

## QUARTERLY ACTIVITIES REPORT

for the period ending 31 March 2018

(All figures are unaudited and in A\$ unless stated otherwise)

### Key Points

#### Operations

- Optimisation testwork has yielded excellent results that are expected to lead to a material reduction in consumption rates of certain L-Max<sup>®</sup> consumables and higher lithium recoveries.
- A preferred site with excellent existing infrastructure has been identified within an existing industrial park near Sudbury, Canada for the Phase 1 L-Max<sup>®</sup> Plant.
- Vendor specific testwork to determine the requirements for increasing the installed capacity of major capital equipment in the Phase 1 Plant to allow output of 5,000t to 6,000t per year of lithium carbonate advanced during the quarter.
- Permitting works for Sudbury continued and are scheduled for completion in the December 2018 quarter.
- Potential commercial uses for the benign L Max<sup>®</sup> residue have been identified that may allow the Phase 1 Plant to be a “zero waste” facility.
- Battery grade lithium carbonate grading 99.8% was produced from a tailings sample sourced from the Galaxy Resources Ltd (“Galaxy”) Mt Cattlin mine.

#### Corporate

- Cash position as at 31 March 2018 of \$6.2 million and no debt.
- National and regional patent process for the L-Max<sup>®</sup> Technology proceeding.
- Two new non-executive directors appointed to the Board.

## OVERVIEW & OUTLOOK

Excellent progress was made during the quarter in optimising the L-Max<sup>®</sup> process. This work is expected to lead to both improved lithium recoveries, and substantial operating and capital cost savings for the Phase 1 Plant Project. An industrial park near Sudbury with excellent existing infrastructure has been selected as the preferred location for the Phase 1 Plant. The location is suitable for accommodating both the plant and residue storage. However, in the event that the residue material has a commercial use the footprint required for the Phase 1 Project will reduce substantially and transform the plant into a “zero waste” facility. Lepidico is committed to maximising the effectiveness and efficiency of its process, while minimising its environmental footprint.

## PHASE 1 L-MAX<sup>®</sup> PLANT PROJECT

### **Feasibility Study**

Key activities undertaken during the quarter for the Phase 1 L-Max<sup>®</sup> Plant Feasibility Study (the “Study”) included: optimisation of the L-Max<sup>®</sup> process design and engineering through vendor testwork; selection of the preferred site within Sudbury for the location of the L-Max<sup>®</sup> Plant; permitting and regulatory approvals; design optimisation for silica production; and continued option assessments for product offtake and finance.

To precisely determine the capacity of major equipment for the Phase 1 L-Max<sup>®</sup> Plant design provided by Lycopodium Minerals Pty Ltd, a vendor testwork program was designed in December 2017, which was progressively rolled out during the March 2018 quarter. This program will provide greater confidence on the actual capacity of each piece of equipment for its L-Max<sup>®</sup> application and identify the incremental cost or cost saving of increasing or decreasing respectively its capacity. This work is of particular importance when considering the ultimate optimal throughput for the Phase 1 Plant and production capability for all products. The nominal output rate for the Phase 1 Plant remains 2,500t to 3,000t per year of lithium carbonate. However, installed capacity for major capital equipment could potentially increase to allow output of 5,000t to 6,000t per year of lithium carbonate.

The vendor testwork program is scheduled to be completed during the June 2018 quarter and will allow trade-offs between capacity and cost to be understood. An engineering optimisation phase will then commence with Lycopodium providing a final engineering report for the Feasibility Study including final capital cost estimates and an execution timeline.

Confidentiality regimes have been entered into with various industry participants for the quality assessment and marketability of the main L-Max<sup>®</sup> products. Product samples of the highest possible purity will continue to be generated during the June 2018 quarter for third party evaluation.

Leach optimisation tests undertaken over the past six months have yielded excellent results and are expected to lead to a material reduction in certain consumable consumption rates and to higher lithium recoveries. The resultant data will be integrated with the Phase 1 Plant feasibility study in the June 2018 quarter.

Further logistics trade-off studies undertaken during the quarter confirmed Sudbury, Ontario as an optimal location for the Phase 1 Plant. Evaluations of the short-listed sites within Sudbury were undertaken resulting in a preferred site being identified within an existing industrial park. This site has excellent existing infrastructure including power, gas, water and sewer, as well as road and rail access into the site. The owner of the industrial park and Lepidico are working together to assess available incentives to upgrade the power and gas services at this preferred location. Environmental baseline work on the site continued and is on schedule for completion during the December 2018 quarter.

