

ASX / MEDIA ANNOUNCEMENT



19 April 2021

Lycopodium to complete EPCM for the Integrated Phase 1 Project Development & Additional Capital Raised

- **Key commercial terms agreed with Lycopodium, a highly experienced global engineering and project delivery organisation, to complete the EPCM for the Phase 1 Integrated Project in Namibia and UAE**
- **Work planned to commence mid-May 2021, subject to finalisation of jurisdiction specific contracts**
- **\$2.9 million secured through set-off of Collateral Shares under the existing Controlled Placement Agreement**
- **Project remains on track for commencement of mine and concentrator commissioning in late 2022, and chemical plant commissioning in the first half of 2023**

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce Lycopodium Minerals Pty Ltd (Lycopodium) has been selected for the engineering, procurement and construction management (EPCM) of the Phase 1 Integrated Project plants in both Namibia and United Arab Emirates (UAE). The selection of Lycopodium follows its successful completion of the engineering study for the Definitive Feasibility Study in May 2020 and agreement of key commercial terms for the Phase 1 Project EPCM.

Lycopodium will provide the engineering design, procurement of equipment and materials, and the construction management, pre-operational testing and commissioning services, as well as the overarching project management services, for both the delivery of the concentrator in Namibia and the chemical plant in the UAE. The key commercial terms of an integrated EPCM contract have been agreed. The integrated EPCM contract will now be separated into two contracts that meet country specific requirements for each of Namibia and the UAE. Early services engineering work is expected to commence mid-May 2021 following the finalisation of the jurisdiction specific documentation.

Lepidico has successfully raised A\$2,925,000 (after costs) through the set-off of 134,000,000 collateral shares (Set-off Shares) previously issued to Acuity Capital under the Controlled Placement Agreement (CPA) as announced on 23 December 2019. The Set-Off Shares reduces the total 230,000,000 collateral shares which Acuity Capital is otherwise required to return to the Company upon termination of the CPA. The Set-Off Shares have a deemed price of \$0.0218, being an 8.0% discount to the 15-day VWAP.

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The funds raised will give pro-forma cash and cash equivalents of A\$4.4 million as at 31 March 2021 and allow EPCM works to start immediately following finalisation of jurisdiction specific documentation and provide working capital for the business to late 2021.

Lepidico's Managing Director, Joe Walsh said, "We believe that Lycopodium is the ideal engineering and construction partner for Lepidico to align with on the Phase 1 Project. Their broad capabilities, technical rigour, team of highly skilled engineers and designers, and track record in Australia, and Africa provide a highly valuable service offering to Lepidico. Progress under the EPCM will provide confidence to the prospective customers and financiers which Lepidico is currently engaged with. The Phase 1 Project remains on track for mining to commence in the September quarter 2022 and commercial production to start in 2023."

About Lycopodium Ltd (ASX: LYL)

Lycopodium is a leader in its field, working with clients to provide integrated engineering, construction and asset management solutions to mineral processing and chemical plant developments. Lycopodium have the expertise to deliver complex, multidisciplinary projects, through to the provision of feasibility studies and advisory services. Operating across the Resources, Infrastructure and Industrial Processes sectors, they offer a diverse team of industry experts to deliver bespoke and innovative solutions across all commodity types. With the capability to deliver projects around the world, Lycopodium has offices in Australia, South Africa, Canada and the Philippines.

Further Information

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About Lepidico Ltd

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium chemicals. Lepidico owns the technology to a metallurgical processes that have 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 low-cost lithium carbonate supply from alternative sources. More recently Lepidico has added LOH-Max[®] to its technology base, which produces lithium hydroxide from lithium sulphate without by-product sodium sulphate. The Company has completed a Definitive Feasibility Study for a nominal 5,000 tonne per annum Lithium Hydroxide Monohydrate capacity Phase 1 lithium chemical plant, targeting commercial production for 2023. The Project incorporates the Company's proprietary L-Max[®] and LOH-Max[®] technologies into the chemical conversion plant design. Feed to the Phase 1 Plant is planned to be sourced from the Karibib Project in Namibia, 80% owned by Lepidico, where a predominantly Measured and Indicated Mineral Resource of 11.87 Mt grading 0.45% Li₂O, (including Measured Resources of 2.20 Mt @ 0.57% Li₂O, Indicated Resources of 6.73 Mt @ 0.39% Li₂O and Inferred Resources of 2.94 Mt @ 0.50%, at a 0.15% Li₂O cut-off) is estimated. (ASX announcement of 12 March 2021). Ore Reserves total 6.72 Mt @ 0.46% Li₂O, 2.26% rubidium, 2.02% potassium and 320ppm caesium (ASX announcement of 28 May 2020).

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.