ASX/Media Announcement
7 December 2017

Inaugural Alvarrões Mineral Resource Estimate

- **Inferred Mineral Resource estimate of 1.5 Mt @ 1.1% Li_2O**
- **Potential to provide lithium-mica concentrate feed to the Phase 1 L-Max® Plant Project for in excess of 10 years from just Blocks 1 and 2**
- **Robust pegmatite system confirmed by drilling over 900 m along strike and 500 m down-dip; system remains open**
- **Potential to materially expand Mineral Resources and upgrade to Indicated category with follow-up drill program**

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to announce a maiden Mineral Resource estimate for the Alvarrões Lepidolite Project in Portugal, which hosts an extensive system of stacked lithium-mineralised pegmatite sills.

The estimate was completed by AMC Consultants Pty Ltd ("AMC") and was based on the results of 17 diamond core holes drilled at Alvarrões by Lepidico between May and September 2017. AMC reports a JORC Code-compliant maiden Inferred Resource at Alvarrões of **1.5 Mt @ 1.1% Li_2O** (JORC Code Table 1 and summary appended). Within this estimate is 1.1 Mt @ 1.1% Li_2O over approximately 400 m of strike at Blocks 1 and 2 (Figure 1).

As part of the Mineral Resource estimation program a preliminary mining study was undertaken for Alvarrões and the results integrated with the Phase 1 L-Max® Plant Project, which is currently the subject of a feasibility study. This work shows that Blocks 1 and 2 alone have the potential to provide feed to the planned Phase 1 L-Max® Plant for in excess of 10 years.

Table 1. Alvarrões Mineral Resource Estimate[1]

Block	Sill	Classification	Mt	Li_2O (%)
1 & 2	Sill M	Inferred	0.3	1.2
1 & 2	Sill N	Inferred	0.7	1.2
1 & 2	Sill O	Inferred	0.1	0.7
Sub total			**1.1**	**1.1**
3	Sill N	Inferred	0.3	1.2
3	Sill O	Inferred	0.2	1.1
Sub total			**0.5**	**1.2**
Total[2]		**Inferred**	**1.5**	**1.1**

[1] Mineral Resource reported in an optimisation shell based on a lithium carbonate price of US$12,000/t. Reporting considers a minimum sill thickness of 0.5 m and a 1,750 ppm Li cut-off grade.
[2] Additive discrepancy caused by rounding.

The diamond drilling at Alvarrões has so far identified 13 stacked sub-horizontal mineralised pegmatite sills, confirmed to extend over a 900 m by 500 m area and ranging in thickness from 0.5 m to over 4.0 m, with 15% to 30% lepidolite content. The system remains open in all directions (Figure 1).

The Mineral Resource estimate is based on the geological interpretation by Lepidico of just three of the identified pegmatite sills where continuity across the deposit was established by drilling,

designated Sill M, Sill N and Sill O (Figures 2 and 3). The interpretation was based on broadly-spaced drill holes nominally 80 m on section and 250 m along strike.

Lepidico is in the process of designing a reverse circulation and diamond core drilling program to increase the data density in the central areas and to further extend the mineralisation to the north and west. The objective of this program will be to upgrade the Mineral Resource within Blocks 1 and 2 to Measured and Indicated categories and establish the resource potential for all pegmatite sills across Block 3.

Drilling has shown the Alvarrões lepidolite pegmatite system to be extensive, and suggests an Exploration Target of between 3 Mt to 5 Mt at a grade of 1.0% Li_2O to 1.5% Li_2O and 15% to 30% lepidolite content. It is noted that the potential quantity and grade of the Exploration Target is conceptual in nature as, to date, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

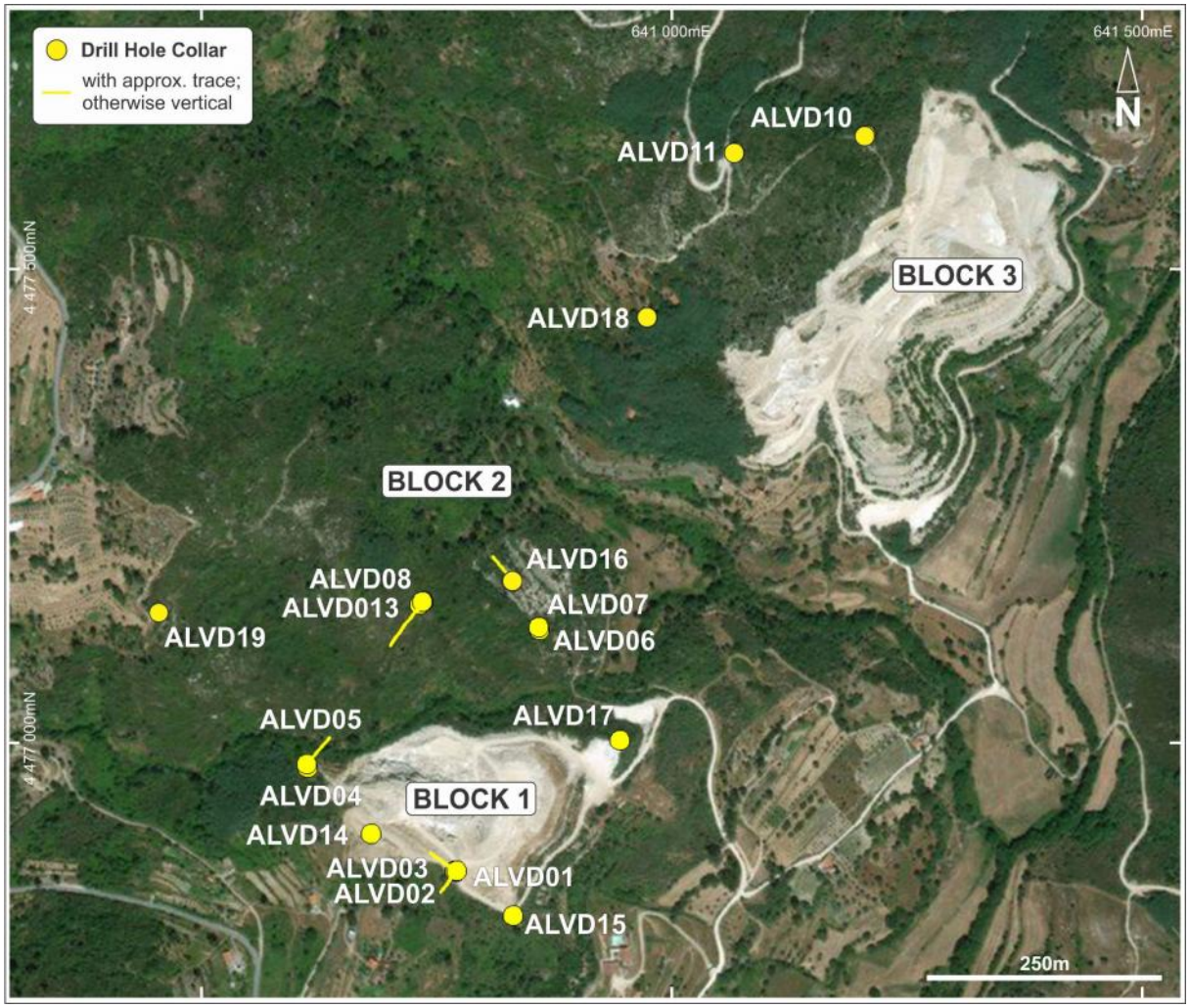

***Figure 1**. The lithium pegmatites at Alvarrões have been confirmed by drilling to extend at least 900 m along strike (ALVD19 to ALVD10) and 500 m down-dip (ALVD15 to ALVD19). All holes intersected mineralised lepidolite-bearing pegmatites. The system remains open in all directions.*

