

Lepidico Secures Moriarty Lithium Project in WA

-) **Lepidico to earn 75% of lithium rights from Maximus Resources**
-) **Moriarty Lithium Project covers 70 km² of lithium prospective ground 20 km south of the Mt Marion lithium mine**
-) **Project contains the Lefroy, Landor and Larkinville lithium prospects**
-) **Lepidolite pegmatite at Lefroy 200 m long, up to 4.97% Li₂O**
-) **Moriarty secured to add potential Li-mica inventory for processing by Lepidico's proprietary L-Max® technology**

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to advise that it has signed a Binding Term Sheet with Maximus Resources Limited (ASX:MXR) ("Maximus") under which Lepidico can earn a 75% interest in Maximus's lithium rights in the Spargoville Project, located 70 km south of Kalgoorlie in Western Australia.

The lithium rights will be known as the Moriarty Lithium Project.

The Moriarty Lithium Project is some 70 km² in area, covering approximately 15 km of strike of mafic-ultramafic rocks of the Norseman-Wiluna greenstone belt, situated 20 km SW of the mining town of Kambalda (Figure 1).

Specifically, the project contains several known occurrences of LCT-type pegmatites, including lithium-mica (lepidolite) pegmatites at the Lefroy prospect, from where Maximus reported a 200 m long pegmatite averaging 3.55% Li₂O, and a peak value of 4.97% Li₂O (Figures 2 and 3) (MXR ASX announcement dated 23 May 2016).

Maximus reported additional lithium occurrences at the Landor and Larkinville prospects (Figure 1), while mapping by the Geological Survey of WA showed the presence of pegmatites within the project area that were considered similar to the pegmatites hosting the Mt Marion lithium deposit.

Maximus acquired the Spargoville tenement package from Tychean Resources predominantly for its gold potential in 2015. Maximus's general gold focus that includes toll treating third party ore through its recently refurbished Burbanks mill resulted in Maximus deciding to divest the lithium rights.

The presence of notable lithium micas within the Moriarty pegmatites gives rise to the potential for lithium mica resources that would be ideally suited for processing with the Company's proprietary L-Max® technology. The agreement between Maximus and Lepidico is therefore of benefit to both companies.

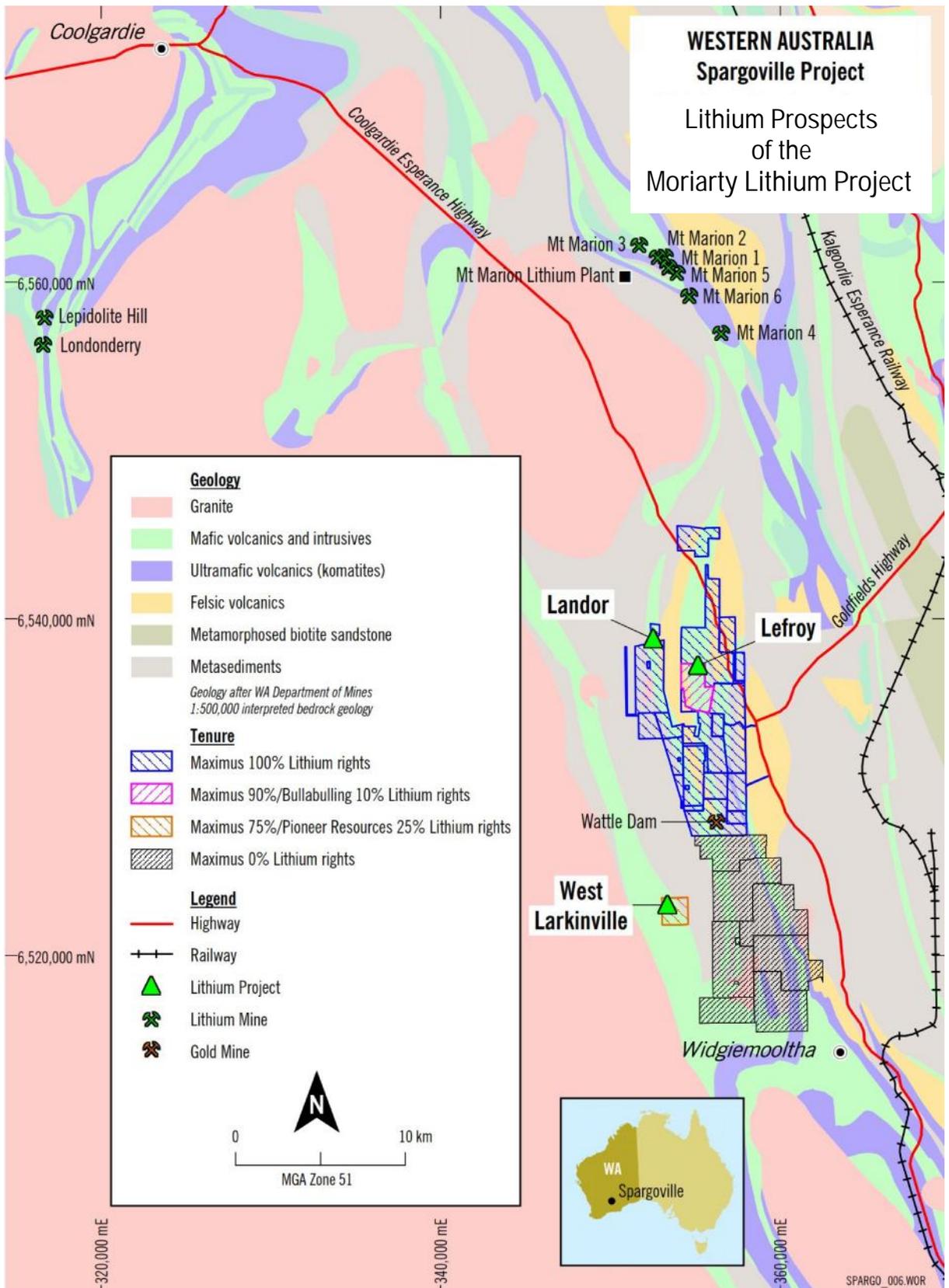
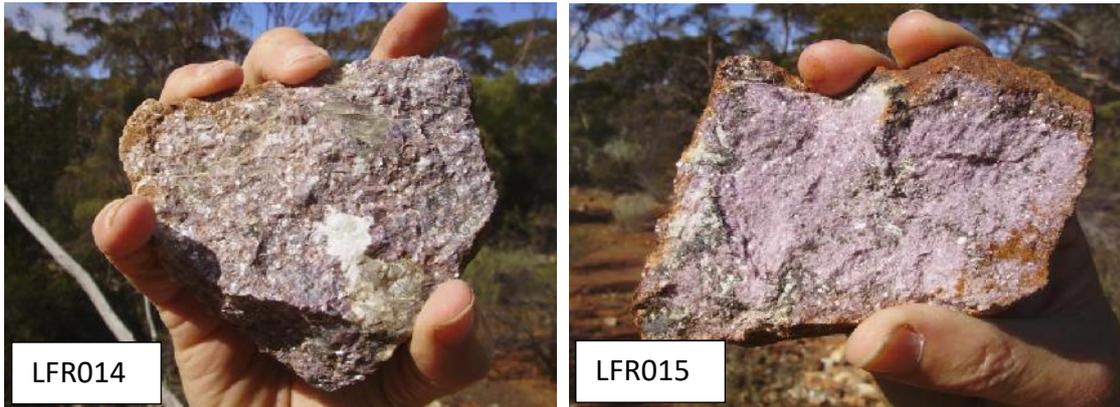


