

QUARTERLY ACTIVITIES REPORT

for the period ending 31 March 2023

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

Key Points

Development

- Total Phase 1 Project operating life extended by 4 years to 19 years following addition of new Ore Reserve at Helikon 4 and from high grade surface stockpiles
- Inaugural Ore Reserve estimates for Helikon 4 and lepidolite-rich surface stockpiles add 1.16M t at 0.62% Li₂O, 56% higher grade than the combined Rubicon and Helikon 1 estimate
- Previously beneficiated stockpiles now in Ore Reserves identified as potential direct shipping product based on lithium market prices over the past 12-months; preparations being made for expediting sales upon improved market conditions for mica concentrates
- Chemical plant site plans finalised and detailed planning permission application lodged, which on approval will allow site preparation ground-work to start
- Specifications, terms and conditions finalised with vendors for major long-lead mechanical equipment, allowing orders to be expedited when funding is secured
- Lepidolite bearing pegmatites discovered in old petalite workings and outcrop within EPL5439, similar to the Helikon 2-5 line, over 1.5km of strike; drilling planned for the June 2023 quarter
- Site selection specialist appointed to shortlist strategic chemical plant sites within the US for a Phase 2 chemical plant; in-house assessments being undertaken for Namibia and UAE locations

Products & Marketing

- Lithium hydroxide supply negotiations continued with Tier 1 consumers for Phase 1 product under the binding agreement with Traxys
- Caesium market continues to tighten, evidenced by the trend in rising prices continuing; supply agreement negotiations continue under confidentiality
- Phase 1 gypsum performs well as a soil conditioning agent in preliminary bio-saline agriculture plant growth trials, conducted by an independent Dubai non-profit organisation

Corporate and Finance

- Cash and equivalents at 31 March 2023 of \$15.3 million
 - Independent Engineer (IE) completed reviews of control estimates and schedules, and the revised Phase 1 economic model with all reports submitted to Development Finance Corp. (DFC)
 - DFC legal due diligence continues and awaits chemical plant finance/ownership structure; Abu Dhabi state owned organisation collaboration on chemical plant under consideration
 - Commercial lender due diligence started; feedback has necessitated a summary report update by the IE to take account of all 2022 Project work, a draft has been received and is under review
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OVERVIEW & OUTLOOK

Lepidico continues to have a zero-harm track record since health and safety incident reporting began in September 2016, and no environmental incidents were reported in the quarter.

Stage 2 implementation work, which started in December 2022 continued under the Engineering Procurement & Construction Management (EPCM) contract for the Abu Dhabi chemical conversion plant. This work is expected to wind down in the June 2023 quarter pending Project funding being secured. Stage 2 concentrator activities, which are not on the critical path for the integrated project, will resume once the development schedule is aligned with that for the downstream chemical plant.

Spot Chinese lithium prices corrected sharply during the quarter after posting record highs in November 2022, with commentators citing weaker Electric Vehicle (EV) sales in China as subsidies ended and surging demand for deeply discounted Internal Combustion Engine (ICE) vehicles that won't meet tighter emissions controls from 1 July 2023. Recently, Benchmark Mineral Intelligence (BMI) advised that, "Expectations are for EV demand to increase throughout 2023, beginning in Q2-Q3 [and] Underlying long term EV demand remains strong, with global EV penetration rates forecast to reach just 16.9% in 2023." BMI also advised that, "strong demand from South Korea and Japan has meant that [CIF Asia spot] price weakness has been significantly less severe than the more volatile Chinese market.

