

The Lepidico Group retains the right to use LOH-Max® royalty free.

Strategic Collaboration with Cornish Lithium Ltd
On 4 December 2020, the Company entered into a strategic collaboration with Cornish Lithium Ltd ("CLL"), a UK registered private company pioneering the development of lithium mica deposits within the large St Austell granite complex in Cornwall, UK. The collaboration will focus on fast tracking the development of a new lithium chemical manufacturing centre with industry leading environmental and social attributes, using Lepidico's suite of eco-technologies and the geothermal energy potential in the Cornwall region.

Lepidico granted CLL an exclusive technology licence covering approximately 93km^2 of the St Austell granite region. The technologies include the proprietary L-Max®, LOH-Max® and caesium rubidium manufacturing processes, which provide excellent environmental attributes versus conventional process technology. The technology suite allows lithium mica minerals to be converted into a range of fine alkali metal chemicals including nominal battery grade lithium hydroxide, without the requirement for energy intensive roasting and calcination, and without production of potentially problematic sodium sulphate.

In recognition of the collaboration to pioneer Lepidico's technologies on zinnwaldite and polylithionite mineralisations several one-off special terms were included in the licence; including, up to a 15 year royalty holiday, a concessionary royalty rate of 1.5% of gross revenue from all chemical conversion plant products and geographic exclusivity over the St Austell granite. The consideration for the licence and technology data package was C$4 million.

In addition, Lepidico issued CLL 100 million options to acquire fully paid ordinary shares with a two year expiry and a strike price of A$0.016, a 100% premium to Lepidico's last closing price prior to execution of the transaction.

Convertible Note
On 7 December 2020, the Company repaid in full the C$5 million convertible note held by AIP Global Macro Fund L.P.

The repayment of the note was funded from proceeds received from the strategic collaboration and technology licence agreement with CLL, and the Company's 2020 R&D tax credit.

Patents & Trademarks
At 30 June 2021, the Company holds granted patents for its L-Max® technology in the United States, Europe, Japan and Australia, along with an Innovation Patent in Australia. National and regional phase patent applications are well advanced in the remaining other key jurisdictions and these processes are expected to continue during calendar year 2021. The Company also has a US patent for its process technology for lithium recovery from phosphate minerals, which include amblygonite.

An international patent application is held for LOH-Max® under PCT/AU2020/050090 and the national and regional phase of the patent application process is due to commence in the current quarter.

The national phase patent applications are progressing in relation to S-Max® under PCT/AU2019/050317 and PCT/AU2019/050318 and for the production of caesium, rubidium and potassium brines and other formates under PCT/AU2019/051024. The national and regional phase applications are expected to continue into 2022.

On 1 April 2021 a provisional patent application for the lithium carbonate recovery process was filed.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as mentioned in the Review of Operations, no significant changes in the state of affairs of the Consolidated Entity occurred during the financial year.

SUBSEQUENT EVENTS

Other than the matters discussed above there are no other matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

(a) the Consolidated Entity's operations in future years, or
(b) the results of those operations in future financial years, or
(c) the Consolidated Entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS ON OPERATIONS

The Company plans to continue to implement its strategy to become a vertically integrated alkali metals chemical company through the commercialisation of its proprietary technologies including L-Max®, S-Max® and LOH-Max® and the ongoing growth, exploration and development of its portfolio of lithium interests.

The nature of the Company's business remains speculative and the Board considers that comments on expected results or success of this strategy are not considered appropriate or in the best interests of the Company.

INSURANCE AND INDEMNITY OF OFFICERS AND AUDITORS

During the year, the Company paid a premium in respect of a contract insuring the directors of the Company (named above) and the Company Secretaries against liabilities incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001 (Cth)*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

OPTIONS

At the date of this report, the Company has the following options on issue:

Number	Exercise Price	Grant	Expiry
9,450,000	$0.040	11 July 2019	25 October 2021
65,000,000	$0.026	23 November 2018	22 November 2021
945,000	$0.100	11 July 2019	31 March 2022
274,698,811	$0.020	18 May 2020	18 May 2022
190,764,921	$0.050	5 June 2019	5 June 2022
3,921,982	$0.100	11 July 2019	21 June 2022
73,000,000	$0.025	21 November 2019	21 November 2022
100,000,000	$0.016	8 December 2020	8 December 2022
5,967,000	$0.350	11 July 2019	26 February 2023
482,101,307	$0.026	18 June 2021	18 June 2023
67,500,000	$0.012	19 November 2020	19 November 2023
18,090,000	$0.020	11 July 2019	14 January 2024
1,291,439,021			

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001(Cth)* for the year ended 30 June 2021 is included on page 28 of the Directors' Report.

The Auditor did not provide any non-audit services for the year ended 30 June 2021 (2020: $Nil)

REMUNERATION REPORT (AUDITED)

This remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service Agreements
D. Share Based Compensation

This remuneration report outlines the Director and Executive remuneration arrangements for the Company and Group in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations. For this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent Company, and includes the highest paid executives of the Company and Group.

The information provided in this remuneration report has been audited as required by section 308(3c) of the Corporations Act 2001.

A. Principles Used To Determine The Nature And Amount Of Remuneration

The Company's remuneration policy is designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering incentives based on the Group's financial results. A Remuneration Committee has been established which makes recommendations to the Board which aims to attract and retain appropriate executives and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Remuneration Committee considers remuneration of Directors and the Executive and makes recommendations to the Board. Remuneration is considered annually or otherwise as required.

The nature and amount of remuneration for an executive and non-executive director depends on the nature of the role and market rates for the position, which are determined with the assistance of external advisors (where necessary), surveys and reports, taking into account the experience and qualifications of each individual. The Board ensures that the remuneration paid to KMP is competitive and reasonable.

During the financial year, the Remuneration Committee reviewed the elements of KMP remuneration for the year commencing 1 July 2021 including comparative information relating to the KMP remuneration for the Company's peers and provided recommendations to the Board. The recommendations from the Remuneration Committee were approved by the Board.

The following were KMP of the Group during the financial year and unless otherwise indicated were KMP for the entire financial year:

Non-Executive Directors	
Mr Gary Johnson	Non-executive Chair
Mr Mark Rodda	Non-executive Director
Ms Cynthia Thomas	Non-executive Director
Executive Director	
Mr Joe Walsh	Managing Director
Executives	
Ms Shontel Norgate	Chief Financial Officer and Joint Company Secretary
Mr Tom Dukovcic	General Manager - Geology
Mr Peter Walker	General Manager – Projects
Mr Alex Neuling[(1)]	Joint Company Secretary

(1) Mr Neuling provides services as a the Joint Company Secretary through a services agreement with Erasmus Consulting (Erasmus).

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-Executive Director Remuneration

Fees and payments to the Non-Executive Directors reflect the demands made, and the responsibilities placed on the Non-Executive Directors. The maximum annual aggregate directors' fee pool limit is $600,000 and was approved by shareholders at the annual general meeting on 22 November 2018.

The Company's policy is to remunerate Non-Executive Directors at market rates (for comparable companies) and reflect the demands made and the responsibilities placed on the Non-Executive Directors.

Non-Executive Director fees approved by the Board from 1 December 2018 are:

Base fees (annual) Non-Executive Chair	87,600
Other Non-Executive Directors	54,750
Chair of Audit & Governance /Nomination & Remuneration Committee	10,000
Member of Audit & Governance /Nomination & Remuneration Committee	10,000

On formation of the Diversity Committee it was resolved by the Committee members that the Committee would forgo any Fees and the decision would be reviewed once a final investment decision was reached by the Board.

Effective from 1 April 2020 the Board approved the deferment of payment of Directors Fees until austerity measures were lifted and the convertible note was repaid. Directors Fees were re-instated and fees outstanding were repaid in January 2021.

Fees for Non-Executive Directors are not linked to the performance of the Company however, to align Directors' interests with shareholders' interests are encouraged to hold equity securities in the Company. Non-executive Directors are also entitled to participate in the Company long term incentive plan (refer *Long Term Incentives (LTIs)* below).

In addition to Directors' fees, Non-Executive Directors are entitled to additional remuneration as compensation for additional specialised services performed at the request of the Board and reimbursed for reasonable expenses incurred by directors on Company business. Non-Executive Directors' fees and payments are reviewed annually by the Board.

Retirement benefits
No retirement benefits or allowances are paid or payable to Non-Executive Directors of the Company other than superannuation benefits.

Other benefits
No motor vehicle, health insurance or other similar allowances are made available to Non-Executive Directors.

