

Lithium mica mineralisation intersected in drilling at Youanmi

- Lepidico commences RC drilling at the Youanmi Lepidolite Project
- Initial drilling confirms 4 to 5 m thick lepidolite-bearing pegmatite
- Three target areas to be tested by 1,000 m drilling program

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce that it has commenced drilling three priority lepidolite targets at the Youanmi Lepidolite Project located in the Murchison District in Western Australia, approximately 560 km NNE of Perth.

Drilling at the first of the target areas has intersected a 4 m to 5 m thick lepidolite bearing pegmatite near surface over a 200 m strike. The program is expected to take a further 10 days to complete with assays due later in September.

As announced on 26 July 2018, Lepidico reached agreement with Venus Metals Corporation Limited (ASX:VMC) (“Venus”) on terms under which Lepidico can earn an 80% interest in the lithium rights over exploration licence E57/983. Venus is free carried to decision to mine.

The Youanmi region contains a belt of lepidolite-bearing pegmatites of which E57/983 encompasses 4 km of strike. Reconnaissance mapping and rock chip sampling by Lepidico has so far confirmed the presence of mineralised lepidolite-bearing pegmatites at surface in three target areas in what is now recognised as a new lepidolite province (Figure 1).

Mapping indicates that the lepidolite pegmatites occur in clusters of up to 300 m x 100 m in area. Individual pegmatites range in thickness from 0.1 m to 5 m where seen in outcrop. Over much of the area the pegmatites are sub-cropping with indications of possible continuity under cover. Field observations indicate that the lepidolite content is often 5% - 10%, with up to 30% in certain zones (Figures 2 and 3). This is reflected in the Li₂O content of the rock chips (Table 1; Appendix 1).

A reverse circulation drilling program of around 1,000 m has been initiated to test for the presence of thicker, lepidolite-rich pegmatites at these three initial target areas.

Drilling commenced at the northern Target 1 where an outcropping pegmatite has been mapped over more than 300 m. All four holes drilled to date have intersected this pegmatite at around 10 m vertical depth, confirming strike continuity over 200 m (Figure 4). It is estimated that this pegmatite dips at 50° to the north with an average true thickness of 4 m to 5 m. Drilling will continue along strike while step-out holes will test for continuity at depth.



The central Target 2 and the southern Target 3 comprise clusters of sub-cropping lepidolite pegmatites. These zones will be tested by fences of drill holes to ascertain pegmatite thicknesses and geometry.

Further work will be directed towards tenement scale exploration for additional lepidolite pegmatites, including in areas of cover. Although lepidolite is often encountered, most of the tenement has yet to be evaluated for lepidolite mineralisation.

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.

Results of the drilling program will be reported in due course.

Further Information

For further information, please contact

Joe Walsh
Managing Director
Lepidico Ltd
 +61 (0) 417 928 590

Tom Dukovic
Director Exploration
Lepidico Ltd
 +61 (0)8 9363 7800

Matt Hogan
Managing Director
Venus Metals
 (08) 9321 7541

Table 1. Rock chips of lepidolite-bearing pegmatites collected during reconnaissance mapping over E57/983

	North	East	Li	Li ₂ O	Rb	Cs	Nb	Ta	Sn
	m	m	ppm	%	ppm	ppm	ppm	ppm	ppm
YVL001	6822721	661984	45.7	0.01	1340	14	50	74	30
YVL002	6822727	662017	1180	0.25	2210	35	47	57	30
YVL003	6822778	662163	7960	1.71	4660	91	33	39	57
YVL004	6822799	662276	4380	0.94	3480	72	39	95	40
YVL005	6822064	662399	6870	1.48	4780	108	46	86	41
YVL006	6820821	662168	830	0.18	1390	28	101	64	24
YVL007	6820730	662161	2450	0.53	2230	173	65	81	7
YVL008	6820796	662197	95.1	0.02	1580	44	74	>100	15

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovic, 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 Dukovic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

