

Engineering for Phase 1 Plant Feasibility Study Highlights Potential for Higher Throughput Rates

- Lycopodium completes engineered design for Phase 1 L-Max[®] Plant
- Capacity-cost trade-off evaluations to determine optimal configuration have commenced
- Installed capacity of between 5,000t and 6,000t pa of LCE for major equipment is being evaluated
- Feasibility Study remains on schedule and budget for completion during the September 2018 quarter

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce that Lycopodium Minerals Pty Ltd a subsidiary of Lycopodium Limited (ASX:LXL) (“Lycopodium”) has completed an engineered design for the Company’s Phase 1 L-Max[®] Plant Feasibility Study, for a plant located in Sudbury, Canada (Figure 1). A design review has identified areas where trade-off evaluations are warranted between reduced cost and higher installed plant capacity to provide an optimal plant design. The Feasibility Study remains on track and budget for completion during the September 2018 quarter, with the permitting and approvals processes forming the critical path.

Nominal throughput for the Phase 1 Plant design is 3.6 tonnes per hour of lithium mica concentrate feed, to provide output of between 2,500 tonnes and 3,000 tonnes per year of lithium carbonate equivalent (LCE). During the engineering design phase vendor specifications were received for all major capital equipment within the plant. In some instances, it is evident that unit capacity may significantly exceed the nominal design to allow either procurement of an “off the shelf” item and/or accommodate flexibility to treat a range of feed grades for key revenue elements.

To precisely determine the capacity of major equipment within the plant a vendor testwork program has commenced, the cost of which is accommodated under the Phase 1 Plant Feasibility Study budget. This work, which is not on the Study critical path is scheduled to be completed during the June 2018 quarter and allow trade-offs between capacity and cost to be understood. The vendor testwork program will provide greater confidence on the actual capacity of each piece of equipment for its stated application and identify the incremental cost or cost saving of increasing or decreasing respectively its capacity.

This is of particular importance when considering the ultimate optimal throughput for the Phase 1 Plant. By way of example, oversizing the largest single pieces of capital equipment such as the leach filter may result in a relatively modest incremental increase in capital cost but allow the nominal plant capacity to be increased substantially by debottlenecking during operations rather than via the duplication of equipment in formal capital expansion. The capacity trade-off evaluations will consider ultimate steady state throughput potential for the major mechanical equipment in the Phase 1 Plant of between 5,000 tonnes and 6,000 tonnes per annum of LCE.

It was also identified during the engineering design phase that sodium sulphate may represent another valuable L-Max[®] by-product, in addition to sodium silicate and sulphate of potash (SOP) fertilizer. A

preliminary design for the production of sodium sulphate was included by Lycopodium for the Phase 1 Plant.