Executive Director and Executive Remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The remuneration framework aligns executive reward with the achievement of strategic and operational objectives and the creation of wealth for shareholders. The Board ensures that the executive reward framework satisfies the following key criteria in line with appropriate governance practices:

- attract, retain, motivate and reward executives;
- reward executives for Company and individual performance against pre-determined targets/benchmarks;
- link rewards with the strategic goals and performance of the Company;
- provide competitive remuneration arrangements by market standards (for comparable companies);
- align executive interests with those of the Company's shareholders; and
- comply with applicable legal requirements and appropriate standards of governance.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation. Executive remuneration packages may comprise a mix of the following:

Fixed remuneration
Fixed remuneration comprises base salary and employer superannuation contributions. Salaries are reviewed on an annual basis to ensure competitive remuneration is paid to executives with reference to their role, responsibility, experience and performance. Salaries are reviewed on an annual basis. There are no guaranteed base pay increases included in any executive contracts.

Effective from 1 April 2020 the senior Executives agreed to a 20% payment deferral of Fixed remuneration until austerity measures were lifted and the convertible note was repaid. Executive remuneration was re-instated in full and outstanding remuneration was repaid in January 2021.

Short-term incentives (STIs)
STIs comprise cash bonuses. The STIs are structured to provide remuneration for the achievement of individual and Company performance targets linked to the Company's strategic objectives across four areas of focus: Development, Exploration, Financing/Shareholder Value and Governance. At the beginning of each year, performance targets are set by the Board. Where possible, the performance targets are specific and measurable. At the end of each year the Company's performance against the KPIs are assessed by the CEO and presented to the N&R Committee and approved by the Board. STIs may be adjusted up or down in line with under or over achievement relative to target performance levels at the discretion of the Remuneration Committee.

During the year the Company achieved the key milestones relating to the development of the integrated Phase 1 Project with ESIAs and permits and approvals in place for both the Karibib Project in Namiba and the Phase 1 Chemical Plant in Abu Dhabi. The Company furthered discussions with potential offtakers for all of its high value products and key supply contracts were well advanced. Lepidico entered into a strategic collaboration with Cornish Lithium Ltd including a Licence Agreement for its L-Max® and LOH-Max® technologies representing the Company's first operating revenue. The Company ensured the health and safety of its employees, particularly during the COVID-19 pandemic and successfully raised

$12.5 million in an Entitlement Offer to able the Company to fund its development and growth opportunities.

For the year ended 30 June 2021, STIs of $322,920.82 (including superannuation) were payable to KMP of the Company or Group (2020: $Nil)

Long term incentives (LTIs)
LTIs comprise options granted at the recommendation of the Remuneration Committee in order to align the objective of Directors and Executives with shareholders and the Company (refer section D for further information). The issue of options to Directors (Non-Executive and Executive) requires shareholder approval.

The grant of share options has not been directly linked to previously determined performance milestones or hurdles as the current pre-development stage of the Group's activities makes it difficult to determine effective and appropriate key performance indicators and milestones.

Persons granted options are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit his or her exposure to the economic risk in relation to the securities.

Consequences of Performance on Shareholder Wealth

Executive remuneration is aimed at aligning the strategic and business objectives with the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last 5 years as required by the *Corporations Act 2001*. However, given the pre-development stage of the business these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP. Consequently, there may not be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2017 **$**	**2018** **$**	**2019** **$**	**2020** **$**	**2021** **$**
Net Profit/(Loss)	(5,357,243)	(7,219,713)	(5,105,014)	(10,118,237)	$282,556
EPS	(0.003)	(0.003)	(0.002)	(0.002)	0.00006
Share price at 30 June	0.013	0.037	0.026	0.007	0.01

B. Details Of Remuneration

Amounts of remuneration

Details of the remuneration paid or payable to the directors and Key Management Personnel of the Group are set out in the following tables. Cash Salary and Fees for KMP in 2020 include paid and deferred remuneration which remained unpaid at 30 June 2021.

		Short-term Benefits				Post-employment benefits			Share-based payments	Total
									Equity Options	
		Cash Salary and Fees (Paid) $	Cash Salary and Fees (Deferred) $	Deferred Cash Salary and Fees (Paid) $	Other (STI) $	Retirement Benefits (Paid) $	Retirement Benefits (Deferred) $	Deferred Retirement Benefits Paid $	Vested $	$
Non-Executive Directors										
Mr Gary Johnson	2021	100,000	-	25,000	-	9,500	-	2,375	37,500	174,375
	2020	75,000	25,000	-	-	7,125	2,375		52,500	162,000
Mr Mark Rodda	2021	80,000	-	20,000	-	7,600	-	1,900	37,500	147,000
	2020	60,000	20,000	-	-	5,700	1,900		52,500	140,100
Mr Brian Talbot(1)	2021	-	-	-	-	-	-	-	-	-
	2020	37,500	-	-	-	3,562	-	-	52,500	93,562
Ms Cynthia Thomas	2021	87,600	-	21,900	-	-	-	-	37,500	147,000
	2020	65,700	21,900	-	-	-	-		52,500	140,100
Executive Directors										
Mr Joe Walsh(2)	2021	376,496	-	18,825	145,639	-	-	-	75,000	615,960
	2020	380,500	20,026	-	-	-	-		105,000	505,526
Executives										
Mr Tom Dukovcic	2021	208,478	-	9,406	48,410	19,805	-	894	50,000	336,993
	2020	178,721	9,406	-	-	16,979	894		70,000	276,000
Ms Shontel Norgate(3)	2021	263,547	-	13,177	63,755	-	-	-	50,000	390,479
	2020	266,351	14,018	-	-	-	-		70,000	350,369
Mr Peter Walker(4)	2021	248,587	-	17,750	59,718	-	-	-	50,000	376,055
	2020	316,982	18,414	-	-	-	-		-	335,396
Mr Alex Neuling(5)	2021	37,026	-	-	-	-	-	-	-	37,026
	2020	39,150	-	-	-	-	-		28,000	67,150
Total Directors' and KMP remuneration	**2021**	**1,401,734**	**-**	**126,058**	**317,522**	**36,905**	**-**	**5,169**	**337,500**	**2,224,888**
	2020	**1,419,904**	**128,764**	**-**	**-**	**33,366**	**5,169**	**-**	**483,000**	**2,070,203**

(1) Mr Talbot resigned as Non-Executive Director on 9 April 2020
(2) Mr Walsh is remunerated in Canadian dollars and his total salary paid was C$378,525, including C$18,025 paid as deferred remuneration (2020: C$342,475 with C$18,025 deferred). The Company uses 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$1.044372 (2020: C$1.00 for every A$1.111031).
(3) Ms Norgate is remunerated in Canadian dollars and her total salary paid was C$264,968, including C$12,617 paid as deferred remuneration (2020: C$239,732 with C$12,617 deferred). The Company uses 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$1.044372 (2020: C$1.00 for every A$1.111031).
(4) Mr Walker is remunerated in Great British pounds and his total salary paid was GBP£147,700, including GBP£9,800 paid as deferred remuneration (2020: GBP£168,700 with GBP£9,800 deferred). The Company uses the average annual rate to translate remuneration into the reporting currency and has been translated at the rate of GBP£1.00 for every A$1.80266 (2020: GBP£1.00 for every A$1.878967)
(5) Mr Neuling provides services as the Joint Company Secretary through a services agreement with Erasmus Consulting Pty Ltd (Erasmus). During the year Erasmus was paid or is payable fees of $37,026 (2020: $39,150) for the provision of company secretarial services to the Group.

Loans to Key Management Personnel

There were no loans made to Directors or other KMP of the Group (or their personally related entities) during the current financial period.

Other Transactions with Key Management Personnel

	2021 $	2020 $
Payments to director-related entities(1)	114,271	1,229,403

(1) Payments were made to Strategic Metallurgy Pty Ltd, a company of which Mr Gary Johnson is a director and beneficial shareholder. The payments were for development of L-Max® technology on an arm's length basis. As at 30 June 2020 invoices totalling $Nil (2020: $2,860) were payable.

C. Service Agreements

The remuneration and other terms of agreement for the Company's Managing Director and other KMP are formalised in employment contracts, as set out below.

Mr Joe Walsh, Managing Director (MD) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as MD and provides for an annual review of base remuneration taking into account performance. Mr Walsh's remuneration includes a salary of C$360,500 per annum. Effective 1 April 2020, Mr Walsh deferred payment of 20% of his base salary until austerity measures were lifted and the convertible note was repaid. Remuneration was re-instated in full and outstanding remuneration was repaid in January 2021. Mr Walsh did not receive an increase to base salary during the reporting period; however an increase in base salary to C$375,000 was awarded effective from 1 July 2021. A monetary bonus of C$135,548 has been awarded for the financial year ended 30 June 2021 (2020: C$Nil).

