

ASX/Media Announcement

Perth: 3 August 2017

Lycopodium awarded Engineering contract for Phase 1 Plant Feasibility Study

Lepidico Ltd (ASX: LPD) (“Lepidico” or “Company”) is pleased to announce the appointment of Lycopodium Minerals Pty Ltd a subsidiary of Lycopodium Limited (ASX:LYL) (“Lycopodium”) for the provision of engineering services for the Company’s Phase 1 L-Max[®] Plant Feasibility Study (the “Study”).

Lycopodium has offices located in both Australia and Canada, and a strong track record with over 25 years’ experience in minerals project engineering and implementation, making it ideally suited to provide process and engineering services for the Study.

The objective of the Study is to define an economically and technically viable small commercial scale L-Max[®] plant, to be built in Ontario, Canada that will treat lithium mica concentrate feeds from a variety of sources. Final process design data is expected to be completed by end December 2017.

Lycopodium has demonstrated its belief in Lepidico’s strategy and the L-Max[®] technology by electing to receive payment for the anticipated fees for its engineering services in Lepidico shares.

Lycopodium Managing Director, Peter De Leo commented, *“We are keen to add value to Lepidico’s novel and exciting Phase 1 L-Max[®] Plant Project through this appointment, and look forward to a long association with Lepidico as both engineer and shareholder.”*

Lepidico’s Managing Director, Joe Walsh said, *“Lycopodium is uniquely well placed to provide the high quality, fit for purpose engineering services the Company requires to successfully complete the Feasibility Study within the prescribed budget. Lepidico looks forward to a mutually rewarding long-term relationship with Lycopodium.”*

Under the terms of the agreement with Lycopodium, the Company has allotted and issued 45,000,000 new fully paid ordinary shares (“New Shares”) to Lycopodium. The New Shares issued are subject to escrow restrictions pending completion of the Study and are also subject to pro-rata buyback and cancellation provisions (subject to Shareholder approval) should the Study be terminated prior to completion.

Secondary Trading Exemption Notice

Lepidico now also provides the following Secondary Trading Exemption Notice in respect of the New Shares:

The Corporations Act 2001 (**Act**) restricts the on-sale of securities without disclosure, unless the sale is exempt under Section 708 or 708A of the Act. By Lepidico giving this notice, on-sale of the New Shares will fall within the exemption offered by Section 708A (5) of the Act.

Lepidico hereby notifies the ASX (as the operator of the prescribed financial market on which the New Shares are to be quoted) under Section 708A(5)(e) of the Act that:

- a) Lepidico issued the New Shares without disclosure to investors under Part 6D.2 of the Act;



ASX: LPD

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- b) As at the date of this notice Lepidico has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and with Section 674 of the Act; and,
- c) As at the date of this notice there is no “excluded information” as defined in Section 708A(7) and (8) of the Act in relation to the Company.

ENDS

Further Information

For further information, please contact

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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 battery grade lithium carbonate from non-conventional sources, specifically lithium-rich mica minerals including lepidolite and zinnwaldite. The L-Max® Process has the potential to disrupt the lithium market by providing additional lithium supply from such sources. The Company is currently conducting a Feasibility Study for a Phase 1 L-Max® plant, targeting production for 2019. Four potential sources of concentrate 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 assets include options over the Lemare and the Royal projects, both in Quebec, Canada; 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; ownership of the Euriowie amblygonite project near Broken Hill in New South Wales; and an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max® in Brazil and Portugal.