

Resource Definition Drilling Campaigns Commence

-) **Rig mobilising to implement a 1,500 m diamond drilling program at Alvarrões lepidolite mine aimed at defining a JORC Code compliant Mineral Resource estimate**
-) **Drilling to commence within the week; site preparation underway**
-) **Resource definition drilling ongoing at Separation Rapids undertaken by owner Avalon Advanced Materials**
-) **Mapping at PEG 9 to commence this week ahead of drilling on grant of permits**

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to advise that it has secured a diamond drilling rig for its resource drilling campaign at the Alvarrões lepidolite mine near Guarda in Portugal. Drilling is scheduled to commence within a week.

This work is part of multiple campaigns aimed at establishing an inventory of lepidolite resources capable of providing feedstock for the proposed Phase 1 L-Max[®] Plant, currently the subject of a Feasibility Study by the Company.

Resource definition drilling continues at Separation Rapids in Canada, undertaken by strategic partner Avalon Advanced Materials Inc (TSX:AVL), while a program of pre-drilling field mapping is due to commence this week at the PEG 9 lepidolite pegmatite prospect within the Pioneer Resources Limited (ASX:PIO) Pioneer Dome project near Norseman in Western Australia.

All three of Lepidico’s planned feed-source targets for the Phase 1 Plant – Separation Rapids, Alvarrões and PEG 9 – are located in stable, mining friendly jurisdictions and close to critical infrastructure, including power, water and transport. Together, these three projects have the potential to provide long-term feedstock for strategically located L-Max[®] processing facilities, providing Lepidico with a range of future development options.

Alvarrões Lepidolite Mine, Portugal

Lepidico has secured a diamond drilling rig to undertake a resource drilling program of approximately 1,500 m at the Alvarrões Lepidolite Mine in eastern Portugal (Figure 1). Site preparation for the first drill pads is underway. This work is aimed at providing sufficient information to enable the definition of a JORC Code compliant Mineral Resource estimate at Alvarrões.

Mining at Alvarrões is currently conducted by a 30-tonne excavator and 25-tonne articulated dump truck for annual production of approximately 25,000 tonnes. Mining rates may be increased materially with the addition of a larger excavator and one further truck for the mining of waste. Lepidico’s Phase 1 Plant Feasibility Study will include evaluation of a 50,000 tonne to 75,000 tonne per annum ore mining operation at Alvarrões and the development of a small scale concentrator capable of producing up to 30,000 tonnes per year of high-quality lithium mica concentrate, while also providing mineralisation for the Mota Group to supply its existing ceramics business.