Termination of the employment agreement requires 6 months written notice. Upon termination, the MD is entitled to receive from the Group all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the MD will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Mr Tom Dukovcic, GM - Geology (GMG) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as GMG and provides for an annual review of base remuneration taking into account performance. Mr Dukovcic's remuneration includes a salary of $206,000 per annum inclusive of superannuation. Effective 1 April 2020, Mr Dukovcic deferred payment of 20% of his base salary until austerity measures were lifted and the convertible note was repaid. Remuneration was re-instated in full and outstanding remuneration was repaid in January 2021. Mr Dukovcic did not receive an increase to base salary during the reporting period; however an increase in base salary to $240,000 inclusive of superannuation, was awarded effective from 1 July 2021. A monetary bonus of $48,410.00 (inclusive of superannuation) has been awarded for the financial year ended 30 June 2021 (2020: $Nil).

Termination of the employment agreement requires 6 months written notice. Upon termination, the GMG is entitled to receive from the Company all payments owed to him under the employment agreement up to and including the date of termination and any payments due to him pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the GMG will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Ms Shontel Norgate, Chief Financial Officer (CFO) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as CFO and provides for an annual review of base remuneration taking into account performance. Ms Norgate's remuneration includes a salary of C$252,500 per annum. Effective 1 April 2020, Ms Norgate deferred payment of 20% of her base salary until austerity measures were lifted and the convertible note was repaid. Remuneration was re-instated in full and outstanding remuneration was repaid in January 2021. Ms Norgate did not receive an increase to base salary during the reporting period; however an increase in base salary to C$295,000 was awarded effective from 1 July 2021. A monetary bonus of C$59,338 has been awarded for the financial year ended 30 June 2021 (2020: C$Nil).

Termination of the employment agreement requires 3 months written notice. Upon termination, the CFO is entitled to receive from the Company all payments owed to her under the employment agreement up to and including the date of termination and any payments due to her pursuant to any relevant legislation by way of accrued annual leave and long service leave. If the Company terminates the agreement for any reason other than for cause the CFO will receive 1 month's salary at the time of termination for every year of employment with the Company to a maximum of 6 months' payment (extendable up to 12 months under certain prescribed events).

Mr Peter Walker, General Manager – Project Development (GMP) has an employment agreement with the Group. The agreement specifies duties and obligations to be fulfilled as GMP and provides for an annual review of base remuneration taking into account performance. Mr Walker is employed on a casual basis based on the number of days worked and earned a salary of GBP137,900 for the financial year (2020: GBP178,500). Effective 1 April 2020, Mr Walker deferred payment of 20% of his base rate until austerity measures were lifted and the convertible note was repaid. Remuneration was re-instated in full and outstanding remuneration was repaid in January 2021. Mr Walker did not receive an increase to base rate during the reporting period; however an increase in his base rate to GBP860 per day was awarded effective from 1 July 2021. A monetary bonus of GBP32,407 has been awarded for the financial year ended 30 June 2021 (2020: C$Nil).

Termination of the employment agreement requires 1 months written notice. Upon termination, the GMP is entitled to receive from the Company all payments owed to him under the employment agreement up to and including the date of termination.

D. Share Based Compensation

Share Holdings

The number of shares and options over ordinary shares in the Group held during the financial year by each director of Lepidico Ltd and other KMP of the Group, including their personally related parties, are set out below:

2021	Balance at start of year	Purchased	Exercised Options	Sold	Other Net Change	Balance at end of year
Non-Executive Directors						
Mr Gary Johnson	367,762,575	2,855,910	-	-	-	370,618,485
Mr Mark Rodda	-	-	-	-	-	-
Ms Cynthia Thomas	-	-	-	-	-	-
Executive Director						
Mr Joe Walsh	31,220,000	1,888,572	-	-	-	33,108,572
Key Management						
Mr Tom Dukovcic	6,602,958	-	-	-	-	6,602,958
Ms Shontel Norgate	5,564,022	-	-	-	-	5,564,022
Mr Peter Walker	-	-	-	-	-	-
Mr Alex Neuling	3,553,946	344,549	-	-	-	3,898,495
Total	414,703,501	5,089,031	-	-	-	419,792,532

Option Holdings

2021	Balance at start of year	Granted during the year as remuneration	Purchased during year	Expired during year	Balance at end of year	* Vested and exercisable at end of year
Non-Executive Directors						
Mr Gary Johnson	31,352,379	7,500,000	1,427,955	(11,847,146)	28,433,188	28,433,188
Mr Mark Rodda	22,500,000	7,500,000	-	(7,500,000)	22,500,000	22,500,000
Ms Cynthia Thomas	15,000,000	7.500.000	-	-	22,500,000	22,500,000
Executive Directors						
Mr Joe Walsh	45,735,000	15,000,000	944,286	(15,250,000)	46,429,286	46,429,286
Key Management						
Mr Tom Dukovcic	30,488,840	10,000,000	-	(10,205,556)	30,283,284	30,283,284
Ms Shontel Norgate	30,278,202	10,000,000	-	(10,000,000)	30,278,202	30,278,202
Mr Peter Walker	-	10,000,000	-	-	10,000,000	10,000,000
Mr Alex Neuling	4,000,000	-	171,757	-	4,171,757	4,171,757
Total	179,354,421	67,500,000	2,543,998	(54,802,702)	194,595,717	194,575,717

Details of the share options granted during the year as remuneration are disclosed in Note 18(d) as approved by shareholders at the Company's Annual General Meeting in November 2020.

This report is made in accordance with a resolution of the directors made pursuant to section 298(2) of the *Corporations Act 2001*.

Joe Walsh
Managing Director

Dated this 24th day of September 2021

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF LEPIDICO LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace | Moore Australia

NEIL PACE
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 24th day of September 2021.

Consolidated Statement of Profit and Loss and Other Comprehensive Income as at 30 June 2021

	Note	2021 $	2020 $
Continuing Operations			
Other income	4	4,137,670	63,558
Business development expenses		(376,399)	(432,830)
Administrative expenses	5	(1,318,832)	(2,821,926)
Employment benefits		(1,639,182)	(1,655,873)
Depreciation		(278,862)	(306,111)
Share based payments		(337,500)	(511,000)
Accretion expense		(434,122)	(901,639)
Impairment of property, plant and equipment		-	(2,026,267)
Exploration and evaluation expenditure expensed		(408)	(2,229,049)
Realised foreign exchange gain/(loss)		(63,248)	6,697
Loss before income tax		(310,883)	(10,814,440)
Income tax benefit/(expense)	6	593,439	696,203
Profit/(Loss) from continuing operations after tax		282,556	(10,118,237)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		473,181	301,570
Total comprehensive profit/(loss) for the year		**755,737**	**(9,816,667)**
Comprehensive profit/(loss) for the year attributable to:			
Owners of the parent		904,916	(9,373,811)
Non-controlling interest		(149,179)	(442,856)
		755,737	(9,816,667)
Loss per share for the year attributable to the members of Lepidico Ltd			
Basic and diluted loss per share	8	(0.00006)	(0.002)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	14,738,020	4,792,713
Trade and other receivables	10	243,786	1,766,863
TOTAL CURRENT ASSETS		14,981,806	6,559,576
NON-CURRENT ASSETS			
Trade and other receivables	10	71,489	72,829
Property, plant and equipment	11	1,669,081	1,903,630
Exploration and evaluation expenditure	12	43,986,682	42,725,634
Intangible asset	13	24,631,056	23,870,434
TOTAL NON-CURRENT ASSETS		70,358,308	68,572,527
TOTAL ASSETS		85,340,114	75,132,103
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	967,684	564,671
Short-term provisions	15	140,105	107,652
Liability component of convertible note	16	-	5,215,104
TOTAL CURRENT LIABILITIES		1,107,789	5,887,427
NON-CURRENT LIABILITIES			
Deferred Revenue	17	6,071,577	6,629,144
Deferred Tax Liability	6	3,211,069	3,426,317
TOTAL NON-CURRENT LIABILITIES		9,282,646	10,055,461
TOTAL LIABILITIES		10,390,435	15,942,888
NET ASSETS		**74,949,679**	**59,189,215**
EQUITY			
Issued capital	18	94,656,278	80,081,594
Reserves	19	6,610,944	5,707,720
Equity component of convertible note		990,000	990,000
Accumulated losses		(33,943,508)	(34,375,243)
Equity attributable to owners of the Parent		68,313,714	52,404,071
Non-controlling interests		6,635,965	6,785,144
TOTAL SHAREHOLDERS EQUITY		**74,949,679**	**59,189,215**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the Year ended 30 June 2021