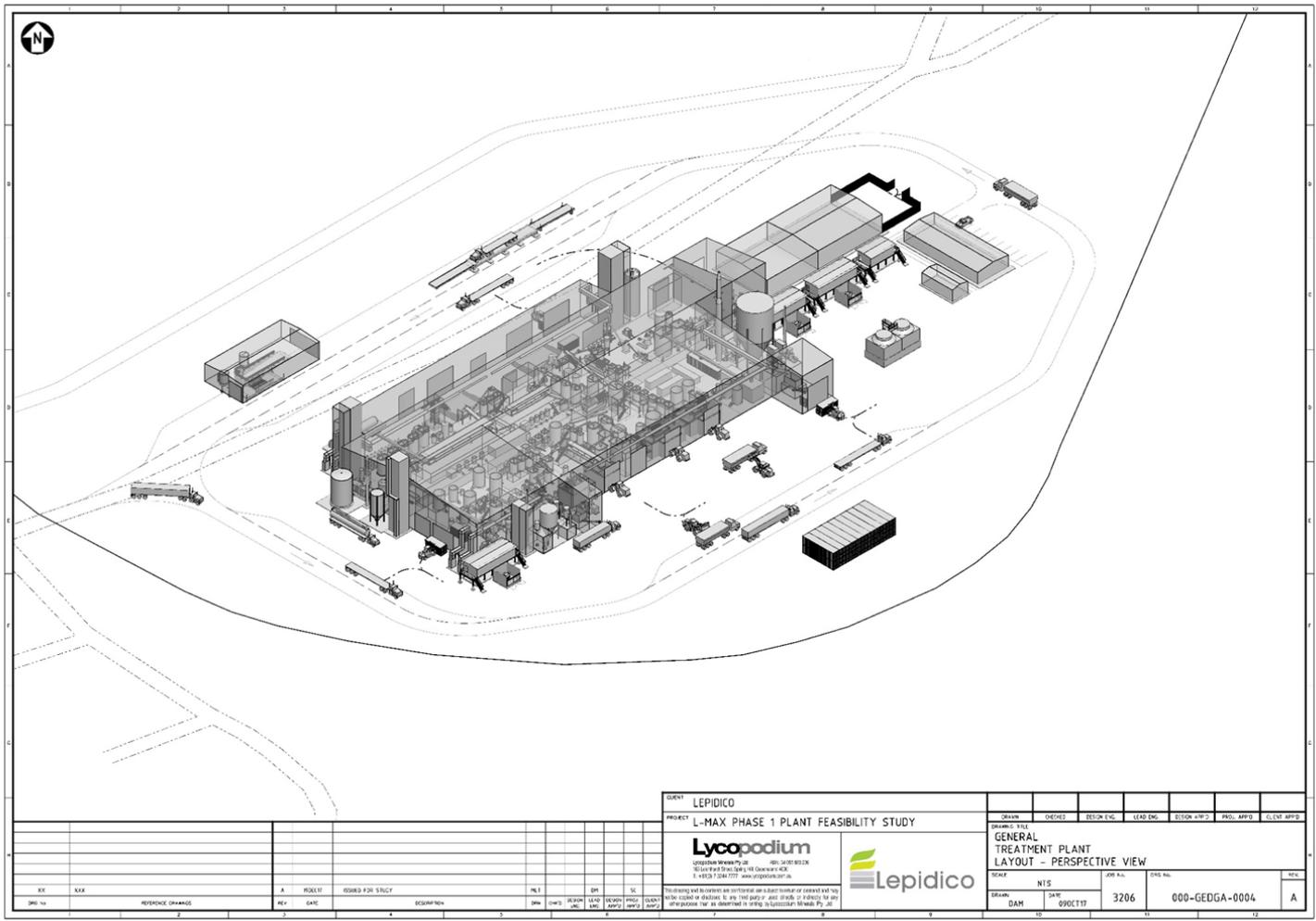


Figure 1. Phase 1 L-Max® Plant Site layout.

Further Information

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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.

Lepidico's current exploration interests include an ore access agreement with Grupo Mota over the Alvarrões Lepidolite Mine in Portugal where it has identified a JORC Code compliant Inferred Mineral Resource estimate of 1.5 Mt grading 1.1% Li₂O (see ASX Announcement of 7 December 2017); and farm-in agreements with both Maximus Resources (ASX:MXR) and Pioneer Resources (ASX:PIO) over the Moriarty Lithium Project and PEG 9 lepidolite prospect respectively, both in Western Australia. Lepidico has also entered into a Letter of Intent with TSX listed Avalon Advanced Materials Inc. for planned lithium mica concentrate supply from its Separation Rapids Project in Ontario, Canada.

Lepidico has a strategic alliance with Galaxy Resources Limited (ASX: GXY, which holds a 12% interest in LPD) based on a shared vision for the significant global opportunity provided by the commercialisation of LMax[®]. With its strong industry contacts and relationships in the lithium industry, Galaxy will assist Lepidico with future business and growth opportunities, that include the evaluation of potential synergies with its Mt Cattlin Mine and James Bay Project.