ASX/Media Announcement
26 July 2018

Youanmi Lepidolite Option Agreement

- **Lepidico secures access to a belt of lepidolite pegmatites held by Venus Metals in the Youanmi district in Western Australia**
- **Tenure includes 4 km of strike in proven lepidolite field**
- **Lepidico can earn up to 80% ownership of lithium pegmatite rights**
- **Exploration to commence immediately**

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to announce that it has reached agreement with Venus Metals Corporation Limited (ASX:VMC) ("Venus") on terms under which Lepidico is to explore for lithium mineralisation on exploration licence E57/983 located in the Murchison District in Western Australia, approximately 20 km southwest of the historical Youanmi gold mine (Figure 1).

The Youanmi region is known to contain a belt of lepidolite-bearing pegmatites within which lepidolite is often the only, or dominant, lithium mineral species. E57/983 encompasses 4 km of strike of this belt, extending immediately north of the Manindi project, from where Metals Australia (ASX:MLS; 24 July 2017) reported lepidolite pegmatite drill intercepts of 8 m @ 1.06% Li_2O and 7 m @ 1.29% Li_2O from separate drill holes.

The Youanmi district is known for its gold, vanadium and base metal potential, with lepidolite mineralisation identified in the course of zinc exploration in the Manindi area.

While E57/983 is unexplored specifically for lepidolite, historical reconnaissance mapping in the area notes the presence of outcropping and sub-cropping pegmatites carrying notable lepidolite mineralisation. The presence of other lithium mineral species is not highlighted.

Lepidico is geared up to immediately commence ground exploration aimed at developing drill targets for testing before the end of the current field season.

The Youanmi lepidolite belt has been targeted by Lepidico as an opportunity to identify and build an inventory of lithium mica mineralisation for eventual commercial processing by the Company's proprietary L-Max® technology.

Lepidico plans to commence exploration of this relatively new lithium district imminently and is pleased to have been able to agree terms with Venus Metals, a summary of which is presented below.

Summary Terms

- On signing: Venus to receive $50,000 cash and 3,619,254 Lepidico fully paid ordinary shares. Lepidico earns a 12-month option to explore the tenement.

- During the option period the parties intend to negotiate the terms of a farm-in and joint venture agreement on the following indicative terms:
    - Venus to receive $350,000, comprising 50:50 cash and shares; shares issued at 5 day VWAP. Lepidico will have a 4-year period to complete a full Feasibility Study leading to a Decision to Mine to earn an 80% interest in the Lithium Rights. Venus will be free-carried to a Decision to Mine and Venus will be carried through project finance, with cost of finance to be repaid from 100% of Venus's share of production.
    - On DTM, a joint venture commences. If Venus dilutes to below 5% it's interests reverts to a 1.5% royalty on all concentrate sold from the tenement.
    - Venus is to receive a benefit linked to the price of lithium carbonate equivalent received by Lepidico on sale of L-Max® products from material sourced from the Rights.
    - If at any time in the 4-year period, Lepidico spends $2 million on project expenditure it will earn a 51% interest in the Rights.
    - Lepidico shareholder approval will not be required for the initial issue of shares to Venus, which will be carried out using the Company's existing share issue capacity under Listing rule 7.1.

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. 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 complement the lithium market by adding low-cost lithium supply from alternative sources. The Company is currently conducting a Feasibility Study for a Phase 1 L-Max® plant, targeting commercial production for 2020. Feed to the planned Phase 1 Plant is planned to be sourced from the Alvarrões Lepidolite Mine in Portugal under an ore access agreement with owner-operator Grupo Mota. Lepidico has delineated a JORC Code-compliant Inferred Mineral Resource estimate at Alvarrões of 1.5 Mt grading 1.1% Li2O (see ASX announcement of 7 December 2017). More recently Lepidico has added S-Max™ to its technology base, which can produce marketable quality amorphous silicas at low cost versus existing industry processes.

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 L-Max®. 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 and potential synergies with its Mt Cattlin Mine and James Bay Project.