	Attributable to the owners of the Company									
	Issued Capital	Reserves			Equity component of convertible note	Accumulated Losses	Total		Non Controlling Interest	Total Equity
		Options	Warrants	Foreign Currency						
	$	$	$	$	$	$	$		$	$
Balance at 1 July 2019	59,430,846	3,782,750	-	75,918	-	(24,699,862)	38,589,652		-	**38,589,652**
Business combination	16,159,044	716,347	415,135	-	990,000	-	18,280,526		7,228,000	**25,508,526**
Loss for the year	-	-	-	-	-	(9,675,381)	(9,675,381)		(442,856)	**(10,118,237)**
Other comprehensive loss	-	-	-	301,570	-	-	301,570		-	**301,570**
Options issued	-	511,000	-	-	-	-	511,000		-	**511,000**
Options exercised	75,000	-	-	-	-	-	75,000		-	**75,000**
Fair value of options exercised	95,000	(95,000)	-	-	-	-	-		-	**-**
Shares issued	4,321,704	-	-	-	-	-	4,321,704		-	**4,321,704**
Balance at 30 June 2020	**80,081,594**	**4,915,097**	**415,135**	**377,488**	**990,000**	**(34,375,243)**	**52,404,071**		**6,785,144**	**59,189,215**
Profit/(Loss) for the year	-	-	-	-	-	431,735	431,735		(149,179)	**282,556**
Other comprehensive loss	-	-	-	473,181	-	-	473,181		-	**473,181**
Options issued	-	448,673	-	-	-	-	448,673		-	**448,673**
Options exercised	42,898	-	-	-	-	-	42,898		-	**42,898**
Fair value of options exercised	18,630	(18,630)	-	-	-	-	-		-	**-**
Shares issued	14,513,156	-	-	-	-	-	14,513,156		-	**14,513,156**
Balance at 30 June 2021	**94,656,278**	**5,345,140**	**415,135**	**850,669**	**990,000**	**(33,943,508)**	**68,313,714**		**6,635,965**	**74,949,679**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flow
For the Year ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from technology licence holder		4,084,027	-
Receipts from government assistance programs		53,421	46,964
Payments to suppliers and employees		(3,101,056)	(4,740,040)
Interest received		222	16,594
Net cash provided by/(used in) operating activities	23	1,036,610	(4,676,482)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation activities		(998,874)	(4,923,732)
Payments for research and development activities		(692,844)	(2,351,349)
Proceeds from research and development tax credit		1,243,863	1,010,808
Payments for property, plant and equipment		(92,283)	(2,589)
Payments for acquisition of Bright Minz Pty Ltd		(10,000)	-
Cash acquired on acquisition of Desert Lion Energy Inc		-	416,113
Acquisition costs of Desert Lion Energy Inc		-	(1,185,134)
Net cash used in investing activities		(550,138)	(7,035,883)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of costs)		14,595,619	3,447,716
Proceeds from exercise of options		111,394	75,000
Repayment of convertible note		(5,176,401)	-
Net cash provided by financing activities		9,530,612	3,522,716
Net increase/(decrease) in cash held		10,017,084	(8,189,649)
Cash at beginning of financial year		4,792,713	13,660,308
Effect of foreign exchange rate changes		(71,777)	(677,946)
Cash at end of financial year	9	**14,738,020**	**4,792,713**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Year ended 30 June 2021

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Lepidico Ltd and its controlled entities (the Group or Consolidated Entity or Economic Entity). Lepidico Ltd is a listed public company, incorporated and domiciled in Australia. The financial report of the Group complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements were authorised for issue on 24th September 2021 by the Directors of the Company. The Directors have the power to amend and re-issue the financial report. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Accounting Policies

(a) Going Concern
The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the Group to continue as a going concern is dependent on the Company being able to continue to raise additional funds as required to meet ongoing exploration and development programs and working capital.

For the year ended 30 June 2021, the Group incurred a net profit after tax of $282,556 and a net cash inflow from operations of $1,036,610. As at 30 June 2021, the Company had net current assets of $13,874,017.

The financial report has been prepared on a going concern basis which the Directors consider to be appropriate as they believe that the Group will be able to raise additional capital as required based on the successful outcome of previous Entitlement Offers including the most recent Entitlement Offer, where the Company raised $12.5 million (before costs) during the ongoing COVID-19 pandemic. There remains ongoing interest in the Company and the long term outlook for the lithium industry remains robust.

While the Company has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future. The Company's opinion concerning its ability to secure future financing options is based on currently available information. To the extent that this information proves to be inaccurate, or the COVID-19 pandemic continues for a prolonged period of time and/or impacts capital markets further the future availability of financing may be adversely affected.

(b) Principles of Consolidation

The consolidated financial statements incorporate all the assets, liabilities and results of the parent (Lepidico Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 2.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(c) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(d) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i) the consideration transferred;

ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and

iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss. The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method).

In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination. Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of. Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs of site restoration are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment
The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the general approach to impairment, as applicable under AASB 9: Financial Instruments.

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses in financial statements
At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(j) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the consolidated statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that Entity operates. The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

(i) assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

(ii) income and expenses are translated at average exchange rates for the period; and

(iii) retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(l) Employee Benefits
Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(m) Provisions
Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Cash and Cash Equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(o) Revenue
Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Critical Accounting Estimates and Judgements
The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty
The following key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Recoverability of Exploration and Evaluation Expenditure
The recoverability of the exploration and evaluation expenditure recognised as a non-current asset is dependent upon the successful development, or alternatively sale, of the respective tenements which comprise the assets.

(ii) Recoverability of Intangible Assets (Development Expenditure)
The recoverability of capitalised development expenditure recognised as a non-current asset is dependent upon the successful development, or alternatively sale, of the respective intellectual property which comprise the assets. Refer to Note 13 for details of how the development expenditure has been valued.

(iii) Share based payment transactions
The fair value of any options issued as remuneration is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information (if any)), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

(r) Intangibles Assets – Intellectual Property Development Expenditure
Such assets are recognised at cost of acquisition. Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributed to the intangible asset during its development.

Capitalised development costs will be amortised over their expected useful life of the intangible asset once full commercialisation or production commences.

(s) New and Amended Accounting Policies Adopted by the Group
None noted.

(t) New Accounting Standards for Application in Future Periods
None noted.

(u) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation in the current financial year.

Note 2: Interests in other entities

(a) Controlled entities

The Group's principal subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group The country of incoporporation or registration is also their principal place of business.

	Country of Incorporation	Interest as at 30 June (%) 2021	2020	Principal Activity
Parent Entity:				
Lepidico Ltd	Australia			
Subsidiaries of Lepidico Ltd:				
Lepidico Holdings Pty Ltd	Australia	100	100	Lithium Exploration and Investment
Li Technology Pty Ltd	Australia	100	100	Holder of L-Max® Technology
Silica Technology Pty Ltd	Australia	100	100	Holder of S-Max® Technology
Bright Minz Pty Ltd	Australia	100	-	Holder of LOH-Max® Technology
Mica Exploration Pty Ltd	Australia	100	100	Lithium Exploration
Lepidico (Netherlands) Coöperatief U.A.	Netherlands	100	100	International Holding Company
Lepidico (Netherlands) B.V.	Netherlands	100	100	Global Marketing Company
Lepidico (UK) Ltd	United Kingdom	100	100	Management Company
Lepidico (Canada) Ltd	Canada	100	100	Dormant
Lepidico Holdings (Canada) Inc	Canada	100	100	Holding Company
Lepidico (Canada) Inc	Canada	100	100	Management Company
Lepidico (Mauritius) Ltd	Mauritius	100	100	Holding Company
Lepidico Chemicals Namibia (Pty) Ltd	Namibia	80	80	Exploration and Development Company
Lepidico Infrastructure Namibia (Pty) Ltd	Namibia	100	-	Developer of Phase 1 Concentrator
Lepidico Chemicals Manufacturing Ltd	UAE	100	-	Developer of Phase 1 Chemical Plant

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for Lepidico Chemicals Namibia (Pty) Ltd (LCN), the subsidiary that has a non-controlling interest and is material to the group. The amounts disclosed for the subsidiary are in Australian dollars (A$) before inter-company eliminations.

