Alvarrões Assays Confirm Lepidolite Extension

- **First results received from Alvarrões diamond drilling confirm good widths and grades in near surface lepidolite-bearing pegmatite sills, including:**

  3.35 m @ 1.40% Li_2O *and* 3.93 m @ 0.98% Li_2O

- **Alvarrões pegmatites generally have a high lepidolite content of between 15% and 25%**

- **Multiple flat lying lepidolite-bearing pegmatite sills at Block 1 confirmed over at least 300 m along strike and 200 m down-dip**

- **Second drill rig mobilised and has commenced drilling at Block 3**

- **Mine planning and geotechnical consultants appointed**

- **Inaugural JORC Code Mineral Resource estimate on track for September 2017**

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to advise that assay results for the first batch of core samples from the current diamond drilling program at Alvarrões have been received.

Samples were taken from the two uppermost pegmatite sills from three of the first four holes drilled at the Block 1 area at Alvarrões (Figure 1). Assays confirm strong lepidolite mineralisation in each sill, including:

3.35 m @ 1.40 Li_2O (25% lepidolite) from 16.25 m in hole ALVD04

This sill is also identified in the recently drilled adjacent hole ALVD05 (Figure 2), from which assays are yet to be received.

Summary results are presented in Table 1, with all assay results presented in Appendix 1.

These initial results confirm that Alvarrões has the potential to provide a long-term supply of lepidolite for concentrate feed to the proposed Phase 1 L-Max® Plant, currently the subject of a Feasibility Study.

Lepidico Managing Director, Joe Walsh, said, "*Alvarrões is shaping up as a large lithium mica mineralised system. Block 1 alone has the potential to supply a long-term, quality concentrate feed to the Phase 1 L-Max® Plant planned to be strategically located in Ontario, Canada. Similar success at the larger Block 3 could make Alvarrões the main feed source for a conceptual full scale Phase 2 L-Max® Plant.*

"The excellent result from Alvarrões have provided the confidence to appoint both mining and geotechnical consultants with the objective of expediting the estimation of Ore Reserves."

Drilling to date has taken place at Block 1 (Figure 1), where a total of 7 holes, for 372 metres of HQ core, have been completed. Hole ALVD08 is in progress at Block 1.

Drill productivity has been slow in holes close to the active open pits – which were prioritised to confirm continuity – where the ground is heavily weathered and broken. This does however benefit mining as the overburden can be freely dug without the use of explosives.

To improve productivity, a second rig was mobilised to site and has commenced drilling at Block 3, the larger active mining area to the north (Figure 1). The current drilling program is expected to continue through to the end of August 2017.

Geological logging indicates that all seven holes drilled to date intercepted a series of pegmatite sills exhibiting strong lepidolite mineralisation. Holes ALVD04 and ALVD05 were collared 190 meters to the northwest of drill pad 1, demonstrating significant down-dip continuity of the target pegmatite sills. Holes ALVD06 and ALVD07 were collared almost 300 metres to the northeast confirming the strike continuity evidenced in the Block 1 open pit (Figure 1).

Hole ALVD04, a vertical hole, was drilled to a depth of 95 metres to test for repetitions of pegmatite sills deeper within the profile. In summary, the sequence comprises three 'upper' sills down to 45 m and a set of 'lower' sills between 60 m and 75 m at this location. There is potential for additional sills at depth.

The upper sills are thicker (up to 2.5 - 3 m) and have a lepidolite content of around 25% based on current drilling, as seen, in drill hole ALVD05 (Figure 2). Lepidolite content across the entire pegmatite package (including the narrow sills) varies considerably ranging from 5% to 30% based on visual inspection.

The mapped strike of the target pegmatite system is approximately 1.5 km, being largely exposed in the existing open pits, extending from south of Block 1 to north of Block 3. Confirmation in drilling of multiple sub-parallel lithium-mica mineralised pegmatite sills at depth has significantly increased the Mineral Resource potential at Alvarrões.

Lepidico aims to define an inaugural JORC Code compliant Mineral Resource estimate for Alvarrões by end September 2107 quarter. The results are expected to be incorporated as part of the Company's current Feasibility Study into a Phase 1 L-Max Plant® which continues to progress, with the recent appointment of mine design and geotechnical consultants. Assuming continued positive results a follow up infill and extensional drill program will be required.