- Phase 1 chemical plant Stage 2 EPCM implementation works centred on finalising the specifications, terms and conditions for procurement of chemical plant major long-lead mechanical equipment. This work is scheduled to complete in the June 2023 quarter, allowing equipment orders to be expedited once development funding is secured.
- Chemical plant site layout finalised and detailed planning permission application lodged, which on grant will allow site preparation works to start; designs for non-process buildings finalised.
- Integrated project fundamentals enhanced by additional Ore Reserves estimated for Helikon 4 and surface stockpile material at Rubicon, which collectively add 4 years of feed to Phase 1 on high grade ore, giving an operating life of 19 years; and with the higher grade previously beneficiated stockpiles potentially providing a source of early direct shipping product for export.
- Drilling has resumed at Helikon 4 with the objective of extending the mineralised zone to the south and steepening the northern pit wall, which should allow more of the Indicated Mineral Resource to fall within the pit design and be considered as ore, thereby reducing the implied strip ratio.
- Independent Engineer technical due diligence in effect concluded in February under the DFC mandate; commercial lender feedback has necessitated the less technical summary report produced in early 2022 be updated for the subsequent piloting and Stage 1 EPCM works undertaken, with a draft report now received and under review by Lepidico.
- Strategic equity options progressed, with an Abu Dhabi state organisation collaboration on the chemical plant under consideration, which along with debt are intended to provide full funding for the Phase 1 developments; other strategic funding alternative continue to be explored.
- Clarification of the integrated Phase 1 funding structure/stakeholders is on the legal due diligence critical path and a priority for resolution.
- Negotiations continue of sustainable – throughout the price cycle – terms for long term supply of lithium hydroxide with consumers in the EV supply chain, under the binding agreement with Traxys; caesium chemical supply negotiations also continue with the market tightening further.
- Exploration access granted to private land within EPL5439 for the first time under Lepidico ownership, with priority targets being evaluated in the June 2023 quarter in parallel with the first drilling of the 1.5km lepidolite target identified last quarter.
- Cornish Lithium started construction of an L-Max/LOH-Max pilot plant designed to treat zinnwaldite and polyolithionite rich ores; unsolicited interest continues to be received from third-parties for the licencing of Lepidico's process technologies.
- Phase 2 growth project site selection study due to complete mid-2023, ahead of a pre-feasibility study that will consider locations in Namibia, the UAE and the United States.

DEVELOPMENT

Chemical Conversion Plant (100%), Abu Dhabi

Site layout finalised that includes fire water reticulation, tanks and hydrant locations; storm water and waste water pipeline locations, levels and discharge points; along with other site utilities and services. This allowed the detailed planning permission application to be made. Site ground works can commence as soon as planning permission is granted. Designs for the three non-process buildings complete, paving the way for the associated building permit application to be submitted.

Proposals received for supply of the major long-lead mechanical equipment with preferred manufacturers identified for mills, crystallisers, pressure filters, dryers and the off-gas scrubber. Associated equipment supply agreement terms and conditions at an advanced stage of negotiation at the time of writing. Stage 2 implementation activities are planned to wind down in the June quarter pending development finance being secured, at which time orders for the major mechanical equipment will be able to be expedited.

Assessment completed of local sourcing within the UAE of smaller mechanical/electrical equipment and materials where imports were assumed in the control estimate. Shorter delivery times, capital cost savings and more favourable warranties are expected as a result. Tender documentation for the main contractor package finalised, which includes supply of equipment (other than the major mechanical equipment) and materials available within the UAE.

Binding sulphuric acid supply agreement entered into with Interacid Trading S.A. ("Interacid") for the supply of sulphuric acid for the Phase 1 chemical plant. Interacid is a 100% subsidiary of Sumitomo Corporation and has provided marketing, logistics and terminal services for sulphuric acid for nearly 50 years. Under the agreement Interacid will supply the Company's high specification sulphuric acid for an initial period of three years.

By way of background, the Phase 1 chemical conversion plant is largely permitted with the key environmental approval to construct granted. The Musataha land lease agreement was signed in October 2021 with Abu Dhabi Ports (ADP). The Musataha secures the 57,000m² site for the chemical plant for an initial term of 25 years.

The plant site is located within the Khalifa Economic Industrial Zone Abu Dhabi (KEZAD), a major industrial free zone, which allows full foreign business ownership as well as tax exemptions on imports and exports. Under the Musataha Agreement the off-site infrastructure is being delivered by ADP (the parent company of KEZAD) to the site boundary, which includes natural gas, 11kV power, potable water, sewer services, access roads and drainage. Khalifa Port, the deep-water container terminal where concentrate from Walvis Bay, Namibia will be imported is just 15km by road from the plant site.