Summarised Balance Sheet

	2021 $	2020 $
Current assets	1,085,257	112,295
Current liabilities	(157,432)	(162,764)
Current net assets/(liabilities)	**927,825**	**(50,469)**
Non-current assets	17,903,304	18,274,825
Non-current liabilities	(8,925,977)	(8,174,335)
Non-current net assets	**8,977,327**	**10,100,490**
Net assets	**9,905,152**	**10,050,021**
Accumulated NCI	6,635,965	6,785,144

Summarised statement of comprehensive income

	2021 $	2020 $
Revenue	-	3,459,605
Profit/(Loss) for the period	**(745,897)**	**(2,214,280)**
Other comprehensive income	2,842,386	3,524,844
Total comprehensive income	**2,097,489**	**1,310,564**
Profit/(Loss) allocated to NCI	(149,179)	(442,856)

Summarised cashflows

	2021 $	2020 $
Cash flows from operating activities	(247,560)	(201,062)
Cash flows from investing activities	(654,186)	(3,292,016)
Cash flows from financing activities	1,796,229	3,783,421
Net increase/(decrease) in cash and cash equivalents	**894,483**	**290,343**

Under the the Shareholders' Agreement Term Sheet, Lepidico Ltd, has the discretion to either finance all expenditures of LCN and/or arrange for third party financing. LCN is currently funded via an interest bearing intercompany loan facility between the Company and LCN.

Note 3: Business Combination

(a) Current Period
On 25 November 2020, the Company acquired 100% of the issued capital in Bright Minz Pty Ltd (Bright Minz). Bright Minz is the holder of the LOH-Max® process technology which was developed for the production of high purity lithium hydroxide monohydrate from a lithium sulphate intermediate, without production of sodium sulphate, thereby reducing capital and operating costs versus conventional process technologies.

The acquisition of LOH-Max® brings all the process technologies employed by the Phase 1 Project under the Lepidico umbrella, thereby streamlining the process for future third party licences.

Details of the purchase consideration are as following:

	$
Cash paid	10,000
Trailing royalty*(i)*	-
Total Purchase Consideration	**10,000**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value $
LOH-Max® Technology	10,000
Net assets acquired	**10,000**

The fair value of the technology reflected the pre-existing exclusivity arrangement entered into on 18 February 2019 between Lepidico and Bright Minz whereby Lepidico agreed to fund the development of the LOH-Max® technology and was granted the right to use the process and sole rights for marketing the technology to third parties worldwide.

(i) Trailing Royalty

In addition to the cash payment the original shareholders of Bright Minz will be entitled to a trailing royalty in relation to any third party LOH-Max® licences entered into by the Lepidico Group after 1 January 2021. As at the date of acquisition the fair value of the contingent consideration was considered to be nominal.

(b) Prior Period

On 11 July 2019 the Company announced the completion of the plan of arrangement with Desert Lion Energy Inc (DLE) whereby Lepidico acquired all of the outstanding common shares of DLE for consideration of 5.4 Lepidico ordinary shares for every 1 DLE common share. Details of this business combination were included in Note 3 of the Group's annual financial statements for the year ended 30 June 2020.

Note 4: Revenue

	2021 $	2020 $
Technology Licence Fees	4,084,027	-
Income	4,084,027	-
Interest	222	16,594
Government assistance programs	53,421	46,964
Other Income	**53,643**	**63,558**
Total Revenue	**4,137,670**	**63,558**

Note 5: Administrative Expenses

	2021 $	2020 $
Office & general	273,457	292,643
Professional services	628,844	657,918
Compliance related	416,531	487,945
Travel	-	248,175
	1,318,832	1,686,681

Other Significant Administrative Expenses

The following significant expenses were incurred during the period and impacted the financial performance:

	2021 $	2020 $
Desert Lion Energy acquisition costs	-	1,135,245
Total Administrative Expenses	**1,318,832**	**2,821,926**

Note 6: Income Tax Expense

		2021 $	2020 $
(a)	The components of tax expense/(benefit) comprise:		
	Current tax	-	-
	Deferred tax	(593,439)	(696,203)
	Losses recouped not previously recognised	-	-
	Income tax expense/(benefit) reported in statement of comprehensive income	(593,439)	(696,203)
(b)	The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2020:30%)	(93,264)	(3,110,847)
	Add tax effect of:		
	- Share based payments	101,250	153,300
	- Foreign expenditure	48,973	283,840
	- Deferred tax balances not recognised	(519,413)	3,014,827
	- Intercompany loans written off	-	(1,309,956)
	- Effect of change in tax rate	-	(609,565)
	- Foreign tax rate differential	(44,508)	(52,215)
	- Exploration expenditure written off	-	668,086
	- Adjustments to income tax of previous years	431,909	297,970
	- CGT Adjustments	(482,804)	-
	- Other non-allowable items	(35,582)	(31,643)
	Less tax effect of:		
	- Deferred tax balances not recognised	-	-
	- Losses recouped not previously recognised	-	-
	Income tax expense/(benefit) reported in statement of comprehensive income	(593,439)	(696,203)

		2021 $	2020 $
(c)	Deferred tax recognised:		
	Deferred Tax Liabilities:		
	Karibib assets	(3,211,069)	(3,426,317)
	Exploration expenditure	(4,245)	(4,245)
	Property, plant and equipment	(16,469)	
	L-Max® Technology	(356,263)	(248,698)
	L-Max® Pilot Plant	(725,102)	(723,772)
	Other	(13,210)	(4,396)
	Deferred Tax Assets:		
	Carry forward revenue losses	1,115,289	981,111
	Net deferred tax	(3,211,069)	(3,426,317)
(d)	Unrecognised deferred tax assets:		
	Carry forward revenue losses	9,472,874	9,257,874
	Carry forward capital losses	-	293,087
	Capital raising and other costs	279,785	382,736
	L-Max Licence	21,826	21,826
	Bright Minz acquisition	2,520	
	Provision and accruals	24,397	32,745
		9,801,402	9,988,267

(e) Tax consolidation:

Lepidico Ltd and its wholly owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2014. Lepidico Ltd is the head entity of the tax consolidated group.

The tax benefits of the above Deferred Tax Assets will only be obtained if:

a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
b) the Company continues to comply with the conditions for deductibility imposed by law; and
c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Note 7: Auditor's Remuneration

	2021 $	2020 $
Audit services	49,461	64,469

Note 8: Earnings per Share

The calculation of basic profit or loss per share for each year was based on the profit or loss attributable to ordinary shareholders and using a weighted average number of ordinary shares outstanding during the year. The Company's potential ordinary shares were not considered dilutive as the Company is in a loss position.

	2021 $	2020 $
Profit/(Loss) attributable to the ordinary equity holders of the Company	0.00006	(0.002)
	$	$
Profit/(Loss) from continuing operations	282,556	(10,118,237)
	No.	No.
Weighted average number of ordinary shares	5,218,441,770	4,567,787,554

Note 9: Cash and Cash Equivalents

	2021 $	2020 $
Cash at bank and in hand	14,738,020	4,792,713

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 25

Note 10: Trade and Other Receivables

	2021 $	2020 $
Current		
Prepaid expenses	66,063	354,073
R&D tax rebate receivable	24,519	1,194,000
Goods and services tax receivable	153,204	218,790
Total Current Trade and Other Receivables	**243,786**	**1,766,863**
Non-Current		
Cash backed guarantees	71,489	72,829
Total Non-Current Trade and Other Receivables	**71,489**	**72,829**
Total Trade and Other Receivables	**315,275**	**1,839,692**

Note 11: Property, Plant and Equipment

	Buildings & Infrastructure	Furniture, Fittings & Equipment	Motor Vehicles	Assets under Construction	Total
	$	$	$	$	$
Cost					
Balance at 1 July 2019	**-**	**70,015**	**-**	**-**	**70,015**
Acquired on business combination	1,741,511	193,703	215,359	2,392,807	4,543,380
Additions	-	2,590	-	-	2,590
Disposals	-	(241)	-	-	(241)
Balance at 30 June 2020	**1,741,511**	**266,067**	**215,359**	**2,392,807**	**4,615,744**
Additions	-	92,283	-	-	92,283
Disposals	-	(23,821)	-	-	(23,821)
Impact of foreign exchange	-	(543)	-	-	(543)
Balance at 30 June 2021	**1,741,511**	**333,986**	**215,359**	**2,392,807**	**4,683,663**
Accumulated Depreciation					
Balance at 1 July 2019	**-**	**50,330**	**-**	**-**	**50,330**
Depreciation	148,841	84,333	72,937	-	306,111
Disposals	-	(241)	-	-	(241)
Impairment	-	-	-	2,026,267	2,026,267
Impact of foreign exchange	(18,331)	(9,579)	(8,983)	366,540	329,647
Balance at 30 June 2020	**130,510**	**124,843**	**63,954**	**2,392,807**	**2,712,114**
Depreciation	135,636	76,761	66,466	-	278,863
Disposals	-	(23,821)	-	-	(23,821)
Impact of foreign exchange	23,684	12,134	11,608	-	47,426
Balance as at 30 June 2021	**289,830**	**189,917**	**142,028**	**2,392,807**	**3,014,582**
Net Book Value					
At 30 June 2020	1,611,001	141,224	151,405	-	1,903,630
At 30 June 2021	**1,451,681**	**144,069**	**73,331**	**-**	**1,669,081**

Note 12: Exploration and Evaluation Expenditure

	2021	2020
	$	$
Exploration expenditure	43,986,682	42,725,634

The recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the respective mining permits. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production. The impairment of exploration expenditure represents projects that the company is no longer pursuing.