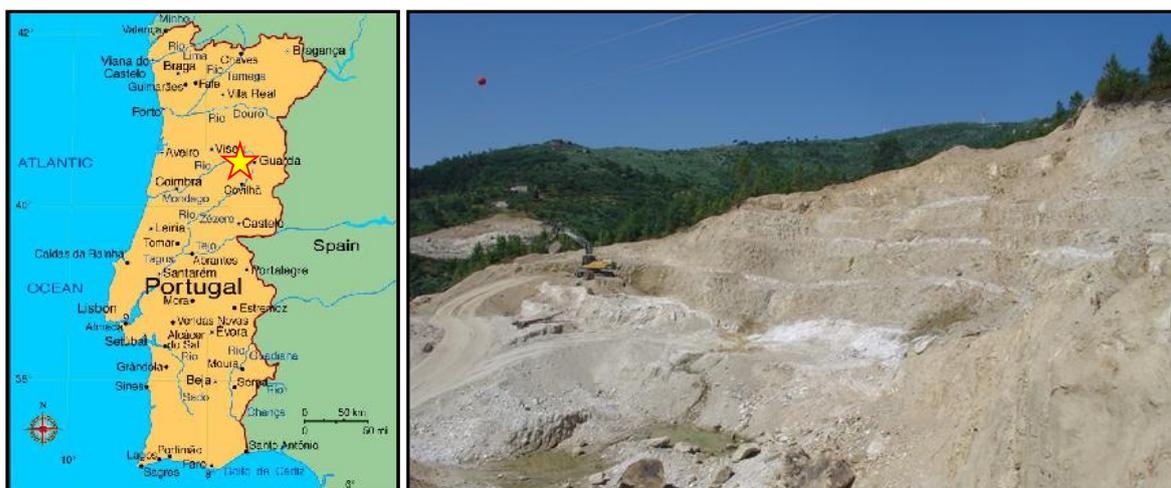


Figure 1. Alvarrões lepidolite mine, Block 3 pit, with Block 1 pit in the background. Guarda area, Portugal.

The Seixo Amarillo-Goncalo (“SAG”) pegmatite field comprises numerous flat-lying pegmatites as sills within granite country rock. Larger individual pegmatites, ranging in thickness from 0.5 m to over 5m, can be traced for over 1 km along strike and at least 500 m across strike (Figure 2). Pegmatite density can range from 10% to 20% of the rock mass with thicker pegmatites displaying greater continuity and hence potential amenability to exploitation by underground bulk mining methods.

The Alvarrões mining concession encompasses most of the known outcropping lithium pegmatites in the area.

Multiple sub-horizontal pegmatite sills are being exploited at Alvarrões (Figures 2 and 3), suggesting a target of 1.5 Mt – 2 Mt of lepidolite pegmatite grading 1.0% - 1.5% Li₂O which, if confirmed, would produce 150,000 t – 300,000 t of lepidolite concentrate, or 5 - 10 years of lepidolite feedstock for a Phase 1 L-Max[®] Plant.

Consequent to a site visit to the area by the Company’s Exploration Director Mr Tom Dukovic in April, drill sites for an initial drilling campaign at Alvarrões were identified. The drilling program will be implemented from 14 drill sites selected in readily accessible locations that require minimal site preparation (Figure 3). As the pegmatite sills are shallowly dipping at approximately 15 degrees from horizontal most holes are planned to be vertical. Additional angled holes will be drilled in fans from some sites to provide infill coverage across less accessible areas.

Assuming positive results from this phase of drilling it is intended that a subsequent program of reverse circulation infill drilling will be implemented to provide increased density of information required to ultimately provide an estimate of potential Ore Reserves for use in the Company’s feasibility study on a Phase 1 L-Max[®] Plant.

As announced on 9 March 2017, Lepidico has signed a binding term sheet with Grupo Mota, the owner and operator of the Alvarrões mine, to develop and exploit the Alvarrões lepidolite mine with Lepidico’s proprietary L-Max[®] process to produce battery grade lithium chemicals for the electric battery industry. As part of its commitment, Lepidico must spend €250,000 on exploration at Alvarrões. The proposed drilling program is expected to account for a large part of this commitment.