This first batch of 39 samples from Alvarrões was submitted for analysis by two different methods, sodium peroxide fusion and four-acid digest, to determine the optimal assay method for the remainder of the drilling program. Half-core samples are dispatched to ALS laboratories in Seville, Spain for sample preparation, with pulps subsequently sent to the ALS Perth laboratory for assay.

Lithium values from the two analysis methods are similar, with a correlation coefficient of 1.10. However, the aluminium appears to be under-reported by the four-acid digest method with a correlation coefficient of only 0.43. Analysis of the results is ongoing.

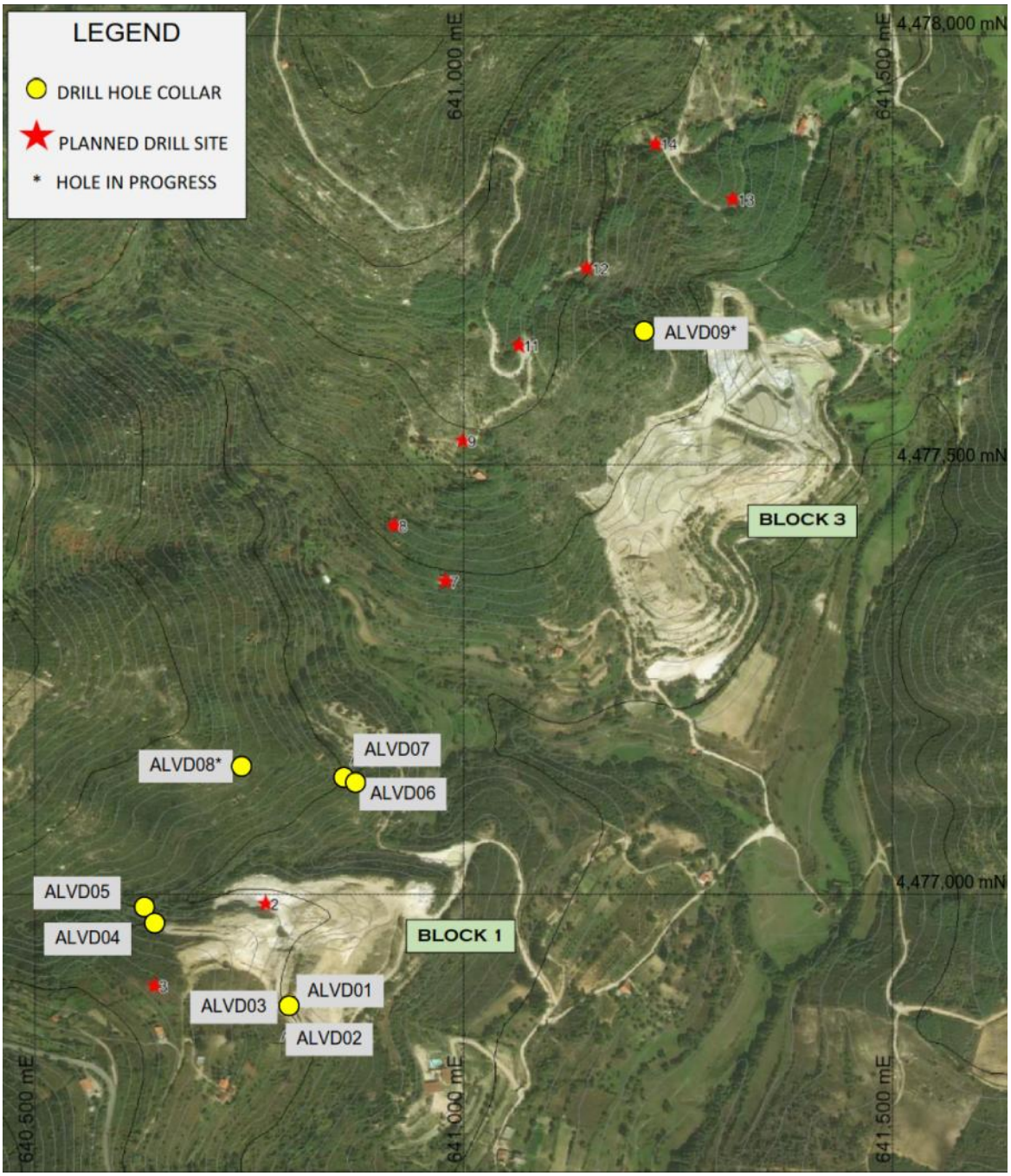

Figure 1. *Alvarroes, Block 1, diamond drilling as at 19 July 2017. Rig 1 currently drilling hole ALVD08 at Block 1. Rig 2 has commenced drilling hole ALVD09 at Block 3. WGS84 UTM Zone 29T Co-ordinates.*