Chemical plant capacity is 56,700tpa (dry basis) of lithium mica/amblygonite concentrate for production capacity of 5,600tpa of lithium hydroxide. Concentrate feed grade is predicted to range from 2.5% to 3.9% Li₂O over the project life for average annual lithium hydroxide output of 4,350/t. The significant excess process capacity provides the opportunity for optimisation and higher output once in production. The relatively modest size of Phase 1 for a lithium chemical converter along with its high level of installed capacity are important risk mitigants, as development and operating risks tend to increase exponentially with scale.

Phase 1 represents a unique opportunity globally for the sustainable production of lithium, caesium and rubidium, all three of which are on the U.S. Government's list of Critical Minerals, making Lepidico's technologies and the Phase 1 chemical plant of strategic significance. Furthermore, the process is designed to manufacture three bulk products, silica, SOP and gypsum for which there are markets in the UAE, making the Phase 1 chemical plant a zero solid process waste facility.

Karibib Project (80%), Namibia

Proposals received (that include life cycle cost estimates) for supply of mining equipment for both the pre-production pioneering and production mining fleet. At this stage electric vehicle options are not supported but are planned to be evaluated when available in this location.

Upgraded Mineral Resources have been completed for Helikon 4 and Rubicon stockpile material with inaugural Ore Reserve estimates completed, that can extend the Phase 1 operating life to over 19 years (see Exploration & Resource Development below). A revised mining schedule was developed that reflects a reduction in the life of mine strip ratio. Further work is planned at Helikon 4 to extend mineralisation down dip and to steepen the north wall.

Increased understanding of the Rubicon stockpiles from the Ore Reserve estimation process has led to a review of the previously beneficiated higher grade dumps as a possible direct shipping product. Analysis based on market prices for lithium mica mineral concentrate over the past 12-month support this. While lithium chemical prices have declined in recent months, marketing and logistics arrangements are being evaluated with the objective of providing a new source of mineral supply as and when market conditions are conducive.

As previously advised, Karibib is fully permitted for the re-development of two open pit mines at Rubicon and Helikon 1, which will feed lithium mica ore to a central mineral concentrator that employs conventional flotation technology. Awarded Project permits include the Mining Licence (ML204), water extraction permit, Environmental Compliance Certificate (ECC), Accessory Works Permit and a separate ECC awarded for the overhead power transmission line.

The open pit mines at Rubicon and Helikon 1 along with associated haul road and water infrastructure are already established, with minimal works required to resume mining.

The mineral concentrator, to be built adjacent to Rubicon will use conventional crushing, grinding, desliming and froth flotation processes followed by dewatering of both concentrate and rejects streams. The lithium principally occurs in lepidolite, amblygonite and lithian muscovite, although any zinnwaldite will also be recovered through the process.

The concentrator has been designed to process 333,000tpa (dry basis) of ore for the first four years ("Stage 1") and 541,000tpa (dry basis) from Year 5 of production ("Stage 2"). Stage 2 requires the addition of a second smaller ball mill, some reconfiguration of the flotation circuit and the installation of a second filter. The plant will be debottlenecked in Year 7 to cater for a declining head grade. Once the ongoing Resource extension program of the Helikon 2-5 deposits is complete a further updated mine schedule is planned to be developed.

Sustainability

Development of new Group Standards was completed during the quarter, which adhere to the International Finance Corporation (IFC), World Bank, DFC and IRMA standards/requirements. These Standards are required to secure lending from DFC for the Phase 1 development at Karibib, with no further work currently identified.

IBIS Consulting has been appointment to facilitate the development of a specific Sustainability and Climate Change strategy, including materiality and climate risk assessments. This work is planned to complete in September 2023 and will support envisaged future compliance for both financiers and lithium consumers.

The Sustainability & Climate Change Strategy will form a centrepiece for showcasing – in collaboration with government stakeholders and other regional organisations – the credentials of Lepidico's industry leading process technologies employed in the KEZAD lithium chemical plant at the COP28 forum being held in the United Arab Emirates in November 2023.