Engagement with various potential stakeholders including local First Nations groups and Provincial Ministries continued during the quarter, with the objective of ensuring ongoing support for the development of the Phase 1 Plant Project in Sudbury.

Samples of the four L-Max<sup>®</sup> residue streams were produced late in the quarter and shipped to Knight Piésold Consulting (KP Consulting) in Ontario to commence residue characterisation work. Residue storage facility engineering work continued for the preferred site during the quarter. However, KP Consulting, Lepidico and Laurentian University, in consultation with the City of Greater Sudbury are collaborating on possible commercial uses for the benign L-Max<sup>®</sup> residue. If successful, the need to store residue on site may be eliminated, thereby making the Phase 1 Plant a “zero waste” facility, and result in further capital and operating cost savings.

The Feasibility Study for the Phase 1 L-Max<sup>®</sup> plant remains on track and budget for completion during the second half of the 2018 calendar year. However, depending on the initial assessment of the work being undertaken with Laurentian University, the timing of the Feasibility Study may be revised to accommodate and permit the use of L-Max<sup>®</sup> residue as a commercial product, so as to imbed the envisaged economic benefits into the Study. Permitting and approvals processes remain on the critical path. Selection of the primary feed source to the plant is expected mid-2018 and is also on the critical path for the integrated study.

Feasibility study level process design criteria for the upstream concentrator are scheduled to be completed during the September 2018 quarter. This work is planned to be based on the Outotec cPlant design. The cPlant Concentrator offers a cost effective, flexible solution, ideal for projects with modest capacity needs and/or in remote locations. The plant is based on pre-fabricated and functionally tested modules inside container-sized steel frames that can be easily transported and installed, and quickly connected. Some of the stated benefits of cPlant include: reduced EPC project costs compared to a conventional flotation plant; up to 20% lower capital investment; requires 30% less labour resources; 95% of installation and pre-commissioning done prior to delivery; minimal civil engineering work required; and ease of relocation.

#### **Alvarrões Lepidolite Mine (Gonçalo), Portugal<sup>1</sup>**

The Company announced its maiden Mineral Resource estimate for the Grupo Mota operated Alvarrões Lepidolite Project in Portugal, in December 2017. During the current quarter work focussed on flotation optimisation, developing permitting schedules and concentrator site selection.

Flotation testwork on Alvarrões pegmatite mineralisation during the quarter successfully generated separate feldspar and quartz concentrates, in addition to a quality lithium mica concentrate suitable for Phase 1 Plant feed. Aside from the additional revenue potential, the large increase in product mass means that co-disposal of only relatively small quantities of plant fines with mine waste can be considered, thereby negating the requirement for a tailing storage facility. Advantages of this approach include a significantly reduced footprint at Alvarrões along with the option to employ modular concentrator technology, reduced capital and operating costs, and maximisation of the mineral potential of the pegmatite.

Grupo Mota is an established supplier of feldspar and quartz products to the substantial ceramics industry in the Iberian Peninsula and has advised that concentrate samples produced by Lepidico are of marketable quality. Further testwork is planned for the June 2018 quarter.

Lepidico has designing a reverse circulation and diamond core drill program to increase the data density and to test the prognosed further extension of mineralisation to the north and west of the Alvarrões deposit. The objective of this program will be to upgrade the Mineral Resource within

---

<sup>1</sup> Lepidico announced on 9 March 2017 that it had signed a binding term sheet for ore off-take from the Alvarrões lepidolite mine with Grupo Mota, the 66% owner and operator of Alvarrões.

Blocks 1 and 2 to Measured and Indicated categories and establish the resource potential for all pegmatite sills across Block 3. This work is planned to be undertaken following the development of the permitting schedule.

The work at Alvarrões is part of Lepidico's Mineral Resource definition program to establish a multi-deposit inventory of high-quality lithium mica Mineral Resources to provide feedstock for not just the proposed Phase 1 L-Max<sup>®</sup> Plant but also conceptual larger-scale L-Max<sup>®</sup> plants.

### **Mt Cattlin Operations, Western Australia<sup>2</sup>**

During the quarter the Company produced battery grade lithium carbonate grading 99.8%, using its L-Max<sup>®</sup> process technology from a tailings stream sourced from the Galaxy Resources Ltd ("Galaxy") Mt Cattlin spodumene operations. A standard suite of L-Max<sup>®</sup> by-products was also generated as part of the program, which was jointly commissioned by Galaxy and Lepidico.

Hydrometallurgical batch tests were completed on a secondary float ("tailings") sample sourced from the Mt Cattlin Dense Media Separation plant. A tailings sample was provided for the testwork, which graded 2.7% Li<sub>2</sub>O. From this a flotation concentrate was produced grading over 4.0% Li<sub>2</sub>O. Lithium recovery to concentrate was 96.6%.

