

## 2017 Annual General Meeting - Chairman's Address to Shareholders

Good morning ladies and gentlemen, welcome to Lepidico's 2017 Annual General Meeting.

Thank you for joining us today.

It is my pleasure to advise you that in fiscal year 2017 our company delivered on the annual critical tasks identified in the five-year strategic plan created in July 2016, despite volatile markets for lithium companies and challenging corporate conditions. During such times of uncertainty, it is vital that long-term goals prevail, which they have.

Of paramount importance to all of us are safety and the environment. With the commencement of pre-feasibility study activities in September 2016 Lepidico commenced collection of sustainability performance data and to date the Company has a zero harm track record.

The Company's achievements since its L-Max<sup>®</sup> technology became part of a listed entity in July 2016 have been considerable. We have put together a small but highly skilled team, who along with a strong network of advisors, have enabled us to deliver on our strategy in a professional and timely manner. Lepidico's overarching objective is to become a competitive lithium chemical producer by the end of this decade, while adhering to core values and a sustainable business model.

Completion of the Phase 1 L-Max<sup>®</sup> Plant Pre-Feasibility Study in February 2017 was a milestone event. The scale of our Phase 1 L-Max<sup>®</sup> plant is large enough to provide an attractive economic return, yet small enough for an emerging company to deliver upon. The results of this study were compelling and provided the confidence to commit to a feasibility study, the engineering for which is on schedule for completion at the end of the 2017 calendar year.

Another critical task is to secure concentrate feed for the Phase 1 Plant Project. During this year four separate agreements were entered into, over four lithium mica rich projects that individually have the potential to provide sufficient feed for the Phase 1 Plant, and collectively feed for a much larger scale, 15,000t-25,000t per year full scale L-Max<sup>®</sup> Plant, which remains a longer-term objective of the Company.

Most recently Lepidico has entered into a strategic alliance with Galaxy Resources. This Alliance is based on a shared vision for the significant global opportunity provided by the commercialisation of Lepidico's L-Max<sup>®</sup> technology. With its strong industry contacts and relationships in the lithium industry, Galaxy will be assisting Lepidico with future business and growth opportunities, evaluating potential synergies with its Mt Cattlin mine and James Bay projects, including accessing additional mica feedstock sources able to be treated by L-Max<sup>®</sup>.

The Galaxy alliance complements the arrangements Lepidico has in Canada, Portugal and Western Australia, all of which will be evaluated further in 2018 for their respective lithium mica potential, not just to support the Phase 1 Plant but also as a mineral inventory for a larger full-scale plant development.

Looking forward, new sources of sustainable lithium production are required by a market which is in a dramatic growth phase due to accelerating demand for lithium-ion batteries. Abundant mica minerals have historically been overlooked as a source of lithium supply, as prior to the advent of L-Max<sup>®</sup> there was no commercially viable process to treat them. L-Max<sup>®</sup> treats concentrated lithium-mica minerals to produce lithium chemicals, allowing the operator participation throughout the value chain at competitive capital intensity and moderate operating cost. This is in part due to the production of valuable by-products that include SOP fertilizer and sodium silicate. Our L-Max<sup>®</sup> process technology utilises industry standard equipment and mainstream, low cost chemicals via an innovative flowsheet to produce high quality lithium chemicals, essential for the fabrication of lithium-ion batteries used in electric vehicles and energy storage units.

Lepidico is committed to the commercialisation of L-Max<sup>®</sup> through the development of its Phase 1 Plant Project, planned to be located in Eastern Canada. This plant is designed to produce approximately 3,000 tonnes per year of lithium carbonate equivalent. Permitting remains on the critical path for an investment decision. To expedite this work-stream Lepidico has established a presence in the city of Toronto from which it will build as the business's center of gravity grows in the region.

Differentiation is all important in the lithium space where there is no shortage of junior companies and where competition is extremely high. L-Max<sup>®</sup> creates a new market space for lithium chemical production based on in ground resources for which there is only limited competition. Lithium mica deposits have never-before been the focus of systematic exploration, as there hasn't been a viable, sustainable process for the extraction of valuable products. L-Max<sup>®</sup> changes this.

Lepidico provides exposure to the relatively uncontested space for high quality, accessible lithium mica minerals and the ability to process these into ecologically friendly, high-specification, products. Lepidico is developing a clean-tech business that is synonymous with quality, from the materials that it plans to mine to the highest possible value products that it will sell to its valued customers.

In closing, on behalf of all the directors we extend our sincere gratitude to all stakeholders that are supporting the company on this exciting journey to become a new low-cost producer of lithium chemicals. In particular, we thank shareholders for their overwhelming support in the two entitlements offers that Lepidico has undertaken this year. With a seasoned team of professionals and fully funded for the completion of the Phase 1 Plant feasibility study, the Company is in a solid position to deliver on its strategy in 2018 and beyond.

**- END -**