

Drilling Commences at Alvarrões

-) Drilling underway on first hole of a planned 25 hole diamond drill program - first assays anticipated in June 2017
-) Alvarrões is an operating mine that produces lepidolite feedstock suitable for Lepidico's planned Phase 1 L-Max[®] Plant
-) Initial JORC Code Mineral Resource estimate targeted for Q3 2017



Figure 1. Lepidolite (purple grey) in partly oxidised pegmatite in drill core from hole ALVD01 at Alvarrões.

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to advise that drilling has commenced at the Alvarrões lepidolite mine in Portugal.

A 25 hole diamond drilling program is being implemented as the first stage of a resource definition program at Alvarrões aimed at delineating an initial JORC Code compliant Mineral Resource estimate during the September 2017 quarter.

Drilling at Alvarrões is the Company's next step in its aim to establish a global inventory of lithium mica resources to provide feedstock for the proposed Phase 1 L-Max[®] Plant, currently the subject of a Feasibility Study ("FS") by the Company. These resources are expected to be sourced from Separation Rapids in Canada, Alvarrões in Portugal and the Peg 9 prospect in Western Australia.

Alvarrões Lepidolite Project, Portugal

As announced on 9 March 2017, Lepidico has signed a binding term sheet with Grupo Mota, the majority owner of the Alvarrões mining concession, and operator of several open pit lepidolite mines, known as the Gonçalo Lepidolite Mine. From the Gonçalo pits, Grupo Mota produces approximately 20,000 tonnes per annum of lithium minerals, predominantly lepidolite, currently for use in the ceramics industry. 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.

Lepidico is focusing its drilling program on a 1.5 km long zone down dip from the two operating Gonçalo open pits (Figures 2 and 3). The mineralisation occurs in a series of flat-lying pegmatite sills, ranging in thickness from a few centimetres to over five metres, hosted in the Guarda granite. These pegmatites are part of the extensive Seixo Amarelo-Gonçalo rare element pegmatite district covering an area of some 100 km². They are composed of quartz, feldspar, muscovite and various lithium minerals, predominantly lepidolite with lesser amounts of spodumene and amblygonite.

The dense concentration and strike continuity of the pegmatites suggests excellent potential for the delineation of significant deposits of lepidolite mineralisation at Alvarrões.

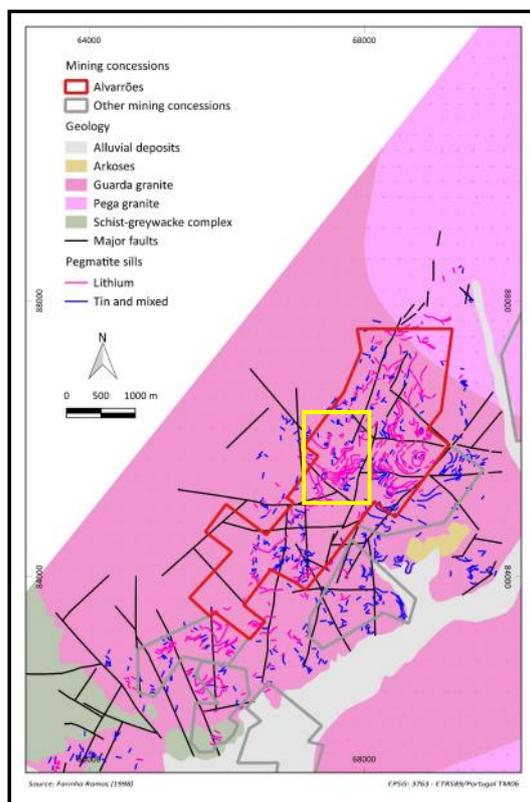


Figure 2. The Alvarrões mining concession (red) showing distribution of lithium pegmatites (pink). Location of Figure 2 shown by yellow rectangle.

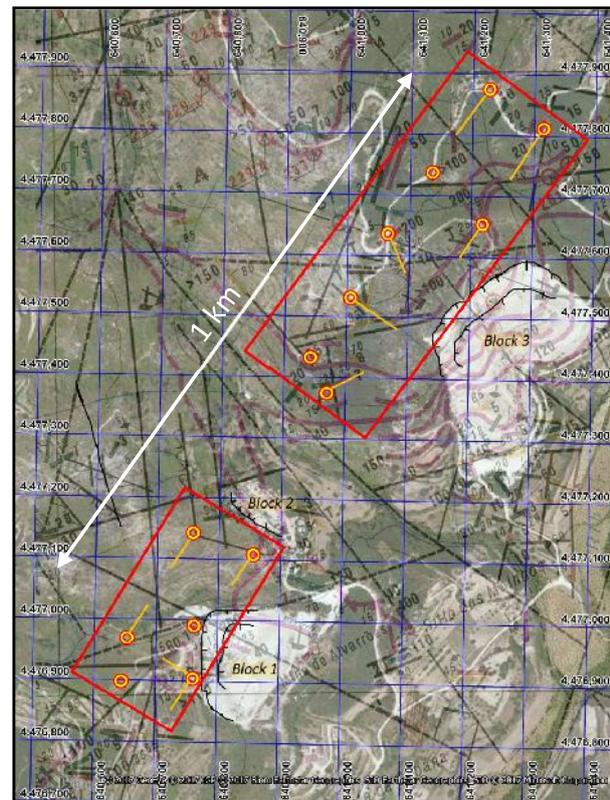


Figure 3. Proposed location of diamond drill holes covering the Block 1 and Block 3 targets at the Gonçalo lepidolite mine. Each site will include a vertical hole plus angled holes as shown.

PEG 9, Pioneer Dome, Western Australia

A flora and fauna survey was recently completed over the target area at Peg 9 and no threatened species were observed within the survey area. A Conservation and Management Plan is currently under preparation. This will be submitted to the Department of Parks and Wildlife for approval, following which it is expected that the Department of Mines and Petroleum will be able to approve the Program of Works for drilling to commence. A drilling contractor has been engaged, with work expected to commence in June.

Separation Rapids, Ontario, Canada

Avalon Advanced Materials Inc. (Avalon), the owner of Separation Rapids, has completed its latest drilling program on the deposit and is now developing a revised Mineral Resource estimate that will for the first time include lepidolite-rich zones in addition to the petalite mineralisation that is the subject of the current Mineral Resource estimate. Lepidico has entered into a Letter of Intent with Avalon for the supply of lepidolite concentrate from Separation Rapids to the planned Phase 1 L-Max[®] Plant, to be located in Kenora, Ontario.

All three lepidolite deposits – 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, thus reducing risk and providing Lepidico with a range of development options into the future.

Updates on progress at all three sites will be provided as further developments occur.



Figure 4. Diamond drill rig set up on the first hole, ALVD01, at Alvarrões.

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.