The sample was subjected to leaching under standard L-Max<sup>®</sup> conditions, with extractions for lithium of approximately 94%. Higher extractions are expected by undertaking an optimisation program to achieve rates similar those achieved in tests conducted on other lithium mica samples which realised over 98% extraction. The leach liquor from the test was subjected to the usual L-Max<sup>®</sup> downstream process flowsheet in a series of batch tests. Lithium losses in the post leach L-Max<sup>®</sup> process were estimated at 4%, with total recovery from flotation concentrate to final product of over 90%.

Further collaborative testwork with Galaxy specific to Mt Cattlin will be considered once the current plant upgrade at the operation is complete and samples from the expanded plant can be sourced.

---

<sup>2</sup> The Mt Cattlin operations are 100% owned and operated by Galaxy Resources Limited (ASX: GXY) ("Galaxy"), which holds a 11.8% equity interest in Lepidico Ltd.

## EXPLORATION

### **PEG 9, Pioneer Dome, Norseman, Western Australia<sup>3</sup>**

An RC drilling program was implemented in early April 2018 at the PEG 9 prospect. The program of 13 holes for a total of 750 m of drilling targeted a 200 m long multi-element (including Li, Rb and Cs) soil anomaly associated with a sub-cropping lepidolite-bearing pegmatite.

Drilling intersected a lepidolite-bearing pegmatite averaging approximately 5 m in thickness, as well as a series of thinner, sub-parallel quartz-feldspar pegmatites. Assay results are expected in early May.

PEG 9 occurs within a cluster of 13 pegmatites defined by Pioneer Resources along a 20km trend flanking the eastern edge of the Pioneer Dome, an Archaean granite intrusive within the Norseman-Wiluna greenstone belt. The PEG 9 farm-in area covers approximately 2.5km of strike along this trend. Rock chip sampling by Pioneer Resources returned up to 3.94% Li<sub>2</sub>O from lepidolite-rich pegmatite and up to 3.84% Li<sub>2</sub>O from a micaceous pegmatite.

A grab sample from PEG 9 grading 1.25% Li<sub>2</sub>O was evaluated by Lepidico for the Phase 1 Plant PFS to determine its amenability to the L-Max<sup>®</sup> process, with high specification battery grade lithium carbonate of 99.7% purity produced.

### **Moriarty Lithium Project, Western Australia<sup>4</sup>**

An initial program of RC drilling comprising 13 holes for 600 metres was completed at the Sherlock target during March 2018. The program was implemented to test for subsurface lepidolite mineralisation within an area of anomalous Rb geochemistry, as determined by portable XRF analysis.

Drilling confirmed the presence of an 8 m thick pegmatite that extends more than 100 m down dip, and a thinner flat-lying pegmatite about 30 m below surface. Minor intervals of lithium mica mineralisation were encountered.

The Moriarty Lithium Project includes approximately 15 km of strike of mafic-ultramafic rocks of the Norseman-Wiluna greenstone belt, situated 20 km south of the Mt Marion Lithium Mine. Lithium-bearing micas have been identified within pegmatites mapped at surface at the Lefroy prospect and with potential for additional blind pegmatites that do not outcrop.

Lepidico is undertaking a systematic survey of the Moriarty project using a portable XRF instrument to analyse for Rb, as a proxy for lepidolite and other lithium-bearing micas to generate additional targets for further work.

### **Lemare Spodumene Project, Quebec, Canada<sup>5</sup>**

No work was undertaken at Lemare during the March 2018 quarter.

---

<sup>3</sup> Lepidico announced on 23 February 2017 that it had entered into a farm-in agreement to earn a 75% interest in the "PEG009" lepidolite prospect located within Pioneer Resources Ltd's (ASX: PIO) 100% owned Pioneer Dome project.

<sup>4</sup> Lepidico announced on 21 August 2017 that it had entered into a farm-in agreement to earn 75% of lithium rights for the Moriarty Lithium Project from Maximus Resources Ltd (ASX: MXR).

<sup>5</sup> Lepidico announced on 17 August 2017 drill results from Lemare and revised terms for its farm-in agreement to earn a 75% interest in the Lemare spodumene project from 100% owner Critical Elements Corporation (TSX-V: CRE).

## CORPORATE

As at 31 March 2018, Lepidico had cash of \$6.2 million and no debt.

### **L-Max® Patents**

Requests for examination have been filed under the international patent applications for the L-Max® process in Europe and the USA, and for Japan in early April. Routine interactions have occurred with patent offices from various jurisdictions where applications have been made.