Figure 1. Moriarty Lithium Project, being the lithium rights held by Maximus Resources over the Spargoville Project (blue, pink and brown tenure). Lepidico is earning 75% of Maximus's lithium rights. Maximus retains all gold rights.



Figures 2 and 3. Li-mica (lepidolite) in pegmatite from the Lefroy prospect. Samples grade 3.14% Li₂O (LFR014) and 3.55% Li₂O (LFR015). From MXR ASX announcement dated 23 May 2016.

Summary Terms

Lepidico can earn 75% of Maximus's lithium rights by meeting all of the following terms:

- i) On execution of the Term Sheet, payment to Maximus of \$80,000 in Lepidico shares, at a 5 day VWAP issue price;
- ii) Six months after execution, payment to Maximus, at Lepidico's discretion, of \$120,000 in cash or Lepidico shares at a 5 day VWAP issue price; and
- iii) 12 months after execution, payment to Maximus, at Lepidico's discretion, of \$150,000 in cash or Lepidico shares at a 5 day VWAP issue price.

Lepidico has the discretion to accelerate any or all of the above payments.

At any time within three years after the third payment Lepidico can choose to secure 100% of the Lithium Rights by making a payment to Maximus of \$400,000 which can be made, at Lepidico's discretion, as either cash, or a combination of 50% cash and 50% in Lepidico shares at a 5 day VWAP issue price.

Lepidico is pleased that it has added another Li-mica project to its growing global portfolio of properties as it aims to build an inventory of Li-mica resources that would in time provide concentrate feedstock to a full scale L-Max[®] plant.

Field work at Moriarty is intended to commence in September, in conjunction with the anticipated drilling program at the Peg 9 prospect.

Under the terms of the agreement with Maximus, the Company has allotted and issued 6,333,432 new fully paid ordinary shares ("New Shares") to Maximus.

Secondary Trading Exemption Notice

Lepidico now also provides the following Secondary Trading Exemption Notice in respect of the New Shares:

The Corporations Act 2001 (**Act**) restricts the on-sale of securities without disclosure, unless the sale is exempt under Section 708 or 708A of the Act. By Lepidico giving this notice, on-sale of the New Shares will fall within the exemption offered by Section 708A (5) of the Act.

Lepidico hereby notifies the ASX (as the operator of the prescribed financial market on which the New Shares are to be quoted) under Section 708A(5)(e) of the Act that:

- a) Lepidico issued the New Shares without disclosure to investors under Part 6D.2 of the Act;
- b) As at the date of this notice Lepidico has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and with Section 674 of the Act; and,
- c) As at the date of this notice there is no “excluded information” as defined in Section 708A(7) and (8) of the Act in relation to the Company.

Further Information

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The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovic, 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 Dukovic 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 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; options over the Lemare and the Royal projects, both in Quebec, Canada; 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.