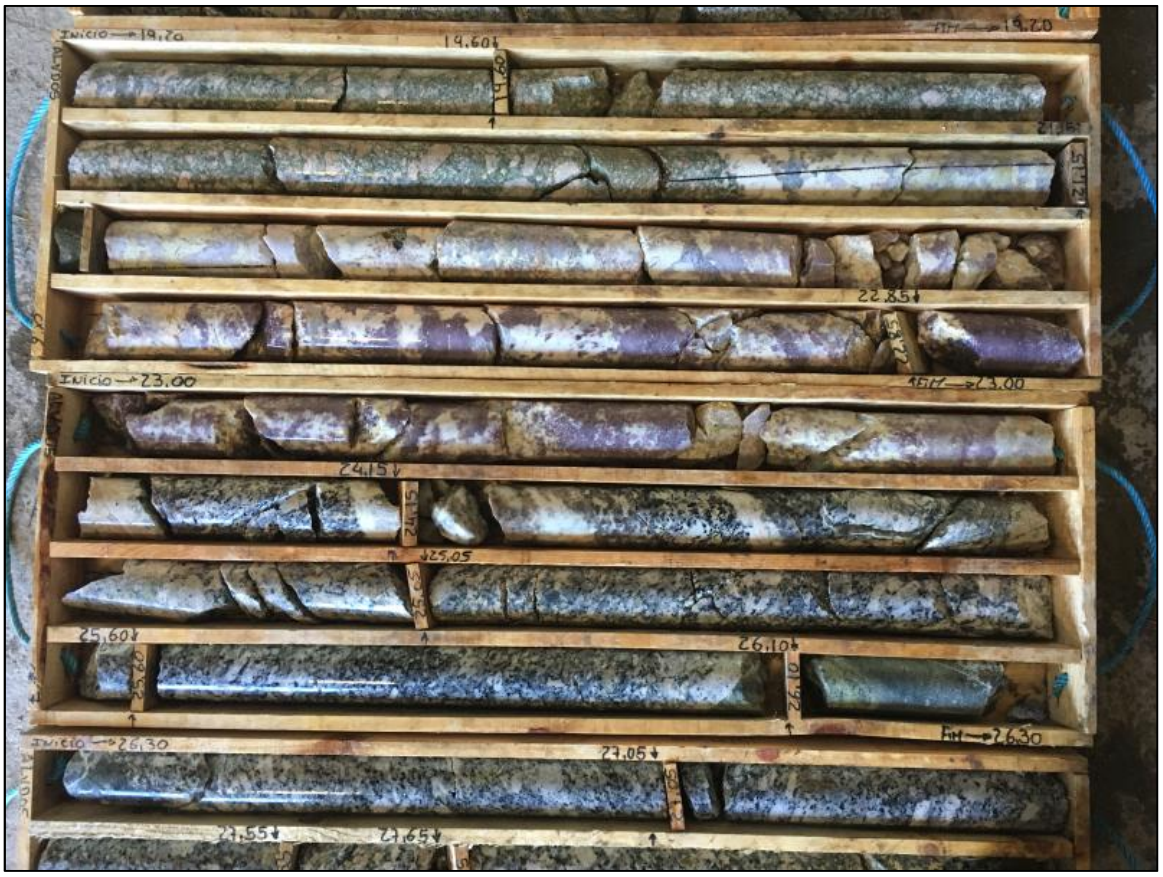

Figure 2. *Alvarrões, Block 1, 3 meter thick un-weathered lepidolite-rich pegmatite sill, 21.0 m – 24.0 m, intersected in diamond drill hole ALVD05. Estimated 20% - 35% lepidolite (purple). Assays pending.*

Table 1. Alvarrões Block 1 diamond drilling (HQ) completed holes

Hole ID	Easting (m)^	Northing (m)^	Altitude (masl)^	Azimuth	Dip	Depth (m)
ALVD01	640 798	4 476 877	594	000	-90	38.35
ALVD02	640 797	4 476 878	595	309	-50	50.97
ALVD03	640 797	4 476 878	595	216	-50	44.00
ALVD04	640 636	4 476 967	620	000	-90	95.00
ALVD05	640 626	4 476 982	617	036	-50	64.75
ALVD06	640 871	4 477 129	598	000	-90	22.05
ALVD07	640 860	4 477 130	598	000	-90	57.00