The Company currently holds International Patent Application PCT/AU2015/000608 and a granted Australian Innovation Patent (2016101526) in relation to the L-Max® Process.

In 2017, the Company proceeded with the national and regional phase of patent applications in the main jurisdictions in which L-Max® may operate in the future. This regional phase of the patent process is expected to continue into 2019.

### **Two Non-Executive Directors Appointed**

On 10 January 2018 Ms Cynthia Thomas and Mr Brian Talbot were appointed as Non-Executive Directors of the Company.

Ms Thomas joins the Board as an independent Non-Executive Director with over 30 years of banking and mine finance experience, and is currently the Principal of Conseil Advisory Services Inc. ("Conseil"), an independent financial advisory firm specialising in the natural resource industry which she founded in 2000. Prior to founding Conseil, Ms Thomas worked with Bank of Montreal, Scotiabank and ScotiaMcLeod in the corporate and investment banking divisions. Ms Thomas holds a Bachelor of Commerce degree from the University of Toronto and a Masters in Business Administration from the University of Western Ontario. Ms Thomas was formerly a Director of Polymet Mining Corp., KWG Resources Inc., Nautilus Minerals Inc. and is currently a Director and Chair of Victory Nickel Inc.

Mr Talbot joins the Board as a Non-Executive Director and shareholder representative of Galaxy Resources Ltd, which currently holds a 11.9% interest in the Company. Mr Talbot is the General Manager of Galaxy's Mt Cattlin Operations and brings over 25 years' experience in both mine management and processing of lithium ores. He was most recently with Bikita Minerals in Zimbabwe, where he was instrumental in expanding plant throughput and increasing metallurgical recovery. Mr Talbot holds a Bachelor of Science in Chemical Engineering from the University of Witwatersrand, South Africa.

### **Further Information**

For further information, please contact

**Joe Walsh**  
**Managing Director**  
**Lepidico Ltd**  
Tel: +1 (647) 272 5347

**Tom Dukovic**  
**Exploration Director**  
**Lepidico Ltd**  
Tel: +61 (8) 9363 7800

Email: [info@lepidico.com](mailto:info@lepidico.com)  
Website: [www.lepidico.com](http://www.lepidico.com)

*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.*

## CORPORATE INFORMATION

### Board

Gary Johnson	Non-Executive Chairman
Joe Walsh	Managing Director
Tom Dukovcic	Director Exploration
Mark Rodda	Non-Executive Director
Cynthia Thomas	Non-Executive Director
Brian Talbot	Non-Executive Director
Shontel Norgate	CFO & Joint Company Secretary
Alex Neuling	Joint Company Secretary

### Registered & Principal Offices

Level 1, 254 Railway Parade, West Leederville, WA 6007, Australia  
Level 5, 1235 Bay Street, Toronto, Ontario, M5R 3K4, Canada

### Stock Exchange Listings

Australian Securities Exchange (Ticker LPD)  
Frankfurt Stock Exchange (Ticker AUB)

### Forward Shareholder Enquiries to

Security Transfers Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Telephone +61 (0) 8 9315 2333  
Email [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
Website [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

### Issued Share Capital

As at 31 March 2018, issued capital was 2,881,520,897  
As at 27 April 2018, issued capital was 2,881,520,897

### Quarterly Share Price Activity

	High	Low	Close
January – March 2018	7.9c	4.1c	4.1c

## TENEMENT INFORMATION (Provided in accordance with ASX Listing Rule 5.3.3)

### AUSTRALIAN OPERATIONS

#### Farm-in Agreements

Project/ Tenement ID	Registered Holder	Lepidico Interest in tenement	Expiry Date	Area
<b>PEG 009 (part E63/1669) Norseman, WA</b>	Pioneer Resources Limited	Earning 75% of Peg 9 prospect only	13 April 2020	2 sub-blocks
<b>Moriarty Lithium Project Kambalda, WA</b>		Earning 75% of MXR lithium rights		
P15/5545	Maximus Resources Ltd	MXR 100%	Various.	Various
M15/1475, M15/1101, M15/1263, M15/1264, M15/1323, M15/1338, M15/1474, M15/1769, M15/1770, M15/1771, M15/1772, M15/1773, M15/1774, M15/1775, M15/1776	Maximus Resources Ltd & Tychean Resources Ltd	MXR 100%		
M15/1448	Maximus Resources Ltd, Tychean Resources Ltd & Bullabulling Pty Ltd	MXR 90%		
M15/1449, P15/5912	Maximus Resources Ltd, Tychean Resources Ltd & Pioneer Resources Ltd	MXR 75%		