Corporate Social Responsibility activities centred on an emergency maternity room for the community of Otjimbingwe, construction of which started in March 2023. Representatives from the Ministry of

Health and Social Services, the Ministry of Works and the Tsoaxudaman Traditional Authority attended the site handover ceremony to the building contractor. Completion is scheduled by June.

Product Marketing

Lepidico signed a binding offtake agreement in December 2021 with Traxys Europe S.A. (“Traxys”), where Traxys provides sales-marketing, logistics and trade finance for 100% of lithium hydroxide manufactured during the first 7 years of operation or 35,000t in total. In addition, Traxys is acting as agent for 100% of the production of caesium sulphate solution from the KEZAD chemical plant.

During the quarter, the Company continued to work closely with Traxys to place the lithium hydroxide produced from Phase 1 with leading consumers in the electric vehicle supply chain. Easing of inflationary effects and the stabilisation of lithium chemical prices allowed lithium supply negotiations to resume in January 2023. It is important that supply terms are sustainable for both supplier and consumer throughout the lithium price cycle.

Markets for the “Critical Minerals” caesium and rubidium are tightly controlled and opaque, with little data available on supply/demand and pricing. Lepidico is also limited by confidentiality agreements with third parties as to the information it can disclose pertaining to these markets. However, it is evident that caesium prices have appreciated significantly over the past two years as supply has tightened and that the market will benefit from Lepidico providing a new source of supply.

A Dubai based non-profit organisation undertaking field trials – on chemical plant gypsum generated from piloting in 2022 – to determine its effectiveness as a soil conditioning material to improve water retention. An interim evaluation in March provided encouraging results from a test crop versus the control. This work is due to conclude and be reported on in the June 2023 quarter. A positive outcome could provide an alternative use for the gypsum in the local agricultural sector, providing further support for Lepidico’s ambition that Phase 1 will be a zero solid process waste facility.

Phase 2 Plant Scoping Study

Consultant appointed for site selection and business incentive assessment services for a Phase 2 chemical plant in the United States. Submissions have been received for 66 sites across 6 States. A process of elimination has started with the objective of generating a list of sites for more detailed assessment, in May. Final shortlist selection is planned for early in the September 2023 quarter, which along with the Feasibility design for the Phase 1 chemical plant could support a domestic debt funding application.

Work has also started, using internal resources to identify sites for a Phase 2 development in Namibia and the UAE, with the objective of completing this scoping level work in mid-2023 and allowing a Pre-Feasibility Study to begin.

Two throughput scenarios are envisaged, a sister plant to Phase 1 with nominal output capacity of 5,600tpa lithium hydroxide and a larger nominal 20,000tpa facility. The former is being evaluated based on concentrate feed solely from Karibib, while the larger facility will rely on lithium mica concentrate feed from third party concentrators as well. To this end, additional sources of concentrate from third-party lithium mica mines continue to be evaluated, which could support the development of a global market for lithium mica concentrates; Lepidico’s ultimate objective.

EXPLORATION & RESOURCE DEVELOPMENT

Karibib Project (80%)

Lepidico is pursuing a strategy of maximising the value of its exploration properties by implementing programs targeted at a range of metals that the Namibian properties are prospective for, including lithium, caesium, rubidium, tantalum, gold, copper and tungsten. Work programs span a range of activities, from regional exploration assessing conceptual targets to Mineral Resource development. The near-term objectives of this work are to extend the operating life of the Phase 1 Project to over

20 years, expand the Resource base to support the Phase 2 Scoping Study and evaluate the Karibib licences for their gold potential.

Mineral Resource & Ore Reserve development

Over the course of 2022 Lepidico completed a series of work programs at the Helikon 4 pegmatite and over the surface stockpiles at the historical Rubicon mine, to enable the reclassification of Inferred Resources as Indicated Resources, as reported on 30 January 2023 (“Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources”).

Lepidico engaged Cube Consulting Pty Ltd (“Cube”) to update the Mineral Resource estimates (“MRE”) based on this work at Helikon 4 and at Rubicon. The estimations are reported in accordance with the requirements of the JORC Code (2012) and were completed between October 2022 and December 2022 (Tables 1 & 2). The Mineral Resource Estimate Report prepared by Cube is dated 31 December 2022 (reported to ASX on 30 January 2023) and is an update to previous MRE work conducted in 2018 by the MSA Group of South Africa (Helikon 4) and in 2021 by Resource Evaluation Services (Rubicon stockpiles).