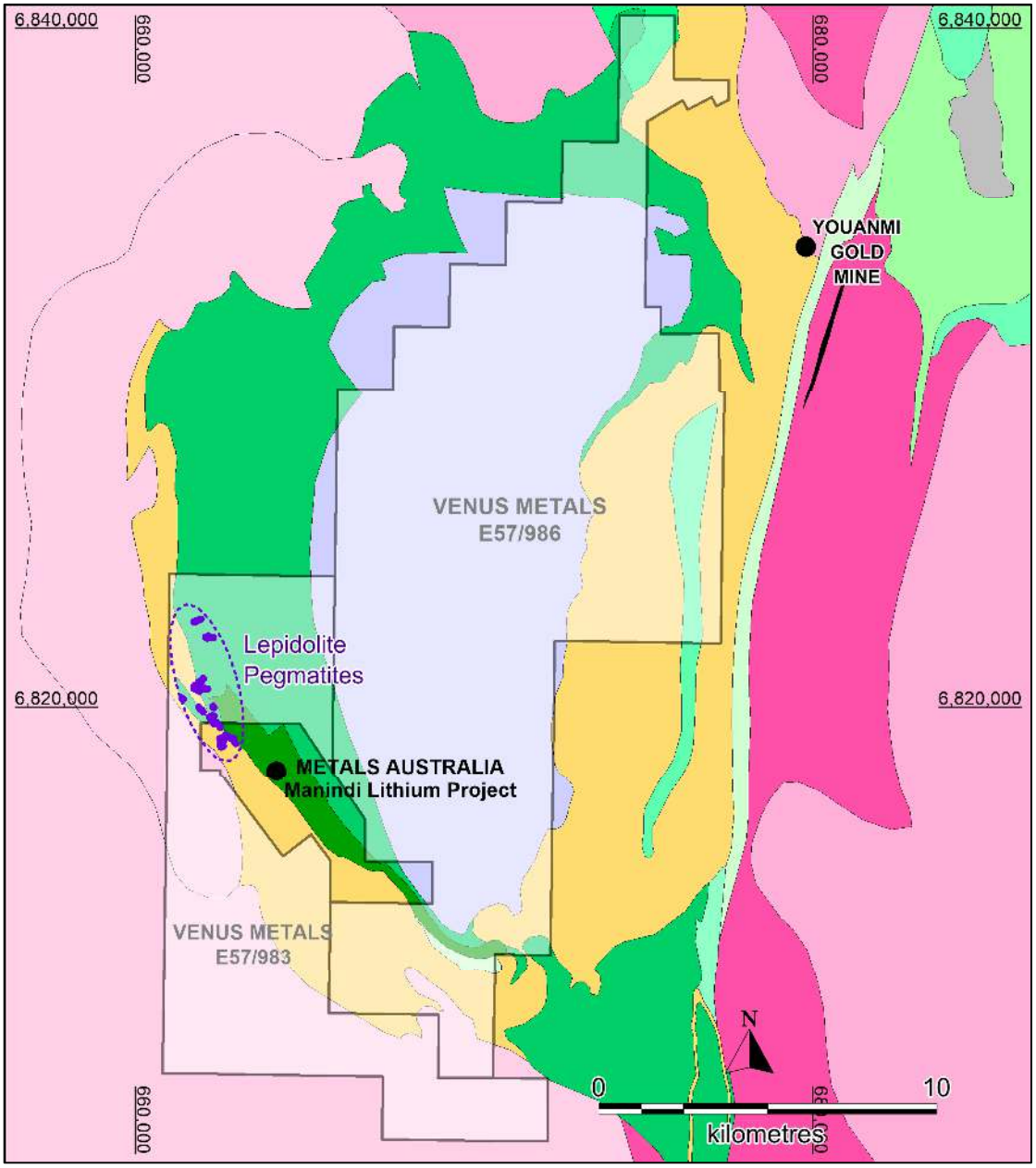

Figure 1. Location of E57/983 in the Youanmi district, located 580 km NNE of Perth in Western Australia, showing location of a belt of lepidolite-bearing pegmatites (schematic; information sourced from Edwards, R.G (1975) Annual Report on Mineral Claims 1730-1735, 4082-4099, 4106-4113; Freddie Well zinc-copper prospect East Murchison Goldfield Western Australia. CRA Exploration Pty Ltd.).

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.