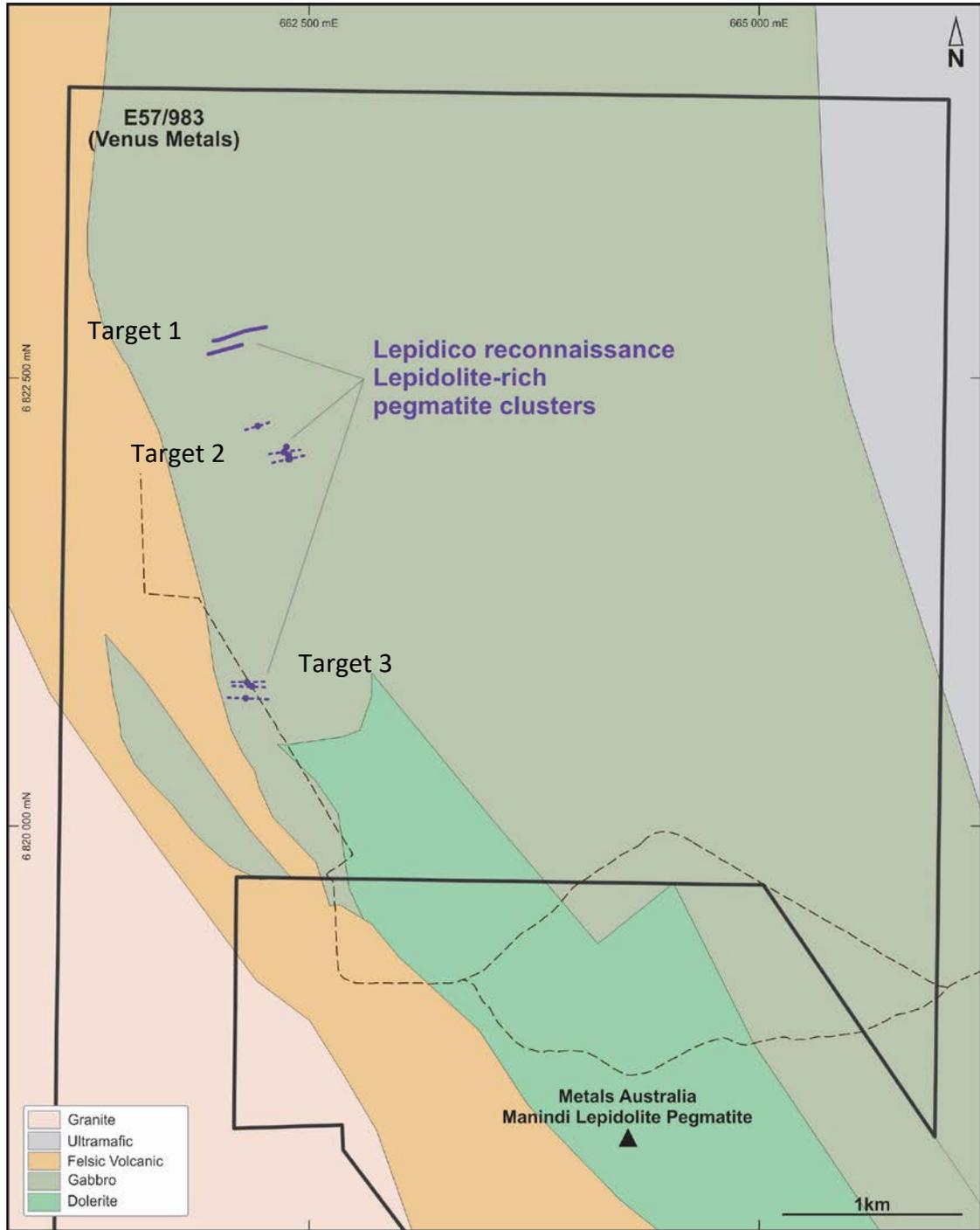


Figure 1. Three initial targets selected for drill testing by the current program. The presence of lepidolite-bearing pegmatites over the balance of the 4 km strike is yet to be evaluated.



Figure 2. Lepidolite-rich pegmatite from Target 2 area, E57/983.



Figure 3. Lepidolite-pegmatite rock chips from E57/983. Li_2O grades range from 0.25% to 1.7% (refer Table 1), reflecting a lepidolite content of 5% to 35%.



Figure 4. Lepidolite-pegmatite drill chips from Holes YVC01-03, E57/983, showing variability in lepidolite content.

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 low-cost lithium supply from alternative sources. The Company is currently conducting a Feasibility Study for a Phase 1 L-Max[®] plant, targeting production in 2020. Feed for the planned Phase 1 Plant is proposed 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 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.

APPENDIX 1.