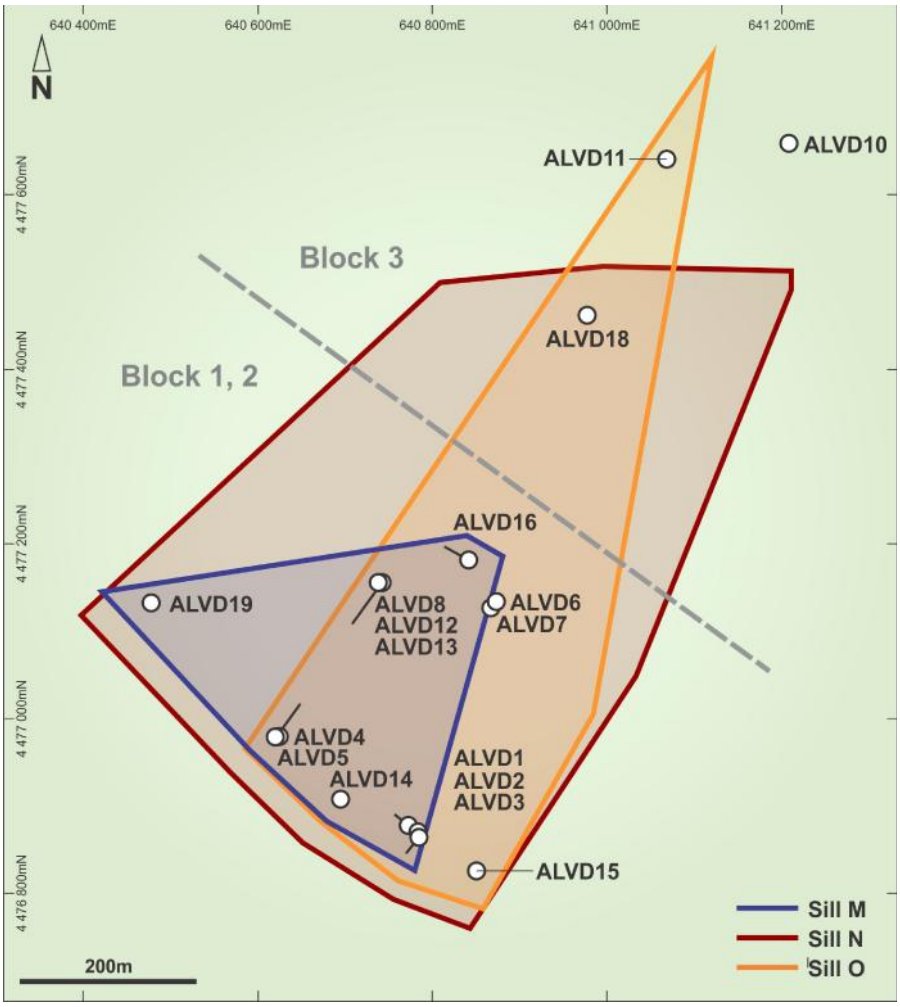

Figure 2. *Plan view of the wireframes of the three mineralised pegmatite sills at Alvarrões used in the Mineral Resource estimation, before being cut to topography.*

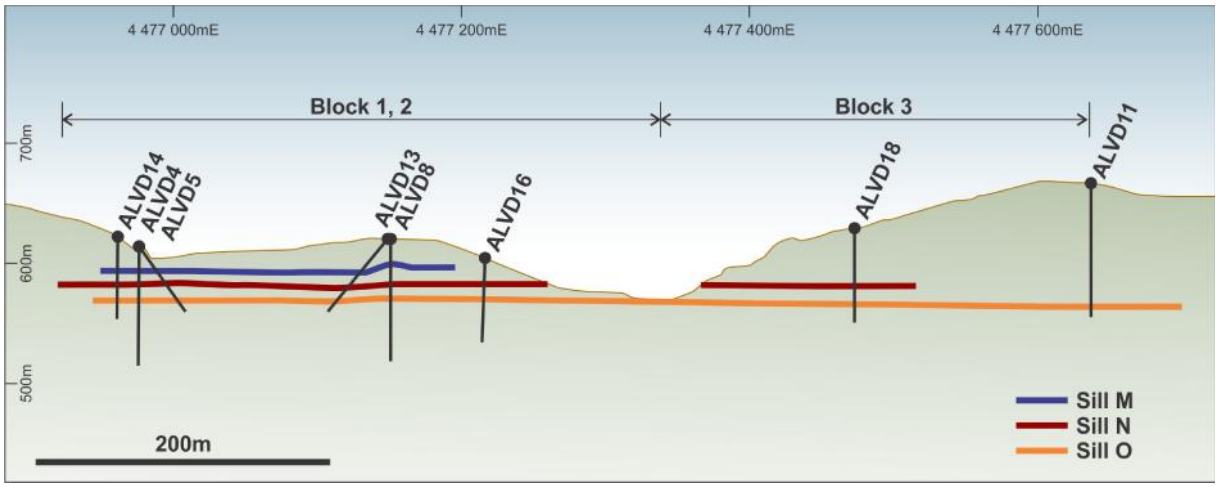

Figure 3. *Long-section through the Alvarrões lithium deposit, showing continuity of the three lepidolite-bearing pegmatite sills used in the Mineral Resource estimate and separation by topography into the Block 1 & 2 and Block 3 domains. Note, sill thickness schematic; varies from 0.5 m to over 4.0 m.*

The work at Alvarrões is part of Lepidico's Mineral Resource definition program to establish a multi-deposit inventory of high-quality lithium mica Mineral Resources to provide feedstock for not just the proposed Phase 1 L-Max® Plant to be located in Sudbury, Canada but also conceptual larger-scale L-Max® plants.

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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 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.

Lepidico's current exploration interests include an ore access agreement with Grupo Mota over the Alvarrões Lepidolite Mine in Portugal; and farm-in agreements with both Maximus Resources (ASX:MXR) and Pioneer Resources (ASX:PIO) over the Moriarty Lithium Project and PEG 9 lepidolite prospect respectively, both in Western Australia. Lepidico has also entered into a Letter of Intent with TSX listed Avalon Advanced Materials Inc. for planned lithium mica concentrate supply from its Separation Rapids Project in Ontario, Canada.

