

ASX/Media Announcement

Perth: 13 December 2016

Counterclaim lodged against LIT

On 7 November 2016, Lepidico Ltd (ASX:LPD) (“Lepidico” or “the Company”) announced that it will undertake a vigorous defence, through its subsidiary, of the Supreme Court proceedings instituted by Lithium Australia NL (LIT) on 4 November 2016 (“Proceedings”). As previously announced, LIT’s application to the Court is seeking declarations, inter alia, that LIT has the ability to exploit a lithium extraction process referred to as “SiLeach™”.

On 9 December 2016, Lepidico’s subsidiary lodged its Defence and a Counterclaim in the Proceedings.

In summary, the Counterclaim alleges that:

- **the SiLeach™ Process was developed, without authorisation, using the Company’s intellectual property in the L-Max® technology and/or L-Max® confidential information disclosed to LIT; and**
- **that LIT has breached a number of clauses under a Licence Agreement entered into with a Lepidico subsidiary.**

Importantly, Lepidico’s commercialisation of its proprietary L-Max® Process (as discussed below) is unaffected by these proceedings.

Lepidico takes very seriously the commercial exploitation of its technology and the protection of its intellectual property and confidential information. Lepidico has developed, and continues to develop, significant advances in the recovery of lithium from lithium-bearing micas. The Company is an industry leader in this field, and is, through its subsidiaries, the owner of the intellectual property in the L-Max® Process which recovers lithium carbonate (or lithium hydroxide) from lithium-bearing micas. To that end, Lepidico holds International Patent Application PCT/AU2015/000608 and a granted Australian Innovation Patent 2016101526 in relation to the L-Max® Process.

The Company will continue to vigorously defend the Supreme Court proceedings instituted by LIT and prosecute its counterclaim as Lepidico’s Board is committed to continuing to maximise the commercial exploitation of its intellectual property rights. L-Max® is a process of significant and substantial value to Lepidico and the lithium industry. Lepidico’s ability to exploit and commercialise the L-Max® Process remains unchanged and unaffected by these recent events and the Company remains on schedule to complete the Pre-Feasibility Study for a small commercial scale L-Max® Process plant in the March 2017 quarter.

Further Information

For further information, please contact

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About Lepidico Ltd

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium. Its current exploration assets include options over the Lemare and the Royal projects, both in Quebec, Canada; ownership of the Euriowie project near Broken Hill in New South Wales; joint venture agreements with ASX-listed Crusader Resources (ASX:CAS) in Brazil and Latin Resources (ASX:LRS) in Peru and Argentina to jointly evaluate lithium opportunities. Lepidico also owns the technology to a metallurgical process that has 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 disrupt the lithium market by providing additional lithium supply from alternative sources. On 27 September 2016 the Company announced the commencement of a pre-feasibility study for a Phase 1 L-Max[®] plant targeting production for 2019.