### CANADIAN OPERATIONS

#### Farm-in Option Agreement with Critical Elements Corporation (TSX-V:CRE); Company earning up to 75%

NTS Sheet	Claim Number	Expiry date	Area (ha)	NTS Sheet	Claim Number	Expiry date	Area (ha)
32011	CDC-2139598	11 Dec 2018	53.37	32011	CDC-2160114	8 June 2018	53.34
32011	CDC-2139599	11 Dec 2018	53.37	32011	CDC-2160120	8 June 2018	7.84
32011	CDC-2139600	11 Dec 2018	53.37	32011	CDC-2160123	8 June 2018	1.82
32012	CDC-2139618	11 Dec 2018	53.37	32011	CDC-2160124	8 June 2018	28.94
32012	CDC-2139619	11 Dec 2018	53.37	32011	CDC-2160125	8 June 2018	52.68
32012	CDC-2139620	11 Dec 2018	53.37	32011	CDC-2160126	8 June 2018	53.33
32012	CDC-101661	12 Dec 2018	0.1	32011	CDC-2160600	10 June 2018	1.06
32012	CDC-101662	12 Dec 2018	12.11	32011	CDC-2160601	10 June 2018	11.49
32012	CDC-101663	12 Dec 2018	32.33	32011	CDC-2160602	10 June 2018	44.51
32012	CDC-101667	12 Dec 2018	5.47	32011	CDC-2160603	10 June 2018	53.32
32012	CDC-103376	12 Dec 2018	2.13	32011	CDC-2160604	10 June 2018	53.32
32011	CDC-103379	12 Dec 2018	9.32	32011	CDC-2160605	10 June 2018	53.32
32011	CDC-103381	12 Dec 2018	53.34	32011	CDC-2160606	10 June 2018	53.32
32011	CDC-103382	12 Dec 2018	53.34	32014	CDC-2160610	10 June 2018	53.31
32012	CDC-2141610	23 Jan 2019	53.41	32014	CDC-2160611	10 June 2018	53.31
32012	CDC-2141611	23 Jan 2019	53.41	32014	CDC-2160612	10 June 2018	53.31
32012	CDC-2142017	23 Jan 2019	53.41	32014	CDC-2160613	10 June 2018	44.51
32014	CDC-2002394	8 March 2019	53.31	32014	CDC-2160614	10 June 2018	44.71
32014	CDC-2003026	21 March 2019	53.31	32014	CDC-2160615	10 June 2018	44.91
32014	CDC-2003027	21 March 2019	53.31	32014	CDC-2160616	10 June 2018	45.11
32014	CDC-2003028	21 March 2019	53.31	32014	CDC-2160617	10 June 2018	45.3
32014	CDC-2003029	21 March 2019	53.31	32014	CDC-2160618	10 June 2018	45.48
32014	CDC-2003030	21 March 2019	53.31	32014	CDC-2160619	10 June 2018	47.67
32014	CDC-2003031	21 March 2019	53.31	32014	CDC-2160621	10 June 2018	14.23
32014	CDC-2003032	21 March 2019	53.3	32014	CDC-2160625	10 June 2018	14.48