Lepidico has a strategic alliance with Galaxy Resources Limited (ASX: GXY, which holds a 12% interest in LPD) based on a shared vision for the significant global opportunity provided by the commercialisation of L-Max®. With its strong industry contacts and relationships in the lithium industry, Galaxy will assist Lepidico with future business and growth opportunities, that include the evaluation of potential synergies with its Mt Cattlin Mine and James Bay Project.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Dean Carville, who is a full-time employee of AMC consultants Pty Ltd. Mr Carville is a Member of the Australasian Institute of Mining and Metallurgy and 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 Carville consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

The information in this report that relates to Exploration Results and the Exploration Target is based on information compiled by Mr Tom Dukovcic, who is a full-time 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.

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Alvarrões Mineral Resource Estimate November 2017

Summary

Lepidico Ltd (Lepidico) engaged AMC Consultants Pty Ltd (AMC) to complete a maiden Mineral Resource estimate for the Alvarrões lepidolite deposit in Portugal.

The Alvarrões project is located approximately 12.5 km south-south-west of the regional centre of Guarda in north-eastern Portugal (Figure I).

Figure I Alvarrões project location

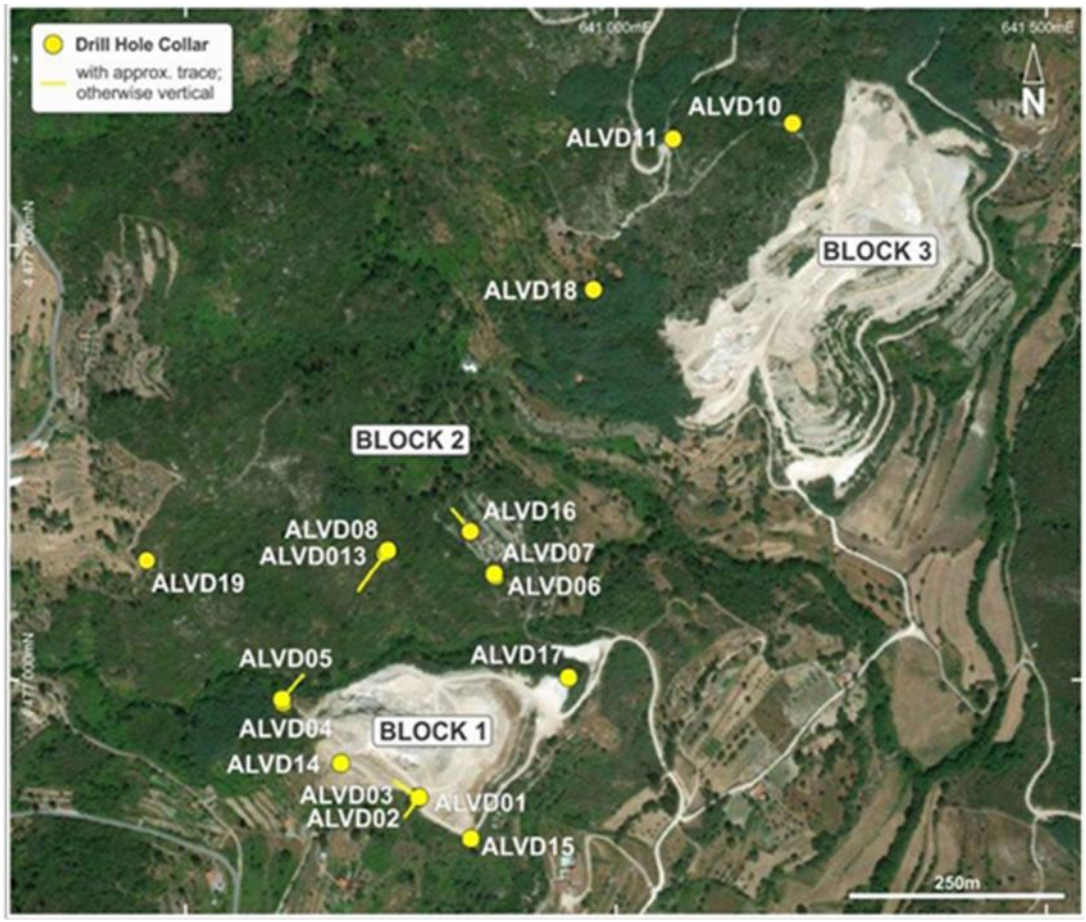
The mining title is held by Felmica Minerais Industriais SA (Felmica) which is 75% owned by Portuguese private company Grupo Mota (Mota). Felmica is currently mining pegmatite for feldspar and silica products for use in the ceramics industry. Lepidico has signed a binding term sheet with Mota governing a commercial relationship between the parties that includes the definition of a Mineral Resource at Alvarrões.

The main lithium-bearing mineral at Alvarrões is lepidolite hosted by mainly horizontal pegmatite sills intruding the Guarda granite, a biotite granite of Hercynian age. The sills are part of the Seixo Amarelo-Gonaclo pegmatite system. Most of these pegmatite sills contain some lepidolite, although drill core logging indicates that some minor pegmatites are barren. The pegmatite sills have sharp visual contacts with the granite.

Locally the granite is intruded by narrow dolerite dykes that may stope out the pegmatite.

The Mineral Resource estimate is based on exploration drilling completed by Lepidico in 2017 (Figure II). Lepidico completed the geological interpretation of the pegmatite sills and developed three dimensional wireframes. Wireframes were checked for consistency and whether they were suitable for use in a Mineral Resource estimate.

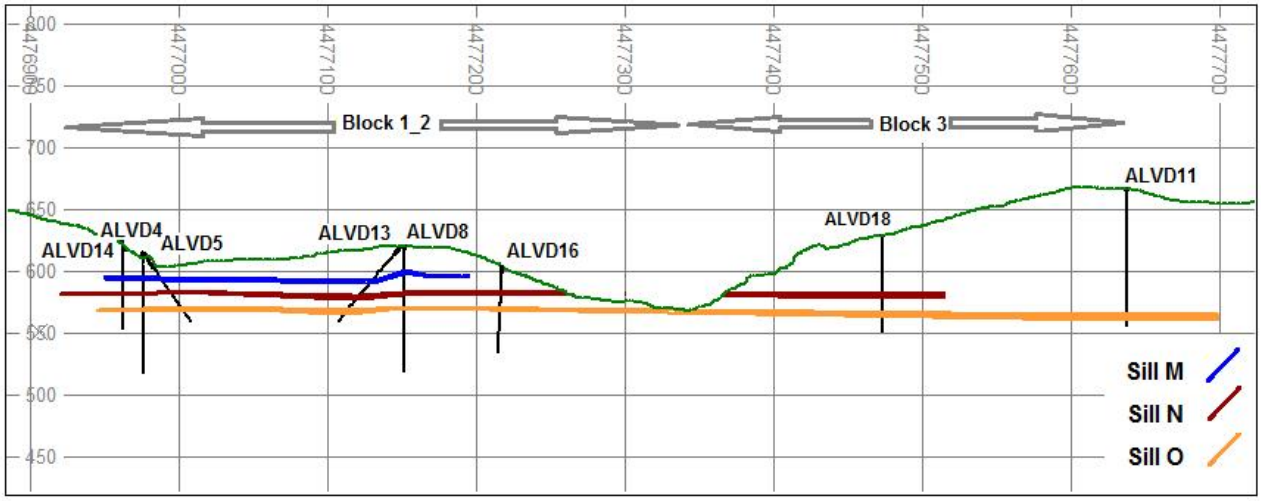
Figure II Drillhole locations



Source: Lepidico Ltd, ASX announcement, 28/10/17; LPD-170928-Alvarrões-is-a-Very-Large-Lithium-System-.pdf