Table 1. Mineral Resource Estimate for Helikon 4 (0.15% Li₂O cut-off); effective date 31 December 2022

Category	Domain	Tonnes	Li ₂ O	Cs	K	Rb	Ta
		(Mt)	(%)	(ppm)	(%)	(ppm)	(ppm)
INDICATED	Main Pegmatite	1.06	0.35	145	1.31	1,469	42
	Lepidolite Zones	0.20	1.06	426	2.33	4,356	114
	HW Pegmatite	0.04	0.24	85	1.13	926	27
SUBTOTAL INDICATED		1.31	0.46	187	1.47	1,898	53
INFERRED	Main Pegmatite	0.20	0.37	128	1.51	1,570	35
	Lepidolite Zones	0.08	0.96	285	2.16	3,362	79
SUBTOTAL - INFERRED		0.28	0.54	174	1.70	2,087	48
TOTAL		1.59	0.47	184	1.51	1,932	52

Table 2. Rubicon Stockpiles Mineral Resource Estimate (0% Li₂O cut-off); effective date 31 December 2022

Stockpile	Category	Tonnes (Mt)	Li ₂ O (%)	Cs (ppm)	K (%)	Rb (ppm)	Ta (ppm)
Dump A (sorted reject; >60 mm)	IND	0.10	0.62	388	2.05	2,592	52
Dump B (screened undersize)	IND	0.07	0.90	491	2.19	2,484	61
Dumps C-T (screened undersize)	IND	0.08	0.96	371	2.18	2,548	66
Dumps 1-36 (sorted product; >60 mm)	IND	0.02	1.38	464	3.93	6,164	107
Total		0.27	0.86	415	2.29	2,863	63

Of the 1.31M t grading 0.46% Li₂O in Indicated Mineral Resource at Helikon 4 just over 62% of the tonnes fall within the current pit design and thereby convert into Probable Ore Reserves.

Ore Reserves at Karibib were updated during the quarter, with 1.16M t @ 0.62% Li₂O into Probable Reserves (Table 3) notionally added to the Phase 1 Project from Helikon 4 and the Rubicon stockpiles, for a total Proved and Probable inventory of 9.43M t @ 0.43% Li₂O, which supports an operating life of 19 years. The estimate was prepared by Australian Mine Design and Development Pty Ltd (AMDAD), as reported on 7 March 2023. The estimation work was reported in accordance with the requirements of the JORC Code (2012).

The 2023 Resource development program commenced in the March quarter with 13 diamond core holes drilled at Helikon 3 for just over 520 m. The objective of this infill program is to allow conversion of current Inferred Resources to Indicated category. Interpretation is ongoing while assay results are pending. Infill drilling along strike at Helikon 2 is planned for May.

Late in the March quarter a diamond core program started at Helikon 4, which involves twinning several existing RC holes and collecting geotechnical information along the northern boundary of the pegmatite, with the objective of steepening the pit wall within the marble country rock.

Table 3. Karibib Project Ore Reserve Estimate

Pit	Mt	LiO2 %	Rb ppm	Cs ppm	Ta ppm	K %
Rubicon Pit						
Proved	1.60	0.50	2576	312	44	2.15
Probable	4.99	0.33	1866	204	31	2.13
Pit Total	6.59	0.37	2038	230	34	2.14
Waste	21.57					
Waste:Ore Ratio	3.3					
Helikon 1 Pit						
Proved	0.69	0.58	2234	458	54	1.73
Probable	0.99	0.46	2028	478	68	1.68
Pit Total	1.68	0.51	2113	470	62	1.70
Waste	2.22					
Waste:Ore Ratio	1.3					
Helikon 4 Pit						
Proved	0.00	0.00	0	0	0	0.00
Probable	0.82	0.51	2155	200	54	1.54
Pit Total	0.82	0.51	2155	200	54	1.54
Waste	3.06					
Waste:Ore Ratio	3.7					
Rubicon Stockpiles						
Proved	0.00	0.00	0	0	0	0.00
Probable	0.27	0.86	2863	415	63	2.29
Pit Total	0.27	0.86	2863	415	63	2.29
Waste	0.00					
Waste:Ore Ratio	0.0					
Rubicon Tailings						
Proved	0.00	0.00	0	0	0	0.00
Probable	0.07	0.99	4155	538	60	0.00
Pit Total	0.07	0.99	4155	538	60	0.00
Waste	0.00					
Waste:Ore Ratio	0.0					
Total Project						
Proved	2.29	0.52	2472	356	47	2.02
Probable	7.14	0.40	1982	253	40	1.99
Total Ore	9.43	0.43	2101	278	42	2.00
Waste	23.79					
Waste:Ore Ratio	2.5					