^ WGS 84 UTM 29T Coordinates; hand-held GPS; masl = metres above sea level

Table 2. Alvarroes diamond drilling, lithium assays from first batch of core samples

Hole ID#	Sample No.	From (m)	To (m)	Interval (m)	Pegmatite intercept (m) @ weighted Li_2O%*	estimated lepidolite %	Li ppm (ME-MS61)
ALVD01	17AD001	13.50	13.85	0.35			490
	17AD002	13.85	14.10	0.25	*2.05 m @ 0.82% Li_2O*	17.5% lep	2030
	17AD003	14.10	14.40	0.30			4910
	17AD004	14.40	14.72	0.32			6880
	17AD005	14.72	15.20	0.48			4240
	17AD006	15.20	15.55	0.35			4660
	17AD007	15.55	15.90	0.35			2080
	17AD008	15.90	16.30	0.40			5440
	17AD009	16.30	16.62	0.32			4610
ALVD02	17AD011	32.60	32.95	0.35			1330
	17AD012	32.95	33.12	0.17			2780
	17AD013	33.12	33.60	0.48	*3.93 m @ 0.98% Li_2O*	*5% lep*	6990
	17AD014	33.60	34.00	0.40			6700
	17AD015	34.00	34.55	0.55			5550
	17AD016	34.55	34.85	0.30			7200
	17AD017	34.85	35.45	0.60			1780
	17AD018	35.45	35.85	0.40			5360
	17AD019	35.85	36.50	0.65			2010
	17AD020	36.50	36.80	0.30			3620
	17AD021	36.80	37.05	0.25			4020
	17AD022	37.05	37.60	0.55			530
	17AD023	15.50	16.25	0.75			890
ALVD04	17AD024	16.25	16.95	0.70	*3.35 m @ 1.40 % Li_2O*	*25% lep*	6240
	17AD025	16.95	17.35	0.40			4450
	17AD026	17.35	18.10	0.75			6590
	17AD027	18.10	18.60	0.50			7060
	17AD028	18.60	19.20	0.60			7550
	17AD029	19.20	19.60	0.40			6580
	17AD030	19.60	20.25	0.65			1040
	17AD031	29.25	30.05	0.80			570
	17AD032	30.05	30.80	0.75	*3.32 m @ 0.77% Li_2O*	*25% lep*	4400
	17AD033	30.80	31.30	0.50			8320
	17AD034	31.30	31.85	0.55			5000
	17AD035	31.85	32.28	0.43			750
	17AD036	32.28	32.90	0.62			1020
	17AD037	32.90	33.37	0.47			1660
	17AD038	33.37	34.00	0.63			440
	17AD039	34.00	34.30	0.30			253

 # Selected down-hole intervals; ALVD01 and ALVD04 true thickness; ALVD02 apparent thickness; hole ALVD03 results pending

**Li_2O = elemental Li x 2.153 conversion factor (Li_2O% = Li ppm x 2.153/10,000)*

Drilling at Alvarrões forms part of the Company's Mineral Resource definition program to establish a select inventory of quality lithium mica Resources to provide feedstock for the proposed Phase 1 L-Max® Plant, currently the subject of a Feasibility Study. Priority lithium mica deposits include Separation Rapids in Canada (Avalon Advanced Minerals Inc concentrate offtake letter of intent), Alvarrões in Portugal (Felmica ore access agreement) and the Peg 9 prospect in Western Australia (Pioneer Resources farm-in agreement) as well as other targets that are subject to the Company's ongoing evaluation.

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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.

About Lepidico Ltd

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium. Lepidico owns the technology to a metallurgical process that has successfully produced lithium carbonate from non-conventional sources, specifically lithium-rich mica minerals including lepidolite and zinnwaldite. The L-Max® Process has the potential to disrupt the lithium market by providing additional lithium supply from alternative sources. The Company is currently conducting a Feasibility Study for a Phase 1 L-Max® plant, targeting production for 2019. Three potential sources of 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 interests include 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; an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max® in Brazil and Portugal on suitable lithium mica opportunities; and options over the Lemare and the Royal projects, both in Quebec, Canada.