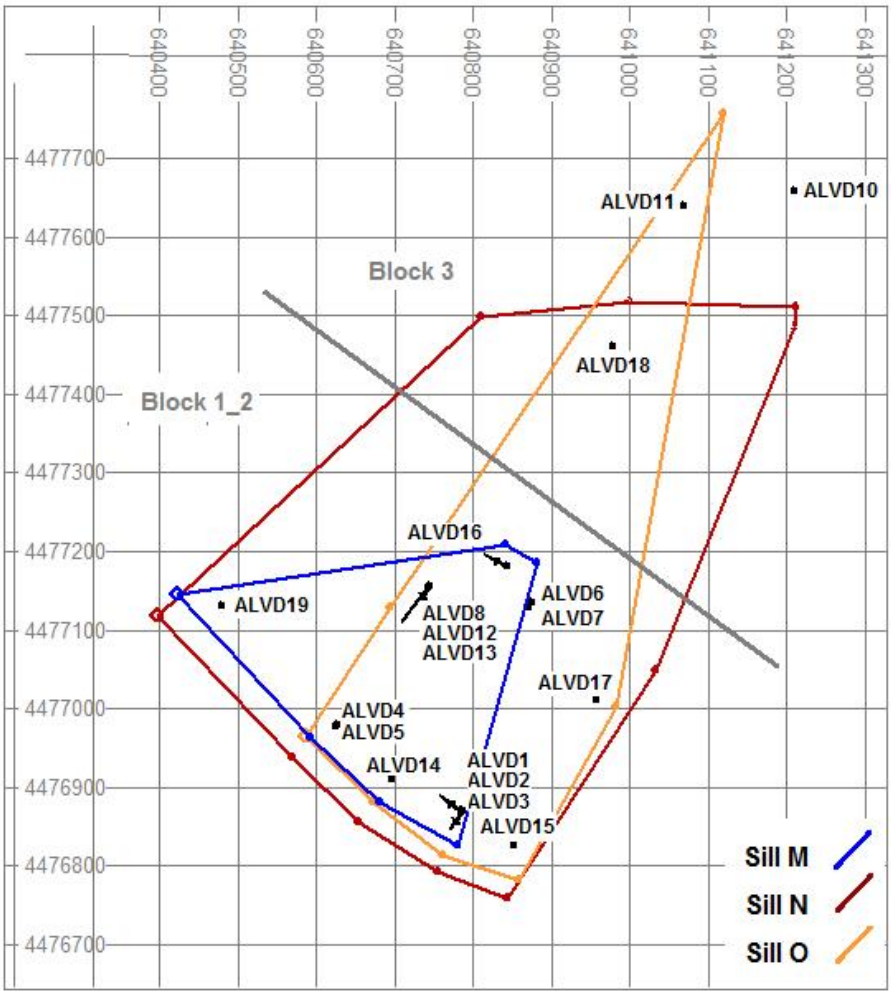
Three lepidolite-bearing sills that demonstrate coherent continuity across the deposit were interpreted, labelled M, N and O (Figure III).

Figure III Long section oriented northeast showing location of sills



The interpretation is broadly separated into two areas that correspond to the quarry areas separated by a valley. Most drilling has been carried out in the Block 1_2 area. The Block 3 area to the north has limited drilling but extensive quarry exposure of the sills (Figure IV).

Figure IV Drillhole location and limits of sills



A topography wireframe based on a pre-mining surface was updated in the area covered by the drilling by a drone survey using a 1 m grid spacing.

Seventeen completed diamond drillholes were available for the estimate. Two drillholes were abandoned due to drilling problems. Drillhole data included assays, collars surveys, downhole surveys and logged geology. Quality assurance and quality control (QAQC) consisted of certified reference materials, blanks and field duplicates. No material errors were identified in the data.

Drilling was HQ diameter diamond drill core. Downhole surveys were carried out every 6 m using a multishot instrument. Drillhole collars have been surveyed with a conventional global positioning system (GPS) instrument and subsequently by a local surveyor using differential GPS.

Drill core was logged geologically and the lepidolite content visually estimated. Basic geotechnical information has been collected.

Samples were selected considering geological boundaries with sampling extended into the footwall and hangingwall of the sills. Half core samples were submitted to the laboratory for sample preparation and analysis. Sample preparation was conducted at ALS Laboratories in Seville, Spain and sample analysis conducted at ALS Laboratories at either Loughrea (Ireland), Vancouver (Canada), or in Perth (Western Australia). The analysis method uses four acid digest and ICP-MS[1].

The geological model treats the host granite as a uniform rock type without differentiating alteration or weathering. Within each pegmatite sill, the lepidolite is irregularly distributed, with no stratification.

Some lithium may be associated with other lithium-bearing minerals, but they are not expected to be material to the resource estimate. Zinnwaldite can occur in granite at the edges of the pegmatites, and may be included in mining dilution, but any lithium content is not reported in the Mineral Resource estimate.

A block model was generated for the sills and the host granite. The volume for the sills was defined using a two-dimensional seam model prototype and for the granite a three-dimensional prototype. Parent cell size was 50 m east by 50 m west. The sill volume model had a single cell in the vertical dimension. Cell height in the granite volume model was 10 m.

Drillholes were flagged using the interpreted sill wireframes and coded according to which sill they intersected or were in the adjacent granite.

The sill intercepts were composited to create single width composites for each drillhole within each sill. Granite intercepts were composited to 1 m length. No top-cutting was applied to any of the variables.

Because of the relatively narrow but variable thickness pegmatites, a two-dimensional accumulation method was applied for Li grade estimation in each of the pegmatite sills. In this method, the product of grade and thickness for each drillhole composite is estimated along with a thickness service variable into a two-dimensional model. Grades are then back calculated from the estimated values. The estimated grades are reset into a split cell model that defines the volume for each sill. In the model, there is no assumed grade differentiation across the thickness of the pegmatites. Thickness for volume reporting is based on the wireframe and not by the estimated thickness.

The values were estimated using inverse distance to the power of two (ID2) into parent cells. The granite model was a conventional three-dimensional estimate using ID2 estimation. The pegmatite and granite models were combined into one model.

Li_2O grades were calculated by multiplying the estimated Li grades (in parts per million) by 2.1527 and expressed as a percentage.

