

## ASX/Media Announcement

Perth: 27 February 2017

### Lepidico Confirms L-Max® Intellectual Property Rights Secure

Lepidico Ltd (ASX: LPD) (**Lepidico** or **the Company**) refers to the announcement made by Lithium Australia NL (ASX: LIT) on 27 February 2017 advising that the litigation (being a reference to Supreme Court Action CIV 2908 of 2016 instituted by Lithium Australia against Lepidico's subsidiary, Li-Technology Pty Ltd) has been settled by mutual agreement.

Lepidico advises that having now received the results of the Pre-Feasibility Study (**PFS**) for the Phase 1 L-Max® Plant (refer ASX Announcement dated 27 February 2017: Positive Phase 1 L-Max Plant Pre-Feasibility), the advancement of the Project to Definitive Feasibility Study (DFS) is the key business imperative.

While the Supreme Court action (**Action**) initiated by LIT on 4 November 2016 has been an impediment to certain Lepidico business initiatives, it has ultimately provided the understanding that the Company was seeking: that Lepidico's L-Max® Intellectual Property (IP) rights do not appear to have been compromised. Lepidico welcomes this outcome and will continue to have in place all the necessary protections of its IP rights.

In light of this, Lepidico concluded that it was in the best interests of its shareholders to agree to the declarations being sought by LIT in the Action. It therefore made a settlement proposal to LIT's counsel to resolve this matter swiftly, which was accepted by LIT.

The Company wishes to clarify that, for the avoidance of doubt, the Action related to the validity and enforceability of only one of its international licenses (now known as "International Licence No. 1") for a project involving a mineral deposit located in Europe.

By way of background, on 27 October 2016 Lepidico advised LIT of its intention to pursue a Section 36 Application (a mechanism under patent law that allows for the settling of ownership disputes between patent applicants and other interested parties) on the basis of its understanding that LIT's SiLeach™ process constituted an improvement of Lepidico's L-Max® IP rights. Six business days later, LIT, without notice to Lepidico, initiated the Action, which has now been resolved.

The Company has developed, and continues to develop, significant advances in the recovery of lithium from lithium-bearing micas. Lepidico is a leader in that field, and is, through its subsidiaries, the owner of the IP in the L-Max® Process which recovers lithium carbonate (or lithium hydroxide) from lithium-bearing micas. To that end, Lepidico holds International Patent Application PCT/AU2015/000608 and a granted Australian Innovation Patent (2016101526) in relation to the L-Max® Process.

L-Max® is a process of significant and substantial value to Lepidico and the lithium industry which is re-enforced through the Company's announcement outlining the positive results from the Preliminary Feasibility Study.



ASX: LPD

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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<sup>®</sup> Process has the potential to disrupt the lithium market by providing additional lithium supply from alternative sources. The Company has completed a pre-feasibility study for a Phase 1 L-Max<sup>®</sup> plant, targeting production for 2019. Four potential sources of feed to the planned Phase 1 Plant are being evaluated, one of which is the Separation Rapids deposit in partnership (currently under a Letter of Intent) 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; ownership of the Euriowie project near Broken Hill in New South Wales; joint venture agreements with ASX-listed Pioneer Resources (ASX: PIO) in Australia; Crusader Resources (ASX: CAS) in Brazil; and ongoing discussions with Latin Resources (ASX: LRS) aimed at leveraging L-Max<sup>®</sup> in Peru and Argentina to jointly evaluate lithium opportunities.