

Pilot Plant Update: on budget, on schedule

- **Pilot plant implementation is on schedule and within budget, with orders now placed for all major mechanical equipment**
- **Fabrication of first evaporator is complete and crystalliser fabrication is well advanced and no longer on the critical path**
- **Lepidolite plant feed sample crushed and beneficiated in Portugal and awaits shipping**

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce that the L-Max[®] Pilot Plant Project, which is currently in the implementation phase has reached a significant milestone with all major items of mechanical equipment ordered and a sample of partially concentrated plant feed secured.

Pilot Plant construction

Orders have now been placed for all major mechanical equipment for the L-Max[®] Pilot Plant, which is being constructed in Perth, Western Australia. At the end of November 38% of the budget had been committed, with the Project tracking within budget before contingency. Capital cost savings versus budget in the leach, lithium recovery and sodium sulphate recovery circuits have allowed for an upgrade of plant instrumentation and control systems compared with the original design. The electrical and control systems will more closely reflect the planned design for the Phase 1 Plant and allow for greater operating data capture.

Fabrication of the first crystallisers and evaporator is on schedule for completion in December 2018, with the first unit already fabricated (Figure 1). Manufacture of these key pieces of mechanical equipment is no longer on the Project critical path. Fabrication of the steel skids that will house the process equipment has commenced with delivery scheduled for the end of January, which will allow plant construction to commence. Pilot Plant commissioning remains on schedule for April 2019.

Alvarrões lepidolite feed

Last week Grupo Mota processed, through its optical sorting facility, a campaign of run of mine lepidolite sourced from the Alvarrões mine (Figure 2). A 20 tonne sample of this material is scheduled to be bagged and shipped to Perth for delivery in January 2019. Assays for the sample are pending.

Two diamond core rigs are currently undertaking a Mineral Resource and exploration drilling programme at Alvarrões, which is scheduled to be completed this month. Assay turn-around times have been up to eight weeks for samples recently dispatched, with results from the current programme expected in February 2019.



Figure 1. Pilot Plant lithium evaporator fabricated and, pending final assembly and polishing, ready for shipping.



Figure 2. Crushed Alvarrões run of mine lepidolite feed.

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 complement the lithium market by adding competitive cost lithium supply from alternative sources. Lepidico is currently building a L-Max[®] Pilot Plant using small scale industrial equipment that is on schedule for commissioning in April 2019. The Company is also conducting a Feasibility Study for its larger Phase 1 L-Max[®] Plant Project, targeting commissioning in late 2020. Feed to both the Pilot Plant and 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).

Lepidico's current exploration assets include a farm-in agreements with Venus Metals Corporation Limited (ASX:VMC) over the lithium mineral rights at the Youanmi Lithium Project 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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Dean Carville, a full-time employee of AMC Consultants Pty Ltd. Mr Carville is a Member of the Australasian Institute of Mining and Metallurgy and 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 Carville consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

Forward-looking Statements

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.