

## Drilling Extends Lepidolite Zones at Separation Rapids

- J **Avalon Advanced Materials Inc announces expansion of lithium resource at the Separation Rapids Lithium Project**
- J **Drilling extends lepidolite-rich zones to the east and west, including intercepts of**
  - 15.4 m true width @ 1.18% Li<sub>2</sub>O**
- J **Results confirm that high-grade lepidolite mineralisation comprises 20% of the Separation Rapids resource and is open for expansion**
- J **Avalon developing an updated resource estimate based on a revised block model that includes the lepidolite-rich extensions**

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to advise that Avalon Advanced Materials Inc (TSX-V:AVL) has issued a news release highlighting the positive results of its Spring 2017 diamond drilling program at the Separation Rapids Lithium Project in Ontario, Canada.

Importantly, from Lepidico's perspective, in addition to the deposit's petalite resource, these drilling results substantially enhance the lepidolite potential at Separation Rapids. In part, Avalon states, "The results confirm that high-grade lepidolite mineralization comprises approximately 20% of the known lithium resource and is open for expansion..."

On 6 February 2017, the Company announced it had entered into a Letter of Intent with Avalon under which it is contemplated that Avalon would sell a minimum of 15,000 tonnes per annum of lepidolite concentrate – produced from its planned demonstration-scale pilot flotation plant – to Lepidico for processing at Lepidico's planned Phase 1 commercial lithium carbonate production facility in Ontario.

Avalon's Spring 2017 diamond drilling program comprised five holes totaling 1,470 metres, with three of the holes intersecting dominantly lepidolite-rich pegmatite dykes.

Drill hole SR17-71 intersected lepidolite mineralisation averaging 1.18% Li<sub>2</sub>O over a 15.4 m true width; hole SR17-72 intersected lepidolite-rich pegmatite over a 22.03 m true width averaging 1.11% Li<sub>2</sub>O; and hole SR17-74 intersected a series of five lepidolite-rich dykes ranging in thickness from 1.2 to 6.2 metres, with a cumulative thickness of 21.72 m of lepidolite-rich mineralisation.

Avalon is bringing the lepidolite data into its database to create a resource block model that includes both petalite and lepidolite mineralisation in order to develop an updated resource estimate for the Separation Rapids lithium deposit.

In so doing, Avalon recognises and acknowledges the value of lepidolite mineralisation at Separation Rapids. Tellingly, President and CEO Don Bubar commented, "The importance of mineralogy is often overlooked in lithium pegmatite deposit evaluation. Relying only on lithium grade in economic modelling creates a risk factor since most pegmatites contain more than one lithium mineral phase..."

Lepidico is buoyed by these positive results released by Avalon, which confirm that Separation Rapids is a quality lithium mica deposit that is expected to provide commensurate feedstock for the Company's proposed Phase 1 L-Max<sup>®</sup> Plant, currently the subject of a Feasibility Study. Lepidico looks forward to the results of the updated resource estimate for Separation Rapids.

For a full transcript of the Avalon News Release follow this link:

[http://avalonadvancedmaterials.com/news\\_media/display/index.php?id=28018](http://avalonadvancedmaterials.com/news_media/display/index.php?id=28018)

### **Further Information**

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*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.*

### **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 is currently conducting a Feasibility Study for a Phase 1 L-Max<sup>®</sup> 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 interests 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; an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max<sup>®</sup> in Brazil and Portugal on suitable lithium mica opportunities; and options over the Lemare and the Royal projects, both in Quebec, Canada.