APPENDIX 1

Lepidico Ltd

Alvarroes Diamond Drilling - Batch 1 Assays (four-acid digest; ALS ME-MS61)

SAMPLE	ME-MS61 Al	ME-MS61 As	ME-MS61 Ba	ME-MS61 Be	ME-MS61 Bi	ME-MS61 Ca	ME-MS61 Cd	ME-MS61 Ce	ME-MS61 Cs	ME-MS61 Fe	ME-MS61 K	ME-MS61 Li	ME-MS61 Mg	ME-MS61 Mn	ME-MS61 Mo	ME-MS61 Na	ME-MS61 P	ME-MS61 Rb	ME-MS61 S	ME-MS61 Sb	ME-MS61 Sn	ME-MS61 Sr	ME-MS61 Ta	ME-MS61 Th	ME-MS61 Ti	ME-MS61 W	ME-MS61 Y	ME-MS61 Zr
DESCRIPT	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	%	%	ppm	%	ppm	ppm	%	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm
17AD001	7.18	8.7	350	7.62	0.67	0.82	0.08	58.5	17.65	2.04	3.7	490	0.34	316	1.05	2.26	1190	262	0.01	0.2	11.8	78.4	1.84	13.9	0.226	1.5	14.9	69.8
17AD002	6.55	44.9	270	45.3	1.28	0.56	0.17	44.5	336	1.84	3.25	2030	0.26	318	0.87	2.13	1650	740	0.04	0.75	57.4	50.6	12.9	11.25	0.157	11.4	12.2	54.2
17AD003	5.49	4	10	65.9	0.62	0.21	0.15	0.25	255	0.38	2.1	4910	0.18	349	0.77	3.3	4820	1470	0.01	0.52	43.6	15.2	29	0.92	<0.005	7.3	0.3	17.4
17AD004	5.43	1.9	10	97.9	0.31	0.07	0.15	0.04	452	0.23	2.32	6880	0.01	302	0.63	3.3	3580	2420	0.01	0.16	66.8	10.4	91	1.07	<0.005	10.6	<0.1	18.4
17AD005	5.62	2.5	10	119	0.78	0.13	0.16	0.1	150	0.41	1.73	4240	0.02	384	0.54	4.43	4180	1210	0.01	0.24	39.9	21.9	15.05	0.39	<0.005	5.8	0.1	10
17AD006	5.97	4.2	20	240	3.63	0.08	0.29	0.1	346	0.52	3.99	4660	0.01	606	0.91	2.47	5180	2110	0.01	0.43	51.7	10	55.1	0.5	<0.005	9.4	0.1	16.7
17AD007	7.36	44.2	430	21.4	6.22	0.46	0.25	36.5	375	1.82	3.81	2080	0.28	341	1.17	2.33	1390	920	0.01	0.34	37.3	60.6	11.1	9.5	0.159	11.4	10.6	51
17AD008	9.47	14.2	250	61.4	1.23	0.76	0.91	36	>500	1.97	3.69	5440	0.27	528	0.59	2.58	3410	1810	0.01	0.25	130.5	59.7	100	10.2	0.155	29	13.8	64.5
17AD009	7.82	29.2	290	38.3	1.29	0.82	1.13	45.6	>500	1.97	3.48	4610	0.27	518	0.83	2.25	3620	1500	0.01	0.37	116.5	57.5	96.1	11.85	0.161	25.2	16.7	65.7
17AD010	6.18	15.5	260	389	1.22	0.64	0.28	47.2	158	1.97	3.23	1530	0.34	812	1.21	1.79	6180	400	0.03	0.37	23.1	53.2	>100	12.6	0.188	15.7	10.8	69
17AD011	6.68	118	220	27.2	1.64	0.59	0.55	58.2	411	2.42	3.08	1330	0.41	332	1.43	1.91	1650	660	0.03	0.67	25.9	47.3	12.55	14.2	0.221	6.2	14.8	72.2
17AD012	6.28	15.3	100	90.3	0.89	0.39	0.18	22.5	330	1.23	1.84	2780	0.16	296	1.17	2.79	4260	930	0.01	0.23	42.1	29.1	17.2	5.72	0.077	12.1	6.2	29.5
17AD013	6.8	5.3	20	267	1	0.26	<0.02	0.07	474	0.59	3.07	6990	0.04	554	0.67	1.92	6120	2510	0.01	0.15	81.1	24.2	52.3	1.08	<0.005	15	<0.1	15.3
17AD014	3.06	3.2	20	193	0.48	0.6	<0.02	0.04	117.5	0.54	0.8	6700	0.03	267	0.65	1.4	>10000	640	0.02	0.16	28.5	48.8	10.4	0.34	<0.005	3.3	<0.1	6.4
17AD015	3.16	2.8	10	17.25	0.13	0.19	0.08	0.2	64.3	0.53	0.48	5550	0.02	207	1.16	1.51	>10000	383	0.01	0.19	12.7	28.3	20.8	1.81	<0.005	4	0.1	3.7
17AD016	4.84	2.4	<10	57.3	0.52	0.15	<0.02	0.06	359	0.37	2.41	7200	0.02	850	0.63	1.75	5450	2560	0.01	0.17	70.6	18.5	53.4	1.27	<0.005	12.4	0.1	35.5
17AD017	8.8	2.3	<10	184	0.62	0.34	0.3	0.08	79.3	0.39	0.88	1780	0.05	383	0.33	6.43	3530	650	0.01	0.17	21.6	15.9	16.3	0.23	<0.005	4	0.1	3
17AD018	6.67	1.4	10	281	0.5	0.18	0.16	0.06	186.5	0.27	2.06	5360	0.02	986	0.49	4.21	4050	1860	0.01	0.12	62.6	46.2	96.2	0.61	<0.005	9.5	0.1	18.1