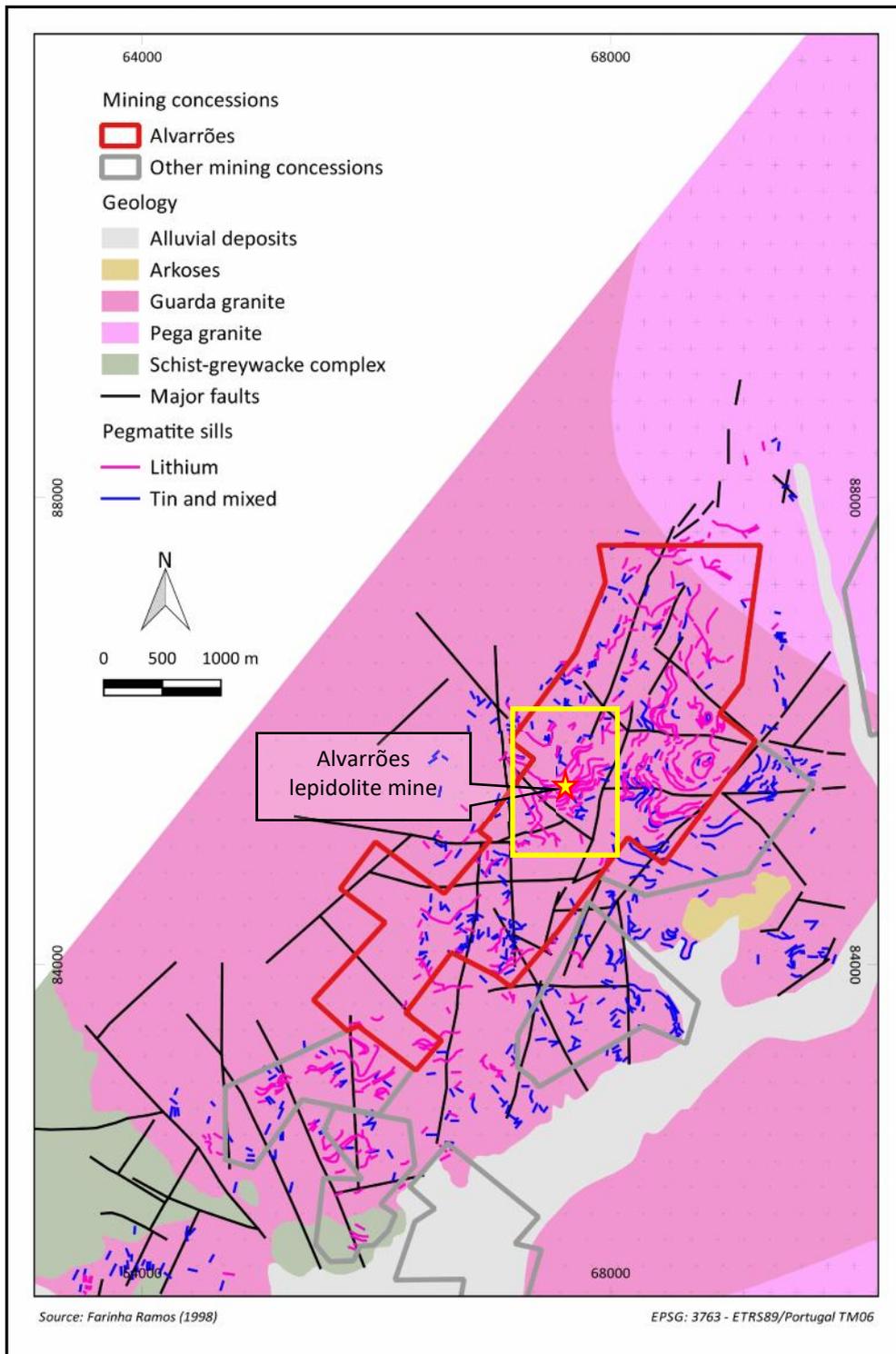


Figure 2. The Alvarroes mining concession (red) extends for approximately 5 km and encompasses most of the lithium-bearing pegmatites (pink) in the area. Location of Figure 3 (see below) shown in yellow.