[1] Inductively coupled plasma mass spectrometry

Both the sills and granite were assigned bulk density values of 2.5 t/m^3 which is the mean of 104 density determinations for granite and pegmatite.

The interpretation of the sills was truncated to the current mining surface of the quarry so no further depletion for mining is currently required.

The estimated block models were validated by comparing input composite data with the estimated grades on a sill-by-sill basis.

The Mineral Resource estimate has been classified as Inferred Mineral Resource in accordance with the JORC Code[2]. The classification reflects the limited and wide-spaced drilling. Only pegmatite sills have been classified as Mineral Resource.

Preliminary metallurgical testwork has been completed by Lepidico. Lepidico proposes to use a process that floats lithium-bearing micas and then processes the concentrate to produce lithium carbonate. Recoveries and processing costs were used by independent mining consultants Australian Mine Design and Development Pty Ltd (AMDAD) to produce an optimization shell and to determine a cut-off grade. The cut-off grade considers a fixed tails grade that accounts for lithium not recovered in the process.

The Mineral Resource was reported in an optimization shell prepared by AMDAD. The shell is based on a lithium carbonate price of US$12,000/t. Part of the estimate reported as Inferred Resource in the Block 3 area was extended beyond the shell to reflect geological continuity seen in quarry exposures. Reporting of the Mineral Resource considers a minimum sill thickness of 0.5 m and a 1,750 ppm Li cut-off grade.

Table I lists the Mineral Resource estimate by block and sill.

Table I Alvarrões Mineral Resource estimate[1]

Classification	Block	Sill	Mtonnes	Li_2O (%)
Inferred	1_2	M	0.3	1.2
Inferred	1_2	N	0.7	1.2
Inferred	1_2	O	0.1	0.7
Sub total			1.1	1.1
Inferred	3	N	0.3	1.2
Inferred	3	O	0.2	1.1
Sub total	–	–	0.5	1.2
Total			1.5	1.1

1 Mineral Resource reported in an optimization shell based on a lithium carbonate price of US$12,000/t. Reporting considers a minimum sill thickness of 0.5 m and a 1,750 ppm Li cut-off grade
2 Minor discrepancies in totals can occur due to rounding

JORC Code Compliance Statement

The information in this report that relates to Mineral Resources is based on information that has been compiled by Dean Carville, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Dean Carville is a full-time employee of AMC Consultants Pty Ltd. Dean Carville has sufficient experience that is relevant to the style of mineralization 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 Exploration Results, Mineral Resources and Ore Reserves. Dean

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2013. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC).

Carville consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

AMC is a firm of mineral industry consultants whose activities include the estimation of Mineral Resources. AMC has been paid a fee according to its normal per diem rates and out-of-pocket expenses on completing the scope of work for Lepidico. The fee is not contingent on the results of the scope of work. Neither Dean Carville nor other AMC employees involved in completing the scope of work have any pecuniary or beneficial interest in Lepidico.

2017 Alvarrões Mineral Resource Estimate (2012 JORC Code – Table 1)

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized 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.	The Alvarrões deposit was sampled using diamond core drilling from surface. A total of 19 diamond holes were drilled into the deposit. All but one of the holes were logged and all but two were assayed. Drillhole ALVD09 was abandoned at 9.85 m due to no sample return and was not logged, or assayed. Drillhole ALVD12 was abandoned at 19m due to lack of water circulation and was logged but not assayed. The total metres of drilling available for interpretation and grade estimation was 1,235.62 m at the date of the resource estimate. All drillholes were drilled by a Portuguese drilling company. Drill core was HQ diameter. All of the drilling sampled both pegmatite sills and adjacent granite. Analysis was completed for a suite of elements including Li, K and Rb.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drillhole collars were set out using hand held GPS and on completion the collars were surveyed by survey contractors using high precision differential GPS (DGPS). The surveyors checked the height datum and surveyed the toe of the main sill where it outcropped in the pit area. Downhole surveys were completed for all the diamond holes, using Reflex Ez-Trac equipment, every six metres. Holes were predominantly vertical, with five being 50° to 60° in dip. No core was oriented. All holes were 125 m or less in depth, with the median depth being 65 m. Diamond core was half-core sampled at regular intervals (usually one metre) and constrained to geological boundaries. Some earlier drilled holes had samples that overlapped the pegmatite-granite contact.

Criteria	JORC Code Explanation	Commentary
	Aspects of the determination of mineralization that are Material to the Public Report.	Samples were sent to ALS Laboratories in Seville, Spain for sample preparation and ALS in Perth, Western Australia for assay for Li and a suite of other elements, including K, Rb, Fe, P and Ca. A four-acid digest with inductively coupled plasma spectroscopy and mass spectrometry (ICP-MS) finish process was used (ME-MS61). Some earlier samples used ME-ICP89 analysis, which uses a sodium peroxide fusion and an inductively coupled plasma spectroscopy and atomic emission spectroscopy (ICP-AES) finish. Some of the earliest samples were analysed in ALS Laboratories in Loughrea, Ireland, using the same processes as used in Perth as well as testing the ME-ICP89 process. Lepidolite was visually determined where possible and XRD (x-ray diffraction) samples were taken to check for non-mica lithium-bearing minerals, such as amblygonite.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).	Diamond core was drilled at HQ diameter for all holes and all holes were drilled as diamond core from surface. No core orientation data has been recorded in the database. All holes were downhole surveyed.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Diamond core recovery was measured when the core was recovered from the drill string. The length of core in the tray was compared with the expected drilled length and recorded in the database as a percentage. No significant sample recovery issues were encountered during the drilling programmes.
	Measures taken to maximize sample recovery and ensure representative nature of the samples.	Lepidico instructed the drilling company to slow the drilling rate when drilling in areas of broken, rubbly or oxidized ground, to ensure maximum recoveries. All of the drillholes have been drilled as close as possible to perpendicular to sills and fully from hangingwall to footwall to ensure sample representivity. Average recovery of the sills, where recorded, is approximately 70% and ranges from 9% to 99% 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 does not appear to be any relationship between sample recovery and Li grade. However, the intervals in the geology database with logged recovery and sample intervals do not always correspond, so the relationship can only be seen on a gross scale.