Reconciliation of movements during the year:	2021 $	2020 $
Balance at the beginning of year	42,725,634	1,928,203
Exploration and evaluation assets acquired	-	40,521,647
Exploration and evaluation costs capitalised	1,054,639	2,504,833
Exploration and evaluation costs written off	(408)	(2,229,049)
Impact of foreign exchange	206,817	-
Balance at the end of the year	**43,986,682**	**42,725,634**

Note 13: Intangible assets

	2021 $	2020 $
L-Max® Technology	24,055,934	23,354,178
S-Max® Technology	149,017	146,109
LOH-Max® Technology	426,105	370,147
Intangible assets	24,631,056	23,870,434

The recoverability of the carrying amount of the L-Max®, S-Max® and LOH-Max® Technologies is dependent of the successful development and commercial exploitation or sale of the asset.

Capitalised development costs will be amortised over their expected useful life of the intangible assets once full commercialisation of production commences.

Reconciliation of movements during the year:	2021 $	2020 $
Balance at the beginning of year	23,870,434	22,925,130
Development costs capitalised	774,687	2,200,112
Technology acquired	10,000	-
Research and Development Tax Credit received/receivable	(24,519)	(1,254,808)
Impact of foreign exchange	454	-
Balance at the end of the year	**24,631,056**	**23,870,434**

Note 14: Trade and Other Payables

	2021 $	2020 $
Current		
Trade payables	503,334	262,347
Sundry payables and accrued expenses	464,350	302,324
Total Current Trade and Other Payables	**967,684**	**564,671**

Note 15: Provisions

	2021 $	2020 $
Current		
Employee Provisions	140,105	107,652

Reconciliation of movements during the year:	2021 $	2020 $
Balance at the beginning of year	107,652	85,677
Provisions acquired	-	36,300
Additional provisions	91,198	102,044
Provisions used/paid out	(61,244)	(112,520)
Impact of foreign exchange	2,499	(3,849)
Balance at the end of the year	**140,105**	**107,652**

Note 16: Convertible Note

	30 June 2021 $	30 June 2020 $
Liability component of convertible note	-	5,215,104

The liability component of the convertible note was measured at amortised cost. The accretion expense for the year was calculated by applying an effective interest rate of 16.8% to the liability component for the year. Prepaid interest and fees were amortised against the liability component. The equity component of $990,000 remains credited to equity.

Reconciliation of movements during the year:	30 June 2021 $	30 June 2020 $
Balance at the beginning of period	5,215,104	-
Liability component acquired	-	5,404,960
Accretion expense for the period	434,122	901,639
Amortisation of interest and fees	(301,327)	(780,692)
Convertible note repaid	(5,262,800)	-
Impact of foreign exchange	(85,099)	(310,803)
Balance at the end of the year	**-**	**5,215,104**

Note 17: Deferred Revenue

Deferred revenue of $6,071,577 (US$4,558,272) represents a payment from Jiangxi Jinhui Lithium Co Ltd (Jinhui), a private Chinese corporation under an offtake agreement dated 6 November 2017 and subsequently amended on 13 February 2018 (the Jinhui Lithium Offtake Agreement) which provides for the sale of material located in the stockpile at the Karibib project in Namibia.

The deferred revenue is classified as deferred revenue as the payment is no longer refundable and shall continue to amortise against any future shipments of the stockpile material.

The term of the Jinhui Lithium Offtake Agreement began on 16 November 2017 and ends on the earlier of:-
(i) 60 months following such date; and
(ii) the date that is 15 business days after all concentrate produced from the stockpiled material has been loaded on to the vessel nominated by Jinhui; and has been paid for by Jinhui.

Reconciliation of movements during the year:	**30 June 2021 $**	**30 June 2020 $**
Balance at the beginning of the year	6,629,144	-
Deferred Revenue acquired	-	6,447,728
Impact of foreign exchange	(557,567)	181,416
Balance at the end of the year	**6,071,577**	**6,629,144**

Note 18: Contributed Equity

a) Share capital

	2021		**2020**	
	Number	**$**	**Number**	**$**
Fully paid ordinary shares	6,152,082,446	100,447,338	5,185,735,038	84,926,182
Share Issue Costs		(5,791,060)		(4,844,588)
		94,656,278		80,081,594

Ordinary shares have the right to receive dividends and, in the event of winding-up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Note 18: Contributed Equity (cont)

a) Share capital (cont)

Movements in ordinary share capital

Description	Date	Number of shares	Issue Price	$
Opening Balance	30 June 2020	5,185,735,038		80,081,594
Exercise of options	Various	2,144,794	0.02	42,896
Fair value of options exercised	29 January 2021	-	-	18,630
Exercise under CPA	20 April 2021	-	0.0218	2,925,000
Entitlement Offer	18 June 2021	964,202,614	0.013	12,534,633
Less: Share issue costs				(946,475)
Closing Balance		6,152,082,446		94,656,278

b) Share options

As at reporting date, Lepidico has the following options on issue:

Number	Exercise Price	Grant	Expiry
9,450,000	$0.040	11 July 2019	25 October 2021
65,000,000	$0.026	23 November 2018	22 November 2021
945,000	$0.100	11 July 2019	31 March 2022
274,698,811	$0.020	18 May 2020	18 May 2022
190,764,921	$0.050	5 June 2019	5 June 2022
3,921,982	$0.100	11 July 2019	21 June 2022
73,000,000	$0.025	21 November 2019	21 November 2022
100,000,000	$0.016	8 December 2020	8 December 2022
5,967,000	$0.350	11 July 2019	26 February 2023
482,101,307	$0.026	18 June 2021	18 June 2023
67,500,000	$0.012	19 November 2020	19 November 2023
18,090,000	$0.020	11 July 2019	14 January 2024
1,291,439,021			

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Group's existing fully paid ordinary shares.

Note 18: Contributed Equity (cont)

b) Share options (cont)

Movements in Options

	Number	Weighted Average Exercise Price $
Balance at 30 June 2019	586,282,952	0.046
Granted	388,217,587	0.028
Exercised	(5,000,000)	0.015
Expired	(55,000,000)	0.025
Balance at 30 June 2020	914,500,539	0.040
Granted	649,601,307	0.023
Exercised	2,144,794	0.020
Expired	(270,518,031)	0.054
Balance at 30 June 2021	1,291,431,021	0.029

c) Warrants

As at reporting date, all warrants associated with the Desert Lion Energy Inc business combination had expired.

Movements in Warrants

	Number	Weighted Average Exercise Price $
Balance at 30 June 2019	-	-
Recognised on acquisition	139,797,500	0.141
Expired	(36,013,820)	0.432
Balance at 30 June 2020	103,783,680	0.040
Expired	(103,783,680)	0.040
Balance at 30 June 2021	-	-

Note 18: Contributed Equity (cont)

d) Share Based Payments

During the year the Company made the following share based payments:

(i) Related Party Options
On 19 November 2020, the Company issued a total of 67,500,000 options to directors, employees and consultants under the Company's Share Option Plan and were valued using Black Scholes with the following assumptions:

	Unlisted Options
Number of options in series	67,500,000
Grant date share price	$0.008
Exercise price	$0.012
Expected volatility	130%
Option life	3 years
Dividend yield	0.00%
Interest Rate	0.08%

(ii) Cornish Lithium Strategic Collaboration
On 8 December 2020 the Company issued 100,000,000 options to Cornish Lithium Ltd ("CLL"), a UK registered private company pioneering the development of lithium mica deposits within the large St Austell granite complex in Cornwall, UK in accordance with the strategic collaboration agreement entered into on 4 December 2020. The options have a two year expiry and an exercise price was set at A$0.016, being a 100% premium to the closing price on the day immediately preceeding the announcement of the strategic collaboration. The deemed purchase price of the Options under the Collaboration Agreement was C$106,000 (A$111,173).

e) Controlled Placement Agreement

On 23 December 2019, the Company entered into a Controlled Placement Agreement (CPA) with Acuity Capital to provide Lepidico with up to $7.5 million of standby equity capital over a 26 month period to fund future product research and development work, new process technology development and working capital.