NTS Sheet	Claim Number	Expiry date	Area (ha)
32014	CDC-2003033	21 March 2019	53.3
32014	CDC-2003034	21 March 2019	53.3
32014	CDC-2003035	21 March 2019	53.3
32014	CDC-2003036	21 March 2019	53.3
32014	CDC-2003037	21 March 2019	53.29
32014	CDC-2003038	21 March 2019	53.29
32014	CDC-2003039	21 March 2019	53.29
32014	CDC-2003040	21 March 2019	53.27
32014	CDC-2003041	21 March 2019	53.27
32014	CDC-2003042	21 March 2019	53.27
32014	CDC-2003043	21 March 2019	53.27
32014	CDC-2003044	21 March 2019	53.27
32014	CDC-2003045	21 March 2019	53.26
32014	CDC-2003046	21 March 2019	53.26
32014	CDC-2003047	21 March 2019	53.26
32014	CDC-2003049	21 March 2019	53.28
32014	CDC-2003050	21 March 2019	53.28
32014	CDC-2003051	21 March 2019	53.28
32014	CDC-2003052	21 March 2019	44.71
32014	CDC-2003053	21 March 2019	44.61
32014	CDC-2003054	21 March 2019	44.51
32014	CDC-2003055	21 March 2019	44.42
32014	CDC-2003056	21 March 2019	53.29
32014	CDC-2003057	21 March 2019	53.3
32014	CDC-2003587	23 March 2019	53.27
32011	CDC-2004630	30 March 2019	53.32
32011	CDC-2004631	30 March 2019	53.32
32011	CDC-2004632	30 March 2019	53.32
32011	CDC-2004633	30 March 2019	53.32
32011	CDC-2004634	30 March 2019	53.32
32011	CDC-2004635	30 March 2019	25.46
32011	CDC-2004636	30 March 2019	51.58
32011	CDC-2004637	30 March 2019	26.74
32011	CDC-2004639	30 March 2019	27.42
32011	CDC-2234284	17 May 2018	53.38
32012	CDC-2158840	4 June 2018	50.41
32014	CDC-2160050	8 June 2018	44.33
32014	CDC-2160051	8 June 2018	44.24
32014	CDC-2160052	8 June 2018	46.67
32014	CDC-2160053	8 June 2018	30.08
32014	CDC-2160057	8 June 2018	53.27
32014	CDC-2160058	8 June 2018	20.03
32014	CDC-2160065	8 June 2018	53.26
32014	CDC-2160066	8 June 2018	9.99
32011	CDC-2160090	8 June 2018	53.37
32011	CDC-2160097	8 June 2018	53.36
32011	CDC-2160098	8 June 2018	53.36
32011	CDC-2160099	8 June 2018	53.36
32011	CDC-2160104	8 June 2018	53.35
32011	CDC-2160105	8 June 2018	53.35
32011	CDC-2160110	8 June 2018	13.87
32011	CDC-2160111	8 June 2018	45.73
32011	CDC-2160112	8 June 2018	53.34
32011	CDC-2160113	8 June 2018	53.34

NTS Sheet	Claim Number	Expiry date	Area (ha)
32014	CDC-2160626	10 June 2018	23.64
32014	CDC-2099284	3 July 2019	53.31
32014	CDC-2099285	3 July 2019	53.31
32014	CDC-2099286	3 July 2019	53.31
32014	CDC-2099289	3 July 2019	53.3
32014	CDC-2099290	3 July 2019	53.3
32014	CDC-2099291	3 July 2019	53.3
32014	CDC-2099292	3 July 2019	53.3
32014	CDC-2099293	3 July 2019	53.3
32014	CDC-2099294	3 July 2019	53.29
32014	CDC-2099295	3 July 2019	53.29
32014	CDC-2099296	3 July 2019	53.29
32014	CDC-2099297	3 July 2019	53.29
32014	CDC-2099298	3 July 2019	53.29
32014	CDC-2099299	3 July 2019	53.29
32014	CDC-2099300	3 July 2019	53.28
32014	CDC-2099301	3 July 2019	53.28
32014	CDC-2099302	3 July 2019	53.28
32014	CDC-2099303	3 July 2019	53.28
32014	CDC-2099304	3 July 2019	53.28
32014	CDC-2099305	3 July 2019	53.28
32014	CDC-2099306	3 July 2019	53.28
32014	CDC-2099307	3 July 2019	53.27
32014	CDC-2099308	3 July 2019	53.27
32014	CDC-2099309	3 July 2019	53.27
32014	CDC-2099310	3 July 2019	53.27
32014	CDC-2099311	3 July 2019	53.27
32014	CDC-2099312	3 July 2019	53.27
32014	CDC-2099313	3 July 2019	53.27
32014	CDC-2099314	3 July 2019	53.27
32012	CDC-2107873	18 July 2019	53.39
32012	CDC-2107875	18 July 2019	53.39
32012	CDC-2107877	18 July 2019	53.39
32012	CDC-2107881	18 July 2019	53.38
32012	CDC-2107883	18 July 2019	53.38
32012	CDC-2107885	18 July 2019	53.38
32012	CDC-2107887	18 July 2019	53.38
32012	CDC-2107890	18 July 2019	53.38
32012	CDC-2107894	18 July 2019	37.89
32012	CDC-2107895	18 July 2019	52.67
32012	CDC-2308539	18 Aug 2019	53.4
32012	CDC-2308540	18 Aug 2019	53.39
32012	CDC-2308541	18 Aug 2019	53.39
32012	CDC-2119927	30 Aug 2019	53.4
32012	CDC-2119929	30 Aug 2019	53.39
32012	CDC-2119930	30 Aug 2019	53.39
32014	CDC-2120984	11 Sept 2019	53.29
32014	CDC-2120989	11 Sept 2019	53.28
32014	CDC-2121343	13 Sept 2019	53.3
32014	CDC-2121344	13 Sept 2019	53.3
32014	CDC-2121346	13 Sept 2019	53.29
32014	CDC-2121347	13 Sept 2019	53.29
32012	CDC-2317957	13 Oct 2019	25.01
32012	CDC-2317958	13 Oct 2019	45.15
<b>158</b>			<b>7433.55</b>