Notes:

1. The tonnes and grades shown in the Total's rows are stated to a number of significant figures reflecting the confidence of the estimate. The table may nevertheless show apparent inconsistencies between the sum of components and the corresponding rounded totals.
2. The deposit has been assessed based on lithium grades in parts per million. For consistency of reporting with other projects the Ore Reserve grades are presented in terms of Li₂O %. 1% Li₂O is equal to 4645 ppm Li.

Regional Exploration and Scout Drilling

Further exploration work in the area of former petalite mine workings discovered within EPL5439 in the December 2022 quarter has identified a series of Lithium-Caesium-Tantalum (LCT) pegmatites ranging from 1m to 10m in thickness. Lepidolite has been identified in outcrop. Similar to the Helikon 2-5 trend, these old workings are not continuous but extend over approximately 1.5km of strike. Land access for drilling is being negotiated.

Another land access agreement has been entered into that will allow scout exploration work over a priority LCT target identified through an internal geophysical algorithm, which is coincident with an historical lepidolite occurrence reported by a previous explorer. This will be the first time Lepidico has had access to work on the property.

Assays from a gold target within EPL5439 returned anomalous values for both gold and associated tracer elements. Multi-element soil geochemistry (69 samples) suggests a weak anomaly associated with the contact of calc-silicate rocks and country rock marble, which is a potential dilation zone for the influx of hydrothermal fluids. Further geostatistical analysis of the multi-element data is underway.

CORPORATE

Cash & Facilities

At 31 March 2023, the Company held \$15.3 million in cash and cash equivalents.

During the quarter the Company entered into a Revolving Vehicle Financing Facility for N\$2M (approximately A\$169,000) to acquire three vehicles for use by the Namibian based team.

Project Finance

During the quarter the IE appointed by DFC completed the final technical due diligence reports as mandated in 2022. However, feedback from commercial lenders revealed that the less technically detailed summary report drafted in early 2022 needs to be updated for work undertaken later in 2022. This includes the subsequent pilot plant trials, completion of Phase 1 control estimates and schedules, and the associated revised project economics. The IE has provided the updated draft of this report, which is now being reviewed by Lepidico management. Once this review is finalised the IEs due diligence scope of work should be concluded.

DFC's legal counsel continues its due diligence of the integrated Phase 1 Project. Separate counsel was appointed during the quarter for the Namibian due diligence, which is expected to be completed in the June 2023 quarter. BMI was appointed to undertake an independent lithium market analysis for lenders, also scheduled for completion in June 2023 quarter.

In parallel, debt advisor Lion's Head Global Partners is advancing discussions with other Development Finance Institutions, commercial lenders and export credit agencies for debt finance for the chemical plant development in Abu Dhabi, with credit approvals expected to be sought by lenders following completion of due diligence.

Lion's Head is also advising Lepidico for a strategic collaboration on the KEZAD chemical plant with an Abu Dhabi state owned organisation.

Other strategic equity options are also being pursued that along with debt are intended to provide alternatives for a full funding package for Phase 1.

Patents & Licences

At 31 March 2023, the Company held granted patents for its L-Max[®] technology in the United States, Europe, Japan and Australia, along with an Innovation Patent in Australia. National phase patent applications are well advanced in the other key jurisdictions, with these processes expected to be

granted in 2023. The Company also has patents granted for its process technology for lithium recovery from phosphate minerals (amblygonite) from the United States, Japan, Australia and Europe.