Criteria	JORC Code Explanation	Commentary
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.	Diamond core was geologically logged using predefined lithological, mineralogical and physical characteristic (rock type, mineralogy, colour, weathering, fabric, veining, texture) logging codes and the logged intervals were based on lithological intervals. Sample recovery, rock quality designator (RQD) and fracture frequency were also recorded. Logged intervals ranged from 0.01 m to 19.2 m downhole. Logging was completed on site by the responsible geologist. The first six holes were logged in long-form in great detail, with the successive holes using a rationalized system, better suited for use in Mineral Resource estimation. Logging was on paper, then transferred into Excel spreadsheets, one for each hole, with separate tabs for different data types. The data was checked for accuracy when transferred to ensure that correct information was recorded. All of the diamond core samples have been logged to a level of detail to support Mineral Resource estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging was both qualitative and quantitative in nature, with general lithology information recorded as qualitative and most mineralization and alteration records being quantitative. All core trays were photographed, both wet and dry.
	The total length and percentage of the relevant intersections logged.	All recovered intervals were geologically logged.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Diamond core was cut in half for sampling and core was generally selected within the sills and one to two metres in granite either side. Quarter core field duplicates were taken.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	No non-core sampling has been undertaken for use in the Mineral Resource estimate.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All samples were crushed to 70% passing 2 mm by Boyd crushers and split with rotary splitter if required to produce a standardized ~1 kg sample for pulverising. Samples were pulverized using an LM2 pulveriser to a nominal 85% passing 75 micron and sub sampled for assaying. The coarse rejects are stored at ALS in Seville and the remaining pulps are stored at ALS laboratories in Loughrea, Vancouver or Perth.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	Field duplicates, certified reference materials (CRM) and blanks were inserted into the sampling stream at a rate of nominally 1:40 for blanks, 1:20 for CRMs. Seven field duplicates have been submitted.

Criteria	JORC Code Explanation	Commentary
	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.	HQ diameter core was sampled across the sills. Most holes are drilled at 90º to the sills and sample the complete sill. AMC considers the sample sizes to be representative. Half core samples were taken from the pegmatite sills and a 0.5 m interval of barren granite in the hangingwall and footwall. The entire core sample was crushed and mixed before splitting to sub-samples for assaying. Some samples from the first six holes drilled have slight overlap on the granite to pegmatite contact and are slightly diluted grade assays. AMC does not consider that the small number of these samples has a material effect on the Mineral Resource estimate.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	As all of the variables being tested occur as moderate to high percentage values and generally have very low variances, the chosen sample sizes are appropriate.
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.	All samples were assayed using a near-total dissolution method designed to measure the total amount of each element in the sample. Although the laboratories changed over time, the laboratory procedures appear to be in line with industry standards and appropriate for lithium deposits. The commercial laboratories are industry recognized and certified. Half-core samples were dried before being crushed and pulverized. Sub-samples were collected to produce a 0.25 g aliquot that was digested in a four-acid mix, before being assayed using AES or MS analysis. CRMs, blanks and field duplicates were used for quality control.
	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.	No readings of this type were undertaken.

Criteria	JORC Code Explanation	Commentary
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Two separate CRM samples with nine values recorded for each, 18 blanks and nine field duplicates are recorded in the database. The two CRMs, GTA-03 and GTA-05, were designed to test the Li grades around 7,800 ppm and 8,400 ppm. These were certified and sourced from Geostats Pty. Ltd. The CRMs generally show values within two standard deviations (SD) of the expected values, but with each having one value returned outside that range for Li. K values perform better, with only one value, from GTA-05, falling outside the +/- one SD range. The CRM values generally show good precision, falling within 3% to 5% of the mean value in any batch. The nine field duplicate results generally fall within 10% of their original values. Only two samples vary by more than 10% for Li, three for K and four for Rb. The blank material used at Alvarrões has been sourced from another Felmica operation and is coarse-crushed quartz. This is not certified blank material and the values are not zero for either Li, K or Rb. Li values fall between 50 ppm and 200 ppm, so are well below a potential cut-off grade. K values are approximately equal to and in one case higher than, the lowest K grade in the sills. This makes it very difficult to ascertain whether the K values in the sill material have been contaminated.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Two Lepidico company geologists have verified the significant mineralized intercepts recorded in the database.
	The use of twinned holes.	No twinned holes have been completed to date for the project.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All primary geological data has been collected using paper logs, then transferred into Excel spreadsheets. The data was checked on transfer by the geologist.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data, apart from resetting below detection limit values to half detection limit values.
Location of data points	Accuracy and quality of surveys used to locate drillholes (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. All collars were subsequently re-surveyed by differential GPS.
	Specification of the grid system used.	The grid projection used for Alvarrões is UTM WGS84, Zone 29T. All reported coordinates are referenced to this grid.
	Quality and adequacy of topographic control.	Drillhole collar positions were initially determined using hand-held GPS and subsequently re-surveyed using DGPS. A topographic surface has been generated by combining IFSAR data at ±5 m resolution supplied by Felmica with a more recent survey at a 1 m grid resolution and ±0.02 m accuracy. The recent topographic survey completed using a Real Time Kinematic (RTK) GPS equipped drone, reflects the active mining and covers the area local to the mined pits only.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The drilling in the deposit is clustered due to mining activity and the hilly topography limiting access for drilling rigs. Drillholes are grouped in the Block 1 and 2 areas, with minor drilling in Block 3. Drillholes in Block 1 and 2 areas for the three sills are approximately 80 m to 150 m spacing at best.
	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 degree of geological and grade continuity demonstrated by the data density is sufficient to support the definition of Mineral Resources and the associated classification applied to the estimate as defined under the JORC Code. At the current spacing, AMC believes that the Mineral Resource estimate can be classified as Inferred Resource.
	Whether sample compositing has been applied.	Samples were not composited. Assays were composited for grade estimation.
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 sills are interpreted to be flat dipping and tabular. The drilling is almost exclusively conducted to dip down at 90°, producing approximate true thickness sample intervals through the sill.
	If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The orientation of drilling with respect to mineralization is not expected to introduce any sampling bias. 13 of the 19 drillholes intersect the mineralization at an angle of approximately 90° and the remaining six intersect at 50° to 60°.
Sample security	The measures taken to ensure sample security.	Core trays were transported to a nearby Felmica owned warehouse, where they were sampled. Samples were collected and double bagged in plastic bags marked with the sample number and with a sample tag inserted. Bags were cable tied to secure them and groups of five were placed into larger cable-tied black plastic bags with a sample list attached. The black plastic bags were transported to the DHL courier's office at Covilha, approximately 30 kms south-west by road from site. DHL transported the samples to ALS in Seville. Sample pulps were transported by ALS from Seville to the relevant assay laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No third party audits or reviews have been conducted for the Alvarrões sampling programmes to date. AMC has reviewed the sampling procedure and determined it to be appropriate.

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 Alvarrões 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.	At the time of this report, the tenure is secure with no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	All of the exploration for lithium within the pegmatite sills was supervized and conducted by Lepidico staff and contractors.
Geology	Deposit type, geological setting and style of mineralization.	The Alvarrões lithium deposit consists of lepidolite-rich pegmatite sills which have intruded the Hercynian age Guarda biotite granite. The sills are mainly horizontal, with three main sills identified and correlated over the project area. These are part of the Seixo Amarelo-Gonaclo pegmatite system. Several minor sills have been intersected, but there is currently too few data to interpret them with any degree of confidence. Most of the pegmatite sills contain some lepidolite, although drill core logging indicates that some of the minor pegmatites are barren. The pegmatite sills have sharp visual contacts with the granite. Locally the granite is also intruded by narrow dolerite dykes that may stope out the pegmatite.
Drillhole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:) Easting and northing of the drillhole collar.) Elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar.) Dip and azimuth of the hole.) Down hole length and interception depth.) Hole length.	See Table A attached at end of this Section.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	Drillhole intercepts have been reported as single width composites for all sills. Occasional intervals in the earliest holes have a thin skin (less than 0.5m) of hangingwall and footwall material included. These can contain zinnwaldite rather than lepidolite. No cutting of grades has occurred.