17AD019	6.86	1.5	30	142	0.22	0.37	0.37	1.15	121.5	0.49	1	2010	0.05	296	0.65	4.68	4520	700	0.01	0.18	22.8	37.7	15.7	0.46	0.006	5.8	0.7	3.7
17AD020	7.48	2.3	10	131.5	0.09	0.17	<0.02	0.15	151.5	0.39	2.6	3620	0.06	1270	0.73	3.36	970	1770	0.01	0.1	77.6	14.9	40.6	0.81	<0.005	8.5	0.2	13.1
17AD021	8.12	12.5	50	136.5	0.56	0.31	<0.02	5.44	222	0.73	3.56	4020	0.1	2250	0.63	2.1	1460	2090	0.04	0.15	106	21.6	56.3	2.91	0.031	13.5	2.2	29.8
17AD022	7.31	8.3	180	81.3	2.57	0.6	0.06	42.1	121.5	2.03	4	530	0.35	359	1.25	1.9	2090	560	0.01	0.21	19.3	40.9	6.08	10.4	0.183	4.9	10.8	50.6
17AD023	8.1	13.7	710	12.2	0.58	0.75	0.14	62.2	147	2.4	5.15	890	0.4	341	1.38	2.11	1600	470	0.05	0.49	19.2	93.3	4.61	14.55	0.266	6.7	15.5	68.6
17AD024	6.64	3.8	10	125.5	0.17	0.84	0.49	0.18	361	0.25	2.26	6240	0.01	684	0.3	3.6	5210	2320	0.01	0.57	68.6	39.6	61.2	0.78	<0.005	12.7	0.1	10.5
17AD025	6.43	8.6	<10	79.9	0.11	0.93	0.27	0.11	>500	0.32	0.92	4450	0.02	174	0.45	4.17	6400	1120	0.01	0.92	31.6	21.7	21.3	4.82	<0.005	7	0.1	88.9
17AD026	7.89	2.4	<10	151	0.35	0.75	0.29	0.04	>500	0.35	2.04	6590	0.05	463	0.44	3.18	3560	2350	0.01	0.46	62.8	8.9	34.6	0.63	<0.005	12.5	<0.1	13.9
17AD027	6.09	2.3	30	113.5	0.13	0.92	0.47	5.06	424	0.51	2.83	7060	0.04	1100	0.66	2.57	4570	2550	0.01	0.36	84.9	20.1	32	1.64	0.034	21	2	19.9
17AD028	8.21	2.4	170	192	0.24	0.88	0.78	25.3	>500	1.53	3.69	7550	0.23	564	0.54	1.41	4290	2990	0.01	0.49	100.5	31	29.7	7.21	0.133	44.7	10.1	50.5
17AD029	5.42	2.4	30	203	0.31	0.76	0.69	3.1	432	0.37	2.68	6580	0.02	1830	0.37	2.86	4070	2330	0.01	0.57	75.8	32.1	89.3	2.43	0.025	19.7	1.4	26.9
17AD030	7.02	23	420	17	0.61	0.74	0.14	57.7	230	2.27	3.89	1040	0.37	373	1.37	1.94	1250	570	0.03	0.36	21.5	72.8	5.24	14.3	0.239	6.9	14.7	68.3
17AD031	6.86	20.7	310	8.68	1.03	0.93	0.1	63	58.9	2.27	3.41	570	0.36	372	1.43	2.18	1470	285	0.03	1.05	12.1	76.2	2.17	14.7	0.26	2.8	14.9	70.7
17AD032	6.8	18.3	10	123.5	0.84	1.05	0.65	1.52	319	0.35	1.59	4400	0.02	337	0.44	3.87	6750	1550	0.01	2.82	50.7	23.2	29.6	2.17	0.006	8.5	0.6	26
17AD033	5.03	5.3	<10	175	1.69	0.71	0.22	0.04	>500	0.25	2.85	8320	0.01	558	0.32	2.49	3740	3040	0.01	1.14	93.9	15.2	49.9	0.4	<0.005	11.8	<0.1	11.1
17AD034	7.17	25.6	40	96.2	0.56	0.76	0.36	4.79	319	0.61	2.07	5000	0.14	651	1.29	3.09	3350	1760	0.01	0.76	66.5	19.7	24.7	1.83	0.03	12.6	1.8	19.9
17AD035	6.69	8.6	320	8.92	0.78	0.79	0.12	54.6	94.9	2.09	3.61	750	0.35	345	1.58	2.16	1150	308	0.03	1.05	11.4	72.1	1.98	13.25	0.237	2.5	13.8	67.6
17AD036	7.42	89.6	290	14.2	1.98	0.71	0.13	47.9	152.5	1.84	3.81	1020	0.3	334	1.48	2.38	1310	442	0.03	0.36	23	75	5.58	12.3	0.181	6.4	12.1	48.4
17AD037	5.69	6.7	40	21.1	1.6	0.19	0.2	5.98	116	0.51	2.42	1660	0.05	397	0.57	3.76	2810	930	0.01	0.22	32.1	14.4	34.2	1.86	0.024	5.3	1.9	11.3
17AD038	7.1	7.6	370	8.1	0.54	0.88	0.11	70.1	60.9	2.37	3.84	440	0.47	410	1.6	1.87	1230	309	0.03	0.31	13.2	79.2	2.05	18.25	0.252	2.2	17.2	60.8
17AD039	7.37	2.1	360	6.16	0.59	0.89	0.09	51.2	13.2	1.83	4.2	253	0.3	323	1.11	2.33	1120	277	0.03	0.16	10.9	85	1.5	12.45	0.188	1.2	11.8	49.5