The national and regional phase of the patent application process is progressing for LOH-Max[®] under PCT/AU2020/050090. The S-Max[®] Australian patent applications are progressing under 2019262080 and 2019262079.

On 1 April 2022, the Company progressed with an international application under the Patent Cooperation Treaty (PCT) and was allotted the number PCT/AU2022/050297 for the lithium carbonate recovery process from a raw lithium hydroxide material.

On 27 September 2022, the International PCT application was filed for the preparation of Cs-Rb-K alkali salt solutions from lithium mica mineral source material and allotted the number PCT/AU2022/051154. The refining process has application in tailoring ternary materials for industrial catalyst applications and the patent process is expected to continue through 2023.

Exploration and Resources

Compliance Statement

The information in this report that relates to the Helikon 4 and Rubicon Stockpiles Mineral Resource estimates is extracted from an ASX Announcement dated 30 January 2023 (“Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources”). The Mineral Resource estimates were completed by Matt Bampton of Cube Consulting Pty Ltd in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Helikon 2, Helikon 3 and Helikon 5 Mineral Resource estimates is extracted from an ASX Announcement dated 16 July 2019 (“Drilling starts at the Karibib Lithium Project”). The Mineral Resource estimates were completed by Jeremy Whitley of the MSA Group (Pty) Ltd in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Rubicon and Helikon 1 Mineral Resource estimates is extracted from an ASX Announcement dated 30 January 2020 (“Updated Mineral Resource Estimates for Helikon 1 and Rubicon”). The Mineral Resource estimates were completed by Vanessa O’Toole of Snowden Mining Consultants Pty Ltd in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Mineral Resource estimates for the Rubicon Tailings and the surface stockpiles at Helikon 1, Helikon 2 and Helikon 3 is extracted from an ASX Announcement dated 12 March 2021 (“Karibib Mineral Resource Expanded”). The Mineral Resource estimates were completed by Stephen Godfrey of Resource Evaluation Services in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Rubicon, Helikon 1 Helikon 4, Rubicon Tailings and Rubicon Stockpiles Ore Reserves estimates is based on information compiled by John Wyche of Australian Mine Design and Development Pty Ltd, who is a Fellow of the Australian Institute of Mining and Metallurgy, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 Wyche consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

Previously Reported Results

Reference in this report is made to the Company’s ASX announcements dated 22 November 2022 (“Phase 1 Economics Updated & Improved”), 30 January 2023 (“Helikon 4 & Rubicon Stockpiles Upgrade to Mineral Resources”) and 7 March 2023 (“Replacement Announcement – Helikon 4 Ore Reserve”). Other than as disclosed in those announcements, the Company confirms it is not aware of any new information or data that materially affect the information in those announcements.

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.

CORPORATE INFORMATION

Directors

Gary Johnson (Non-Executive Chair)
Joe Walsh (Managing Director)
Mark Rodda (Non-Executive Director)
Cynthia Thomas (Non-Executive Director)

Registered & Principal Office

Suite 2, 680 Murray Street,
West Perth, WA 6005, Australia

Key Management

Benedicta Uris (GM Sustainability & Country Affairs)
Timo Ipangelwa (GM Operations – Namibia)
Hans Daniels (GM Operations – UAE)
Roland Wells (Project Director)
Tom Dukovic (GM Geology)
David Hall (GM Marketing & Investor Relations)
Shontel Norgate (CFO & Joint Company Secretary)
Alex Neuling (Joint Company Secretary)

Forward Shareholder Enquiries to:

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

All correspondence to:

GPO Box 5193
Sydney NSW 2001

Ph: 1300 288 664 (within Australia)

Ph: +61 (0) 2 9698 5414

Email: hello@automicgroup.com.au

Website: www.automicgroup.com.au

Stock Exchange Listings

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

Issued Share Capital

As at 31 March 2023, issued capital was 7,637,771,723.

As at 26 April 2023, issued capital was 7,637,771,723.

Quarterly Share Price Activity

	High	Low	Close
January – March 2023	1.7c	0.09c	1.1c

Authorised for release by the Managing Director.