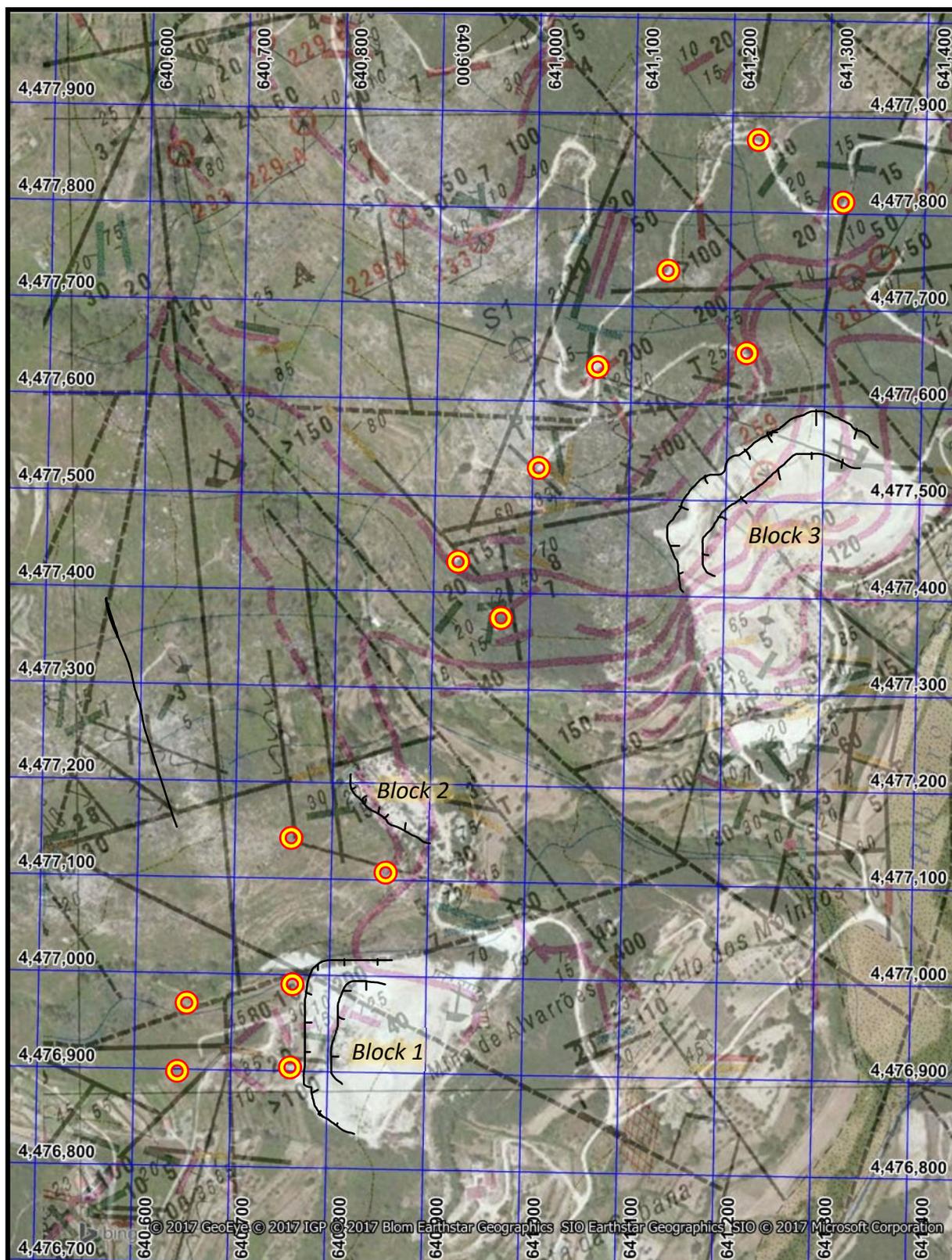


Figure 3. Alvarrões lepidolite mine, showing Block 1, Block 2 and Block 3 open pits, superimposed on detailed pegmatite outcrop map with location of first phase drill sites. Bing image (©2017 Microsoft Corporation) over pegmatite geology showing UTM Zone 29 T co-ordinates.

Further Information

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The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

About Lepidico Ltd

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium. Lepidico 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. The Company is currently conducting a Feasibility Study for a Phase 1 L-Max[®] plant, targeting production for 2019. Three potential sources of feed to the planned Phase 1 Plant are being evaluated, one of which is the Separation Rapids deposit in Ontario, Canada in partnership with its owner Avalon Advanced Materials Inc.

Lepidico's current exploration assets include options over the Lemare and the Royal projects, both in Quebec, Canada; an ore access agreement with Grupo Mota over the Alvarrões Lepidolite Mine in Portugal; a farm-in agreement with Pioneer Resources (ASX:PIO) over the PEG 9 lepidolite prospect in Western Australia; ownership of the Euriowie amblygonite project near Broken Hill in New South Wales; and an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max[®] in Brazil and Portugal on suitable lithium mica opportunities.