Criteria	JORC Code Explanation	Commentary
	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.	Single intercepts have been generated by length weighting grade and sample length. No obvious trends were observed where short runs of very high grade were composited with longer lengths of low grade. Raw sample lengths and grades were generally distributed evenly.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values were determined. Li_2O% grades were added to the modelled data using the element to oxide multiplication factor of 2.1527. Li_2O% = (Li ppm * 2.1527)/10000
Relationship between mineralization widths and intercept lengths	If the geometry of the mineralization with respect to the drillhole angle is known, its nature should be reported.	The pegmatite sills are interpreted as horizontal and tabular and the drilling is predominantly vertical. Six of the 19 holes are drilled at -50° to -60° dip from horizontal.
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 drillhole collar locations and appropriate sectional views.	Appropriate figures are included in the ASX release.
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.	All sill intercept results are tabulated in Table A. Background granite (non-sill) grades are not tabulated and are generally waste grades. Drillhole intercepts have been previously reported to the ASX by Lepidico, most recently on the Lepidico web-page, with a link here: http://www.lepidico.com/wp-content/uploads/2017/09/LPD-170928-Alvarrões-is-a-Very-Large-Lithium-System-.pdf
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.	Density determinations have been made on 104 core samples. Both sill material and background granite averaged 2.5 t/m^3. Assays were recorded for a suite of elements apart from Li, including K, Fe, P, Rb and Ca.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Lepidico intends to undertake infill and extensional drilling as required.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Appropriate figures are included in the ASX release.

Table A – Alvarrões exploration drilling significant intercepts

Hole ID	Easting	Northing	RL	Azimuth	Dip	From	To	Interval Length	Hole Length	Li ppm	Sill
ALVD01	640785.9	4476868.7	588.0	0.0	90.0	14.1	15.55	1.45	38.35	5063	M
ALVD02	640775.9	4476876.7	588.6	306.6	51.2	17.2	19.55	2.35	51	6561	M
ALVD03	640781.3	4476859.3	587.9	215.2	51.0	18.45	19.65	1.2	44	3820	M
ALVD04	640626.4	4476976.3	594.6	219.2	89.9	16.25	18.6	2.35	95	6221	M
ALVD05	640636.9	4476986.2	593.7	47.3	54.5	20.8	23.95	3.15	64.75	4253	M
ALVD08	640744.0	4477151.8	599.1	33.2	89.9	27.2	29.75	2.55	108.6	6027	M
ALVD13	640726.5	4477130.5	591.2	217.8	50.1	45.94	48.9	2.96	89.4	6430	M
ALVD14	640698.3	4476907.9	588.2	74.6	90.0	35.68	37.75	2.07	71.6	3838	M
ALVD19	640480.8	4477129.6	603.4	190.3	89.3	67.47	68.22	0.75	124.8	3590	M
ALVD01	640785.9	4476868.7	579.1	0.0	90.0	23.3	24.15	0.85	38.35	8880	N
ALVD02	640767.5	4476882.8	575.5	305.3	51.8	33.12	37.05	3.93	51	4544	N
ALVD03	640777.9	4476854.4	580.5	215.3	51.0	28.45	28.82	0.37	44	1160	N
ALVD04	640626.4	4476976.3	581.1	74.4	89.6	30.05	31.85	1.8	95	5672	N
ALVD05	640642.3	4476991.2	583.4	47.4	54.5	33.75	36.35	2.6	64.75	3886	N
ALVD06	640872.9	4477126.7	579.9	0.0	90.0	12	15.8	3.8	22.05	5205	N
ALVD07	640876.3	4477133.9	579.8	0.0	90.0	13	16.3	3.3	56	3174	N
ALVD08	640744.0	4477151.8	581.8	29.7	89.9	44.45	47	2.55	108.6	8493	N
ALVD13	640719.8	4477122.0	578.3	218.7	50.4	62.27	66.2	3.93	89.4	5831	N
ALVD14	640698.3	4476907.9	579.4	254.7	89.9	44.78	46.3	1.52	71.6	6462	N
ALVD15	640852.5	4476825.4	575.9	148.6	89.3	16.16	16.85	0.69	43	3010	N
ALVD16	640839.2	4477182.4	582.9	298.3	60.2	9.3	11.35	2.05	66.25	6624	N
ALVD17	640958.9	4477010.0	569.9	77.9	89.7	16	18.7	2.7	50.6	3252	N
ALVD18	640979.9	4477460.4	579.8	173.1	89.8	47	50.8	3.8	77.6	5831	N
ALVD19	640480.7	4477129.3	584.5	201.6	89.2	86.05	87.47	1.42	124.8	7520	N
ALVD01	640785.9	4476868.7	568.0	0.0	90.0	33.5	36.18	2.68	38.35	591	O
ALVD02	640761.1	4476887.3	565.6	305.6	51.3	47.4	48.15	0.75	51	3400	O
ALVD03	640773.1	4476847.7	570.4	215.4	50.8	41.55	41.8	0.25	44	3700	O
ALVD04	640626.5	4476976.3	568.6	280.6	89.9	42.88	43.9	1.02	95	6580	O
ALVD05	640648.2	4476996.6	572.3	47.3	54.2	48.15	49.2	1.05	64.75	6750	O
ALVD07	640876.3	4477133.9	568.4	0.0	90.0	25.5	26.65	1.15	56	2470	O
ALVD08	640744.0	4477151.8	570.6	242.6	90.0	56.62	57.3	0.68	108.6	1410	O

Hole ID	Easting	Northing	RL	Azimuth	Dip	From	To	Interval Length	Hole Length	Li ppm	Sill
ALVD11	641069.2	4477638.2	562.5	73.4	89.9	101.05	105.7	4.65	110.2	3843	O
ALVD13	640713.8	4477114.5	566.7	219.1	50.2	76.8	81.82	5.02	89.4	181	O
ALVD14	640698.2	4476907.9	565.0	255.0	89.9	59.58	60.23	0.65	71.6	2550	O
ALVD15	640852.5	4476825.3	567.3	157.0	89.1	25	25.28	0.28	43	3330	O
ALVD16	640834.8	4477184.8	574.1	298.6	60.5	19.9	21.05	1.15	66.25	4570	O
ALVD17	640959.0	4477010.0	562.3	109.4	89.5	23.6	26.45	2.85	50.6	2720	O
ALVD18	640979.9	4477460.4	561.6	87.8	89.9	66.17	68.04	1.87	77.6	5622	O