APPENDIX 2. JORC Code (2012) Table 1 Report: Diamond Drilling, Alvarrões Project, Portugal, June-July 2017

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	Half-core samples, cut by diamond core saw, were collected from selected intervals, initially from three holes. ALVD01, ALVD02 and ALVD04. HQ coring occurred from surface to end of hole.
	Include reference to measures taken to ensure sample representativeness and the appropriate calibration of any measurement tools or systems used.	Continuous half-core (HQ) samples were taken from intervals selected on rock type (granite vs pegmatite) and on variation in mineralogy (lepidolite, zinnwaldite).
	Aspects of the determination of mineralisation that are Material to the Public Report.	Samples were sent to ALS Minerals laboratories in Seville, Spain for sample preparation, with pulps sent by ALS to its Perth laboratory for analysis for Li and a suite of elements by 4 acid digest (ME-MS61) and sodium peroxide fusion (ME-ICP89).
	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.	Continuous half-core (HQ) samples were taken from intervals selected on rock type (granite vs pegmatite) and on variation in mineralogy (lepidolite, zinnwaldite).
Drilling techniques	*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).*	All holes were drilled HQ core size from surface, without pre-collars. Orientation of angled holes (50º) was attempted; broken ground precluded meaningful results.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Samples were visually inspected and Core Recovery was recorded in drill logs.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drilling was deliberately slowed in severely broken or oxidised ground to try to maximise core recovery.
	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.	There is no evident correlation between sample recovery and lithium grade.
Logging	*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.*	Core was geologically logged on the basis of geological and mineralogical variation and sampled at appropriate intervals, ranging from 0.17 m to 0.80 m.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging was qualitative and semi-quantitative and recorded rock type, mineralogy, veining, alteration, colour, weathering and rock types using a standardised logging system. All core was photographed.
	The total length and percentage of the relevant intersections logged.	All holes were logged over their entire length.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core (HQ) was cut by diamond core saw, with half-core samples collected. Samples were generally not taken from the host rock granite.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	N/A
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were sent to ALS Minerals laboratories Seville, Spain for prep, where the entire sample was crushed to 70% - 2 mm, then a 1kg split taken by Boyd Rotary Splitter and pulverised to 85% passing 75 microns or better.
	Quality control procedures adopted for all sub-sampling stages to maximise representativeness of samples.	No external QC was applied to this initial batch of 39 samples.