Further Information

For further information, please contact

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

David Waterhouse
Waterhouse IR

Tel: +61(0)3 9670 5008

Email: info@lepidico.com

Website: www.lepidico.com

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

NAMIBIAN OPERATIONS, Karibib Project

Karibib Project Tenement Schedule

Tenement ID	Registered Holder	Lepidico Interest	Expiry Date	Area
ML 204	Lepidico Chemicals Namibia (Pty) Ltd	80%	18/06/2028	69 km ²
EPL 5439	Lepidico Chemicals Namibia (Pty) Ltd	80%	09/06/2024	165 km ²

PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES

Payments made during the quarter and included in Item 6.1 of the Appendix 5B – Mining Exploration Entity Quarterly Cash Flow Report, comprise the following:

Item 6.1: Aggregate amount of payments to related parties and their associates included in cashflows from operating activities is \$306,000:

	\$'000
Remuneration	126
Directors Fees	72
Payments to Director Related Entities (Development)	108
Total included in 6.1	<u>306</u>

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Lepidico Ltd

ABN

99 008 894 442

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (expensed)	-	-
(b) development	(2,644)	(6,994)
(c) production	-	-
(d) staff costs	(863)	(2,706)
(e) administration and corporate costs	(346)	(2,435)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	104	180
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,152	2,179
1.8 Other (COVID-19 incentives)	-	-
1.9 Net cash from / (used in) operating activities	(1,597)	(9,776)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(170)	(217)
(d) exploration & evaluation (capitalised)	(374)	(2,791)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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)	-	-
2.6	Net cash from / (used in) investing activities	(544)	(3,008)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	19,600
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,201
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(34)	(1,293)
3.5	Proceeds from borrowings	169	169
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)	-	-
3.10	Net cash from / (used in) financing activities	135	19,677

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,050	8,043
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,597)	(9,776)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(544)	(3,008)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	135	19,677

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	279	387
4.6	Cash and cash equivalents at end of period	15,323	15,323

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	15,323	17,050
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,323	17,050

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	306
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities		
7.2	Credit standby arrangements **	Up to 7,500	3,525
7.3	Other (Revolving Vehicle Financing Facility)	169	168
7.4	Total financing facilities **	Up to 7,669	3,693
7.5	Unused financing facilities available at quarter end		Up to 3,743
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>** On 23 December 2019 the Company executed a Controlled Placement Agreement (CPA) with Acuity Capital to provide Lepidico with up to \$7.5 million of standby equity capital to February 2022. Under the CPA Lepidico sets a floor price and the final issue price will be calculated as the greater of that floor price and a 10% discount to a Volume Weighted Average Price (VWAP) over a period nominated by Lepidico. As collateral for the CPA, Lepidico issued 230,000,000 ordinary shares from its LR7.1 capacity, at nil consideration to Acuity Capital ("Collateral Shares") but may, at any time, cancel the CPA and buy back the Collateral Shares for no consideration (subject to shareholder approval).</p> <p>On 19 April 2021 the Company announced it had 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.</p> <p>On 10 October 2022 the Company announced it had raised A\$600,000 (after costs) through the set-off of 23,100,000 Set-off Shares previously issued to Acuity Capital under the CPA.</p> <p>The Set-Off Shares reduces the total collateral shares to 72,900,000 million, which Acuity Capital is otherwise required to return to the Company upon termination of the CPA. The unused facility reduced by \$0.6 million following the capital raise and cash increased by \$0.6 million.</p> <p>On 26 January 2022 the Company agreed with Acuity Capital to extend the expiry date of its Controlled Placement Agreement ("CPA") to 31 January 2024.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,597)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(374)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,971)
8.4	Cash and cash equivalents at quarter end (item 4.6)	15,323
8.5	Unused finance facilities available at quarter end (item 7.5)	Up to 3,743
8.6	Total available funding (item 8.4 + item 8.5)	19,066

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions: Although the Company has positive relevant outgoings at Item 8.3 it provides the following information due to the nature of the cash from operating activities during the quarter.	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

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.

Date: 26 April 2023.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.