As collateral for the CPA, Lepidico issued 230,000,000 ordinary shares at nil consideration to Acuity Capital (Collateral Shares) but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).

During the year Lepidico raised A$2,925,000 (after costs) through the set-off of 134,000,000 Collateral Shares (Set-off Shares) previously issued to Acuity Capital under the CPA. The Set-Off Shares had a deemed price of $0.0218.

As at 30 June 2021 there were 96,000,000 Collateral Shares held by Acuity Capital which, if unused on the expiry date, are otherwise required to be returned to the Company upon termination of the CPA.

Note 19: Reserves

	2021 $	2020 $
Option Reserve	5,345,140	4,915,097
Warrant Reserve	415,135	415,135
Foreign Currency Translation Reserve	850,669	377,488
Total Reserves	**6,610,944**	**5,707,720**

a) Option Reserve

The options reserve is used to recognise the fair value of all options on issue but not yet exercised.

	2021 $	2020 $
Opening Balance	4,915,097	3,782,750
Options issued on acquisition	-	716,347
Share based payments for the year	337,500	511,000
Options acquired during the year	111,173	-
Transfer of value on exercise of options	(18,630)	(95,000)
Closing Balance	**5,345,140**	**4,915,097**

b) Warrant Reserve

The warrants reserve is used to recognise the fair value of all warrants contractually recognised but not yet exercised.

	2021 $	2020 $
Opening Balance	415,135	-
Fair value of warrants recognised on acquisition	-	415,135
Transfer of value on exercise of warrants	-	-
Closing Balance	**415,135**	**415,135**

c) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

	2021 $	2020 $
Opening Balance	377,488	75,918
Movement during the year	473,181	301,570
Closing Balance	**850,669**	**377,488**

Note 20: Contingent Liabilities and Contingent Assets

There are no contingent liabilities as at 30 June 2021.

Note 21: Segment reporting

Reportable Segments
The Group operates two reportable segments, being mineral exploration and development of its technologies including L-Max®, LOH-Max® and S-Max®, which reflects the structure used by the Group's management to assess the performance of the Group.

	Mineral Exploration $	Technology $	Corporate & Unallocated items $	Total $
(i) Segment performance				
Year ended 30 June 2021				
Revenue	-	4,084,027	53,643	4,137,670
Profit/(Loss) before tax	(408)	3,671,830	(3,982,305)	(310,883)
Year ended 30 June 2020				
Revenue	-	-	63,558	63,558
Profit/(Loss) before tax	(4,267,014)	-	(6,547,426)	(10,814,440)

	Mineral Exploration $	Technology $	Corporate & Unallocated items $	Total $
(ii) Segment assets				
As at 30 June 2021	45,607,272	24,655,575	15,077,267	85,340,114
As at 30 June 2020	44,498,939	25,064,434	5,568,730	75,132,103

Geographical Information

	Australia $	Canada $	Africa $	UAE $	Europe $	Total $
(i) Segment performance for the year ended:						
30 June 2021						
Revenue	4,137,670	-	-	-	-	4,137,670
Profit/(Loss) before tax	2,173,607	(1,392,796)	(579,445)	(42,294)	(469,955)	(310,883)
30 June 2020						
Revenue	62,573	985	-	-	-	63,558
Profit/(Loss) before tax	(2,285,650)	(3,656,251)	(2,501,415)	(17,914)	(2,353,210)	(10,814,440)
(ii) Segment assets						
As at 30 June 2021	38,361,367	110,814	46,719,272	135,824	12,837	85,340,114
As at 30 June 2020	29,519,849	866,269	44,745,985	-	-	75,132103

Note 22: Commitments

Operating lease commitments

As at 30 June 2021, the Group does not have any operating leases.

Exploration lease commitments

The Group has committed to the following tenement expenditures to maintain them in good standing until they are farmed out, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of.

These commitments, net of farm outs, are not provided for in the financial statements and are:

	30 June 2021 $	30 June 2020 $
Not later than one year	324,361	3,002,903
After one year but less than five years	484,450	1,828,297
	808,814	4,831,200

Note 23: Cash Flow Information

	2021 $	2020 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Profit/(Loss) after income tax	282,556	(10,118,237)
Adjustments items not impacting cash flow used in operations:		
Depreciation and amortisation	278,862	306,111
Exploration expenditure written-off	408	2,229,049
Fair value of options issued	337,500	511,000
Share based payments	-	515,538
Desert Lion acquisition costs	-	1,135,245
Accretion expense	434,122	901,639
Realised FX (Gain)/Loss	63,248	-
Impairment of assets under construction	-	2,026,267
Income tax benefit	(593,439)	(696,203)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	27,284	(446,492)
Increase/(decrease) in trade and other payables	173,616	(1,062,374)
Increase/(decrease) in provisions	32,453	21,975
Cash flow used in operations	1,036,610	(4,676,482)

Note 24: Related Party Transactions

Key Management Personnel Remuneration

	2021 $	2020 $
Cash salaries, fees and other short-term benefits	1,845,314	1,548,668
Post employment benefits	42,074	38,535
Share based payments	337,500	483,000
	2,224,888	2,070,203

Detailed remuneration disclosures are provided in the remuneration report on pages 20 to 27.

Payments to director-related parties

	2021 $	2020 $
Payments to director-related entities[(1)]	126,164	1,229,403

(1) Payments were made to Strategic Metallurgy Pty Ltd, a company of which Mr Gary Johnson is a director and beneficial shareholder. The payments were in relation to the development of L-Max® technology on an arm's length basis. As at 30 June 2021 invoices totalling $Nil are payable (2020: $2,860).

Note 25: Financial Risk Management

The Group has exposure to the following risks:

(a) Credit Risk
(b) Liquidity Risk
(c) Market Risk

This note presents information on the Group's exposure to each of the above risks, their objectives, policies and processes for measuring risk, and management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately mitigated.

The Group's Audit & Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Credit Risk

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 consolidated entity 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 consolidated entity measures credit risk on a fair value basis. The consolidated entity does not have any significant credit risk exposure to any single counter-party.

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.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	2021 $	2020 $
Financial assets			
Cash and cash equivalents	9	14,738,020	4,792,713
Trade and other receivables	10	315,275	1,839,692
Total financial assets		**15,053,295**	**6,632,405**

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. 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.

The Company will need to raise additional capital to fund the development of the integrated Phase 1 L-Max® Plant. The decision on how and when the Company will raise future capital will largely depend on the market conditions existing at that time.

The following table analyses the Group's financial liabilities into relevant maturity periods based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and hence will not necessarily reconcile with the amounts disclosed in the statement of financial position.

30 June 2021

	Note	Carrying amount $	Contractual cash outflows $	Within 1 year $	1-2 years $	2-5 years $
Trade & other payables	14	967,684	967,684	967,684	-	-
Deferred Revenue	17	6,071,577	-	-	-	-
Total		**7,039,261**	**967,684**	**967,684**	**-**	**-**

30 June 2020

	Note	Carrying amount $	Contractual cash outflows $	Within 1 year $	1-2 years $	2-5 years $
Trade & other payables	14	564,671	564,671	564,671	-	-
Convertible Note	16	5,215,104	5,328,465	5,328,465	-	-
Deferred Revenue	17	6,629,144	-	-	-	-
Total		**12,408,919**	**5,893,136**	**5,893,136**	**-**	**-**

Assets pledged as security
Nil

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

(i) Interest Rate Risk

As at and during the year ended on reporting date the Group had no significant interest-bearing assets or liabilities other than liquid funds on deposit. As such, the Group's income and operating cash flows (other than interest income from funds on deposit) are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out below:

		2021		2020	
		%	$	%	$
Financial assets					
Cash assets	Floating rate	0.01%	14,738,020	0.23%	4,792,713

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in higher interest-bearing cash management account.

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk over the reporting period. The sensitivity analysis demonstrates the effect on the current year's results and equity values reported at the end of the reporting period which would result from a 1% change in interest rates.

	2021	2020
	$	$
Change in Loss		
Increase by 1%	45,970	56,159
Decrease by 1%	(222)	(16,979)
Change in Equity		
Increase by 1%	45,970	56,180
Decrease by 1%	(222)	(16,979)

(ii) Currency Risk

The Group operates internationally and is exposed to foreign exchange risk on its financial assets and liabilities. Fluctuations in exchange rates may have a significant affect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or negative direction. The Group's currency risk arises primarily with respect to the Namibian dollar (NAD) and South African Rand (ZAR), which are equivalent, Canadian dollars (CAD) and United States dollars (USD). In addition, the Company has transactions in British pounds (GBP) and Euro (EUR). The Group has not entered into any derivative financial instruments to hedge such transactions. The Group reivews its foreign currency exposure, including commitments on an ongoing basis.