	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.	Sampling technique and size is considered appropriate for this style of mineralisation.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The larger HQ core was adopted as it is considered as a better method to sample pegmatite mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Sample pulps were sent by ALS Seville to ALS in Perth and analysed for Li and a suite of elements by 4 acid digest (ME-MS61) and sodium peroxide fusion (ME-ICP89).
	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.	Not applicable, no instruments used.
	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.	No external QC was applied to this initial batch of 39 samples.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	A minimum of 2 company geologists have verified significant intersections.
	The use of twinned holes.	No twinned holes were drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Drill hole data and geological logs are recorded on paper in the field then entered into digital format before being uploaded to the company SQL database.
	Discuss any adjustment to assay data.	There has been no adjustment to assay data.
Location of data points	*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.*	Preliminary drill hole coordinates were determined using a hand-held GPS.
	Specification of the grid system used.	UTM WGS84 zone 29T
	Quality and adequacy of topographic control.	RL determined using hand held GPS
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The seven holes drilled at Block 1 are on nominal 100m centres, adjusted for topography and access to minimise ground clearing.
	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.	The drilling is first-pass and not yet at a stage where a Mineral Resource estimation is appropriate.
	Whether sample compositing has been applied.	No sample compositing was applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The mineralisation comprises a system of sub-horizontal pegmatites hosted within massive granite such that vertical holes and holes at a dip of 50 degrees are considered representative and unbiased.
	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.	The holes were drilled vertically or at a dip of 50 degrees. The drill orientation is considered appropriate for the system of sub-horizontal pegmatites and is not considered to have introduced a bias.
Sample security	• *The measures taken to ensure sample security.*	Core trays are transported to a nearby warehouse where sampling is undertaken. Samples are transported by road by courier to ALS laboratories in Seville, Spain.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews were conducted for this sampling program to date.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Alvarroes Lepidolite Project, located near Guarda in Portugal, currently comprises mining concession MNC000008, owned by Felmica Industriais, which is 75% owned by Portuguese private company Grupo Mota ("Mota"). Lepidico has signed a binding term sheet with Mota governing a commercial relationship between the parties that includes the definition of a mineral resource at Alvarrões.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Tenure is secure with no known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Exploration was supervised and conducted by Lepidico Ltd staff and contractors.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Lepidolite pegmatite mineralisation within the Seixo Amarelo-Gonaclo pegmatite system intruded into the Guarda granite, Guarda area, Portugal.
Drill hole Information	• *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:*	Refer to the body of the report – Tables 1 and 2; Figures 1 and 2.
	o *easting and northing of the drill hole collar*	Refer to the body of the report – Table 1
	o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	Refer to the body of the report – Table 1
	o *dip and azimuth of the hole*	Refer to the body of the report – Table 1
	o *down hole length and interception depth*	Refer to the body of the report – Table 2
	o *hole length.*	Refer to the body of the report – Table 1
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	N/A
Data aggregation methods	• *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.*	Intercepts were determined by adding adjacent sample intervals. Intercept grades were determined by weighting sample intervals with respective grades.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	N/A
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	N/A
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	Drill holes are mostly vertical, or inclined at 50 degrees, drilling into sub-horizontal mineralised pegmatites.
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	Vertical holes are essentially perpendicular to the sub-horizontal mineralised pegmatites. One inclined hole (ALVD02) was drilled at a dip of 50 degrees to the horizontal plane.
	• *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').*	Intercepts reported as down-hole intercepts.

Diagrams	• *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.*	A plan showing drill hole locations is provided in the body of the announcement as Figure 1.
Balanced reporting	• *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.*	Results for all samples received were reported.
Other substantive exploration data	• *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.*	Summary results are presented in Table 2 and a full list of multi-element assays is provided as Appendix 1 to the announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	The diamond drilling program is ongoing with an additional circa 15 holes to be drilled and assayed. The program is expected to continue through to end August 2017.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Location of the remaining proposed drill holes in the program is shown in Figure 1 of the announcement.