## APPENDIX 1. Drill hole data, Sherlock RC program, Moriarty Lithium Project, March 2018

Hole	Easting (m)	Northing (m)	Altitude (masl)	Azimuth	Dip	Depth (m)
MSC001	354982	6537502	400	090	-60	42
MSC002	354974	6537505	400	090	-60	60
MSC003	355013	6537501	400	270	-60	36
MSC004	355028	6537504	400	270	-60	51
MSC005	355043	6537494	400	270	-60	50
MSC006	355027	6537520	400	270	-60	42
MSC007	355046	6537520	400	270	-60	48
MSC008	355067	6537519	400	270	-60	60
MSC009	355067	6537538	400	270	-60	40
MSC010	355079	6537537	400	270	-60	30
MSC011	355075	6537501	400	270	-60	42
MSC012	354980	6537496	400	270	-60	50
MSC013	354958	6537500	400	270	-60	50

*Notes:*

1. *Grid reference: UTM WGS84 51S*
2. *Coordinates determined by handheld GPS.*

## APPENDIX 2. JORC Code (2012) Table 1 Report: Reverse Circulation Drilling, Sherlock prospect, March 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>	Reverse Circulation (RC) percussion drill chips collected through a cyclone at 1m intervals down the hole and laid on ground. Scoop used to collect 1m samples through pegmatite intercepts and 5m representative composite sample of 2kg - 3kg weight.
	<i>Include reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.</i>	Samples were kept dry; when compositing, equal portions taken from each sample pile to produce representative composite sample.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Samples were sent to ALS laboratories in Kalgoorlie for sample prep, with analysis for a multi-element suite by ALS method ME-MS89L (sodium peroxide fusion and ICP-MS finish) at ALS laboratories in North Vancouver, Canada.
	<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>	The drilling program was designed to test a surface rubidium anomaly to gauge the presence of underlying lepidolite mineralisation.
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>	All holes were completed by the reverse circulation (RC) drilling technique. A 4.5" face sampling hammer was used to a maximum depth of 60 m.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Samples were visually inspected for recovery with any sample differing from the norm noted in the logs.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Samples were kept dry with holes terminated if water could not be controlled and samples became wet.
	<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>	Sample recovery was adequate for the drilling technique with no sample bias occurring.
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>	Chip samples were geologically logged on a 1m interval by the geologist on site overseeing the drill program. A small sample of each metre was washed, collected and archived in chip trays.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Logging recorded abundance and type of minerals, veining, alteration, mineralisation, colour, weathering and rock types using a standardised logging system.
	<i>The total length and percentage of the relevant intersections logged.</i>	All holes were logged over their entire length.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable, no core drilling was conducted.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	All chip samples were dry and collected using a scoop. Equal portions were taken from each sample pile to produce representative samples.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Samples were sent to ALS Minerals laboratories in Kalgoorlie where the entire sample was crushed, >70% -6mm fraction, then pulverised to 85% passing 75 microns or better.