The Group's exposure to currency risk arising on financial assets and financial liabilities demoninated in various currencies was :

30 June 2021

	NAD	CAD	USD	GBP	EUR
	$	$	$	£	€
Cash and cash equivalents	11,135,440	75,412	18,915	54,448	-
Trade and other receivables	709,225	21,798	-	-	8,113
Trade and other payables	(2,553,288)	(210,977)	-	(34,507)	-
Deferred Revenue	-	-	(4,558,272)	-	-
Net currency exposure	9,291,377	(113,767)	(4,539,357)	19,941	8,113

30 June 2020

	NAD	CAD	USD	GBP	EUR
	$	$	$	£	€
Cash and cash equivalents	732,529	362,245	9,645	50,360	-
Trade and other receivables	660,719	386,147	-	-	-
Trade and other payables	(2,350,531)	(57,404)	-	(11,074)	-
Liability component – Convertible Note	-	(4,893,627)	-	-	-
Deferred Revenue	-	-	(4,558,272)	-	-
Net currency exposure	(957,283)	(4,202,639)	(4,548,627)	39,286	-

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2021	2020	2021	2020
1 USD:AUD	1.339942	1.491693	1.331991	1.453973
1 NAD:AUD	0.087141	0.095624	0.093103	0.083848
1 CAD:AUD	1.044372	1.111031	1.074449	1.056137

Sensitivity Analysis

The following table details the Group's sensitivity arising in respect of translation of its financial assets and financial liabilities to a 10% movement (2019: 10%) in the Australian dollar against the currencies where it has significant currency risk at the reporting date, with all other variables held constant.

	2021	2020
	A$	A$
NAD		
If the NAD had strengthened against the AUD	110,277	11,682
If the NAD had weakened against the AUD	(110,277)	(11,682)
CAD		
If the CAD had strengthened against the AUD	(12,224)	(447,872)
If the CAD had weakened against the AUD	12,224	447,872
USD		
If the USD had strengthened against the AUD	(604,638)	(661,358)
If the USD had weakened against the AUD	604,638	661,358

(iii) Commodity Price Risk

The Group is operating primarily in the exploration and evaluation phase and accordingly the Group's financial assets and liabilities are not yet subject to commodity price risk.

(iv) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 26: Parent Entity Financial Information

The following information relates to the legal parent only.

(a) Summary of Financial Information

	2021 $	2020 $
Assets		
Current assets	13,736,055	4,391,351
Total assets	71,709,721	60,057,622
Liabilities		
Current liabilities	461,223	325,310
Total liabilities	461,223	325,310
Shareholders' Equity		
Issued capital	127,098,312	112,523,626
Reserves	6,523,933	5,452,792
Accumulated Losses	(62,373,746)	(58,244,106)
Total Shareholders' Equity	71,248,499	59,732,312
Result of the parent entity		
Loss for the year	(4,129,640)	(8,228,712)
Other comprehensive loss	641,098	(611,572)
Total comprehensive loss for the year	(3,488,542)	(8,840,284)

(b) Contractual commitments for the acquisition of property, plant and equipment

As at 30 June 2021 the parent entity has no contractual commitments for the acquisition of property, plant or equipment.

(c) Guarantees and contingent liabilities

As at 30 June 2021 the parent entity has no guarantees or contingent liabilities other than as disclosed in Note 20.

Directors' Declaration

In the opinion of the Directors of Lepidico Ltd (the Company):

1. The financial statements and notes and the remuneration disclosures that are contained in the Directors' Report, are in accordance with the Corporations Act 2001, including:

   a. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2021.

4. Note 1 confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors.

Joe Walsh
Managing Director

Dated this 24th day of September 2021

MOORE

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEPIDICO LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lepidico Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Key Audit Matters

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LEPIDICO LIMITED (CONTINUED)

Key Audit Matters (continued)

Carrying value of Exploration & Evaluation Expenditure and Intangible Assets	
Refer to Notes 1(g), and (r), Notes 12 Exploration & Evaluation Expenditure & 13 Intangible Assets	
As at 30 June 2021 the Group had capitalised exploration and evaluation expenditure of $43,986,682 and intangible assets with a carrying value of $24,631,056. The ability to recognise and to continue to defer exploration-evaluation assets under AASB 6 is impacted by the Group's ability, and intention, to continue to explore and evaluate the tenements or its ability to realise this value through development or sale. The intangible asset includes the Group's investment in the L-Max® Technology, S-Max® Technology and LOH-Max® Technology, including the cost of acquisition of the technology, subsequent development costs and patent fees capitalised. As part of their annual impairment review, management prepared an analysis of the recoverable amount of the technology which was, in part, based on a "fair value less costs to sell" analysis. Note that given the early stages of development of the technology, there are inherent risks in relying on forecast cash flows as a reliable estimate of value-in-use. Notwithstanding this, they have also considered the results of the vertically integrated Phase 1 Project Definitive Feasibility Study incorporating the Karibib assets, which was completed in May 2020, in their impairment review of the exploration and evaluation and intangible assets. The carrying values of the capitalised exploration and evaluation and technology assets were key audit matters given the significance of the technology and exploration activities to the Group's balance sheet, and the judgement involved in the assessment of their values.	Our procedures included, amongst others the following: • Assessing the methodologies used by management to estimate recoverable amounts of the exploration and evaluation and technology assets, including challenging the methodologies used, testing the integrity of the information provided, and assessing the appropriateness of the key assumptions adopted based on our knowledge of the technology and industry. • Reviewing minutes of Board meetings, ASX announcements, the latest professional technological and other reports for evidence of any impairment indicators or material adverse changes in relation to the technology asset since completion of the Pre-Feasibility Report and independent valuation report (included in the target's statement document) announced in 2017. There were no such indicators during the year. • Testing expenditures and other additions to the technology and exploration-evaluation assets during the year on a sample basis against supporting documentation such as supplier invoices and cost agreements and ensuring such expenditures and additions are appropriately recorded in accordance with applicable accounting standards. • Reviewing the Group's rights to tenure to its areas of interest and commitment to continue exploration and evaluation activities in these interests and ensuring capitalised expenditures relating to areas of interest which are being discontinued or no longer being budgeted for are appropriately impaired. • Review of an updated JORC code (2012) compliant mineral resource estimate, including subsequent updates, completed in January 2020 by Snowden Mining industry Consultants Pty Ltd, in respect of ore reserves at Karibib, Namibia. • Review of the vertically integrated Phase 1 Project Definitive Feasibility Study completed in May 2020 and any subsequent updates, which is based on a commercial scale L-Max Plant, comprising an integrated mine, concentrator and chemical conversion plant development • Compared the Group's market capitalisation as at 30 June 2021 ($74 million) to its net asset position ($74.9 million), noting that the market capitalisation at balance date approximated net assets. Market capitalisation below net assets is an indicator of possible impairment, thereby requiring further consideration. • Assessing the appropriateness of the relevant disclosures in the financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LEPIDICO LIMITED (CONTINUED)

Key Audit Matters (continued)

Related Party Transactions & Share Based Payments to Key Management Personnel	
Refer to Remuneration Report, Note 18 d) Share Based Payments, Note 24 Related Party Transactions	
During the year ended 30 June 2021, the Group transacted with Key Management Personnel and their related entities including: • Awarded share-based payments amounting to $337,500 in the form of share options, to Key Management Personnel • Paid $126,164 in development and consulting costs related to the L-Max Technology As these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third party. The value of the share-based payments is a key audit matter due to it being a key material transaction with members of key management personnel, the valuation of which involves significant judgement and accounting estimation.	Our procedures included, amongst others the following: • Enquiring and obtaining confirmations from Key Management Personnel regarding related party transactions occurring during the period. • Reviewing minutes of meetings, ASX announcements and agreements, and considered other transactions undertaken during the financial year. • Reviewing payments, receipts and general journals throughout the year, and examining transactions with known related parties, or those that appear large or unusual for the Group. • Evaluating, based on supporting documentation, whether related party transactions were on an arms-length basis. • Assessing the valuation methodology used by management to estimate fair value of share options issued, including testing the integrity of the information provided, assessing the appropriateness of the key assumptions input into the valuation model and recalculating the valuation using the Black Scholes Model. • Assessing whether the share-based payments have been appropriately classified and accounted for in the financial statements. • Assessing the appropriateness of the relevant disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LEPIDICO LIMITED (CONTINUED)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Lepidico Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Neil Pace

Moore Australia

NEIL PACE
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 24th day of September 2021.