YOUANMI VENUS - LEPIDOLITE PEGMATITE RECONNAISSANCE ROCKCHIPS; AUG 2018

SAMPLE	ME-MS61 Be ppm	ME-MS61 Cs ppm	ME-MS61 Li ppm	Calculated Li ₂ O %	ME-MS61 Mo ppm	ME-MS61 Na %	ME-MS61 Nb ppm	ME-MS61 P ppm	ME-MS61 Rb ppm	ME-MS61 Sn ppm	ME-MS61 Ta ppm	ME-MS61 W ppm	ME-MS61 Y ppm	ME-MS61 Zr ppm
YVL001	227	14	45.7	0.01	0.27	4.4	50.2	350	1340	30.4	74.2	1.2	2.6	24.9
YVL002	94.9	35.7	1180	0.25	0.18	3.83	47.3	200	2210	30.4	57.6	2	1	19.2
YVL003	229	91	7960	1.71	0.19	2.98	33.2	160	4660	57.7	39	4.2	1.9	49.7
YVL004	254	72	4380	0.94	0.24	4.05	39.3	290	3480	40.9	95.8	2.9	2.8	39.2
YVL005	178.5	108.5	6870	1.48	0.15	2.43	46.2	180	4780	41.6	86.3	4.7	0.9	33.9
YVL006	229	28.7	830	0.18	0.18	4.67	101.5	220	1390	24.9	64.9	2.9	2.6	51.1
YVL007	168	173.5	2450	0.53	0.15	4.96	65	440	2230	7.2	81	3.2	3.8	26.5
YVL008	167.5	44.8	95.1	0.02	0.14	5.47	74.6	470	1580	15.2	>100	1.4	2.6	37.3

APPENDIX 2. JORC Code (2012) Table 1 Report: Reconnaissance rock chip sampling, Youanmi, August 2018.

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Reconnaissance rock chip sampling by 2 lb hammer, of 1kg - 2kg weight.
	<i>Include reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.</i>	Samples collected from lepidolite-bearing pegmatites.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Samples were sent to ALS laboratories in Perth, Australia for sample prep and analysis for a multi-element suite by ALS method ME-MS61 (four acid digest ICP-MS).
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	N/A
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	N/A
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	N/A
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	N/A
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	N/A
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Samples were described, and location recorded by GPS.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	N/A
	<i>The total length and percentage of the relevant intersections logged.</i>	N/A
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	N/A
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were sent to ALS laboratories in Perth where the entire sample was crushed, then split and 750g pulverised to 85% passing 75 microns or better.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativeness of samples.</i>	N/A

	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	N/A
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample size is appropriate for sampling of outcrop.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Samples were sent to ALS laboratories, with analysis of a multi-element suite including lithium and associated elements by four acid digest (ME-MS61 ICP-MS).
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	N/A
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	No standards or duplicates submitted.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	A minimum of 2 company geologists have verified results.
	<i>The use of twinned holes.</i>	N/A
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	N/A
	<i>Discuss any adjustment to assay data.</i>	There has been no adjustment to assay data.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Sample location was recorded using a handheld GPS.
	<i>Specification of the grid system used.</i>	UTM WGS84 50S
	<i>Quality and adequacy of topographic control.</i>	N/A
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Sampling determined by outcrop.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	N/A
	<i>Whether sample compositing has been applied.</i>	N/A
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	N/A
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No sampling bias is considered to have been introduced.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	The samples were bagged and transported to the lab by company geologist.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	No audits or reviews were conducted for this sampling program.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	The Youanmi Lepidolite Project is within E75/983, located in the Murchison District of Western Australia, approximately 560 km NE of Perth. Lepidico is earning an 80% interest in the lithium rights from owner Venus Metals Corporation. The area is in leasehold land and is free of Native Title.
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	Tenure is secure with no known impediments other than as detailed immediately above.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	Exploration was conducted by Lepidico Ltd staff.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	LCT-type pegmatites within Archean greenstones.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: 	
	<ul style="list-style-type: none"> eastings and northing of the drill hole collar 	Refer to Table 1 of the report.
	<ul style="list-style-type: none"> elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar 	Not recorded.
	<ul style="list-style-type: none"> dip and azimuth of the hole 	N/A
	<ul style="list-style-type: none"> down hole length and interception depth 	N/A
	<ul style="list-style-type: none"> hole length. 	N/A
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	N/A
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. 	No cuts were applied.
	<ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	N/A
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	N/A
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	Rock chip samples taken from pegmatites with widths and geometry described in the report.
	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	N/A

	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	N/A
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	N/A
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	N/A
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	N/A
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 	Future work will include RC drilling of identified targets and regional prospecting for new targets for possible drilling.
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	N/A

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.