	<i>Quality control procedures adopted for all sub-sampling stages to maximise representativeness of samples.</i>	RC drilling maximising sample size for each metre interval is considered appropriate for representativeness of samples.
	<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>	Sampling technique and size is considered appropriate for this early stage drilling program.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The larger sample size of RC drilling is considered appropriate for the style of mineralisation and material being sampled.
<i>Quality of assay data and laboratory tests</i>	<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 (Ag, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Ho, In, K, La, Li, Lu, Mn, Mo, Nb, Nd, Ni, Pb, Pr, Rb, Re, Sb, Se, Sm, Sn, Sr, Ta, Tb, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn) by sodium peroxide fusion (ME-MS89L 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>	Not applicable, no instruments used.
	<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>	Two lithium standards were inserted approximately every 20 samples, with field duplicates submitted approximately every 40 samples.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	A minimum of 2 company geologists have verified significant intersections.
	<i>The use of twinned holes.</i>	No twinned holes were drilled and are not considered necessary for this early stage if drilling.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Drill hole data and geological logs were recorded on paper in the field then entered into digital format before being uploaded to the company's server hosted database.
	<i>Discuss any adjustment to assay data.</i>	There has been no adjustment to assay data.
<i>Location of data points</i>	<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>	Drill hole coordinates were determined using a hand held GPS.
	<i>Specification of the grid system used.</i>	UTM WGS84 51S
	<i>Quality and adequacy of topographic control.</i>	RL determined using hand held GPS
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Thirteen drill holes (MSC001-MSC013) were spaced on nominal 20 m centres on sections 20-25 m apart.
	<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>	The drilling is first-pass in nature and not at a stage where a Mineral Resource estimation is appropriate.
	<i>Whether sample compositing has been applied.</i>	One metre samples were collected though pegmatite intervals. Samples were composited (5 m composites) through the ultramafic host rock.
<i>Orientation of data in relation to geological structure</i>	<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>	The holes were drilled on an E=W orientation along previously cleared grid lines, and essentially perpendicular to the target anomalies. The drill orientation is considered appropriate for the early stage of drilling and the target type.
	<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"> <li>The measures taken to ensure sample security.</li> </ul>	The samples were bagged and bulk-packaged securely and transported by 4WD vehicle to the ALS laboratory in Kalgoorlie.
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	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"> <li>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.</li> </ul>	The Sherlock prospect lies within Mining Lease M15/1770 located approximately 15 km SW of Kambalda, WA, on vacant crown land. The tenement is held by Maximus Resources Ltd and is part of the Moriarty Lithium Project. Lepidico Ltd is earning a 75% interest in the lithium rights over the Moriarty project. There are no registered Native Title claims over the ground.
	<ul style="list-style-type: none"> <li>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.</li> </ul>	Tenure is secure with no known impediments.
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	Exploration was conducted by Lepidico Ltd staff and contractors.
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	LCT-type pegmatites within Archean greenstones of the Norseman-Wiluna greenstone belt.
Drill hole Information	<ul style="list-style-type: none"> <li>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:</li> </ul>	Refer to Appendix 1 of the report.
	<ul style="list-style-type: none"> <li>eastings and northing of the drill hole collar</li> </ul>	Refer to Appendix 1 of the report.
	<ul style="list-style-type: none"> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> </ul>	Refer to Appendix 1 of the report.
	<ul style="list-style-type: none"> <li>dip and azimuth of the hole</li> </ul>	Refer to Appendix 1 of the report.
	<ul style="list-style-type: none"> <li>down hole length and interception depth</li> </ul>	Refer to Appendix 1 of the report.
	<ul style="list-style-type: none"> <li>hole length.</li> </ul>	Refer to Appendix 1 of the report.
	<ul style="list-style-type: none"> <li>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.</li> </ul>	N/A
Data aggregation methods	<ul style="list-style-type: none"> <li>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.</li> </ul>	No cuts were applied.
	<ul style="list-style-type: none"> <li>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.</li> </ul>	N/A
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	N/A

<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> </ul>	Mineralised widths are approximately equal to downhole intercepts.
	<ul style="list-style-type: none"> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> </ul>	Pegmatite orientations are either shallow dipping towards the drill hole or sub-horizontal and thus intercept widths are close to true widths.
	<ul style="list-style-type: none"> <li>• <i>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').</i></li> </ul>	Material mineralisation was not intersected and only down hole widths are reported.
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	Significant mineralisation was not intersected.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	Significant mineralisation was not intersected.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	Significant mineralisation was not intersected.
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> </ul>	Ongoing work includes a project scale geochemical survey of rubidium anomalism and subsequent drilling of anomalies if warranted.
	<ul style="list-style-type: none"> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	N/A

*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.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Lepidico Ltd

### ABN

99 008 894 442

### Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	89
1.2 Payments for		
(a) exploration & evaluation	(185)	(1,241)
(b) development	(434)	(1,229)
(c) production		
(d) staff costs	(329)	(745)
(e) administration and corporate costs	(401)	(1,789)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	51
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	468
1.8 Other (Takeover Defence)	-	(20)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,324)</b>	<b>(4,416)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	110
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>107</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	7,080
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	23	665
3.4	Transaction costs related to issues of shares, convertible notes or options	(62)	(553)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(39)</b>	<b>7,192</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7,553	3,307
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,324)	(4,416)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	107
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(39)	7,192
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,189</b>	<b>6,189</b>



5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	6,189	7,553
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,189</b>	<b>7,553</b>

**6. Payments to directors of the entity and their associates**

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	483
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Salaries	151,000
Directors Fees	62,000
Payments to Director Related Entities (Development)	270,000

**7. Payments to related entities of the entity and their associates**

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

--


<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	276
9.2 Development	495
9.3 Production	-
9.4 Staff costs (includes exploration and evaluation)	254
9.5 Administration and corporate costs	341
9.6 Other	
<b>9.7 Total estimated cash outflows</b>	<b>1,366</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
.....  
(Director/Company secretary)

Date: 30 April 2018

Print name: Shontel Norgate

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.