Section 3: Estimation and Reporting of Mineral Resources

Criteria	JORC Code Explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	All the drilling data has been recorded in digital form and loaded into a Microsoft Access drillhole database. Logging information was reviewed by the responsible geologist prior to final load into the database. All assays were received as digital files which were transferred directly into the database without data entry.
	Data validation procedures used.	The data was periodically checked by Lepidico personnel and corrections were made to the database when errors became apparent.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	AMC Principal Geologist Dean Carville visited the Alvarrões project site in late 2017 and inspected the outcrop and drillhole locations. Geology, drilling, sampling, sample preparation and transport, data collection and storage procedures were all discussed and reviewed with the responsible geologist and drilling company representative.
	If no site visits have been undertaken indicate why this is the case.	A site visit has been undertaken.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The Alvarrões pegmatite has been mined as a quarry and pegmatite sills are exposed in the current pit. All of the holes drilled to date have intersected the three main sills in the positions they were expected. Detailed mapping has been completed. The target mineral (lepidolite) can be identified by its unique pink to purple colour. Lithium content within the lepidolite is not easy to predict. The three sills show reasonably consistent thickness and grade along the strike of the mineralization and have clearly defined sharp visual boundaries.
	Nature of the data used and of any assumptions made.	No assumptions are made regarding the input data.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	Neither alternative interpretations nor estimations were undertaken. This is the first Mineral Resource estimate for the deposit.

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td>The use of geology in guiding and controlling Mineral Resource estimation.</td><td>Geological observation has underpinned the resource estimation and geological model. The pegmatite sills have clear and sharp boundaries and have been tightly constrained by interpretation wireframes. Three main sills have been identified, from drillholes and outcrop, and are defined and guided by visual (from core) and grade boundaries from assays.
The low-grade Li mineralization adjacent to the sills is constrained within the background model as an aid to dilution studies. The resource estimate is constrained by the sill wireframes.
The extents of the geological model were constrained by drilling and topography, with the sills outcropping on the sides of the local hills. Geological boundaries had only minimal extrapolation beyond drilling and mapping.
The domain codes for the sills are:
<table><tr><th>Lithology/Mineralization</th><th>Numeric Domain Code</th></tr><tr><td>Sill M (Pegmatite)</td><td>100</td></tr><tr><td>Sill N (Pegmatite)</td><td>200</td></tr><tr><td>Sill O (Pegmatite)</td><td>300</td></tr><tr><td>Background Waste (granite)</td><td>9999</td></tr></table>
The Mineral Resource estimate treated each domain separately. No oxide sub-domains were used in the grade estimate as there were too few data points for a reliable surface interpretation and estimation.</td></tr>
<tr><td></td><td>The factors affecting continuity both of grade and geology.</td><td>Key factors that are likely to affect the continuity of grade are:
• The thickness and presence of the pegmatite sills, which to date have been internally very consistent in both structural continuity and grade continuity.
• Faulting may occur with offsets that are at a scale that is too small to be defined at the current drillhole spacing.
• The amount of lepidolite within each intersection and the presence or absence of other lithium-bearing minerals</td></tr>
</table>

Criteria	JORC Code Explanation	Commentary
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The three main identified sills are stratiform, ranging in thickness from less than 0.5 m to 5 m and averaging approximately 2 m to 2.5 m. The sills are flat lying, with generally less than 1° dip in any direction. The uppermost sill, M, is currently outlined as a triangular area 480 m long and 360m wide. Sill, N, is outlined as a triangular shape 800 m long and 570 m wide. The lowest sill O is triangular shaped 1,000 m long and 330 m wide. All of the sills are oriented with their bases striking approximately at an azimuth of 310°. All of the sills are truncated by topography to the east and north-east. The larger sills, N and O are cut in the middle by a valley centred at approximately 4477250 mN. The sills are open to the south, west and north, as they are not truncated at the limits of the current drilling. All three sills outcrop at surface, particularly where the valleys between the hills intersect. They extend into the hillside to have a maximum depth below surface for the lowest sill (O) at approximately 105 m at the northernmost point.

Criteria	JORC Code Explanation	Commentary
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	All assays for the sills were composited to single width intercepts. There is no evidence of consistent zonation of Li grade within the sills. Granite assays were composited to 1 m. No grade top cuts were applied to any of the estimated variables as statistical studies showed that there were no outliers in any of the domains. A block model was generated for the sills and the host granite. The volume for the sills was defined using a two-dimensional flat model prototype and for the granite a three-dimensional prototype. Parent cell size was 50 m east by 50 m west. The sill volume model had a single cell in the vertical dimension. Cell height in the granite volume model was 10 m. Drillholes were flagged with the sill wireframes and coded for the sill or adjacent granite. A two-dimensional accumulation method was applied for grade estimation in the pegmatite sills. In this method, the product of grade and thickness for each drillhole composite is estimated along with thickness into a two-dimensional model. Grades are then back calculated from the estimated values. The estimated grades are reset into a split cell model that defines the sill volume. There is no grade differentiation across the thickness of the pegmatites. The values were estimated using inverse distance to the power of two (ID2) into parent cells. Grade was estimated into parent cells, with all sub-cells receiving the same grade as their relevant parent cell. The granite model is a conventional three-dimensional estimate with grades estimated using ID2. Datamine software was used to estimate grades for Li, K and Rb using parameters derived from statistical studies. ID2 was chosen due to the small number of samples in each mineralized domain. All of the variables estimated within the individual sills have coefficients of variation of less than 0.5, with most being below 0.35. Drillhole spacing varies considerably, as the drilling is clustered in the south-west area of the sills, and due to the hilly topography. The drilling is collared in two areas in the south-west where the spacings vary from 5 m to 10 m apart to over 100 m to 150 m apart. Grade was estimated into the three separate sills and the granite domain. The grade estimate in granite is not included in the reported Mineral Resource. Li grade continuity was reasonably consistent within each sill to the limits of the current sampling. The relative proportions of non-mica lithium minerals are not fully understood.

Criteria	JORC Code Explanation	Commentary
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	No previous estimates have been completed for the Alvarrões deposit. The pegmatites are currently being quarried for use in the ceramics industry as crushed rock product. No check estimates were produced by AMC. No mining for lithium has occurred to date at Alvarrões.
	The assumptions made regarding recovery of by-products.	No assumptions were made regarding recovery of by-products.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterization).	Estimates were undertaken for K and Rb, which are non-commodity variables.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The final block model used a parent cell size of 50 m in northing, 50 m in easting and 10 m in RL. This corresponds to approximately half the distance between drillholes in the northing and easting. For estimation, the model was constructed as two sub-models, one for the sills and one for the granite and then combined. The background model had the same block dimensions as the final model. All estimated variables used search axis lengths of 150 m in northing and easting, with 30 m down-dip in the sills and 25 m down-dip in the granite. A two-stage search was used, where parent cells not estimated in the first pass used an expanded (2x) search for the second pass estimate. For the sills, the first search allowed a minimum of three and a maximum of six composites. The second pass allowed a minimum of two and a maximum of six composites. In the granite domain, a minimum of six and a maximum of ten composites were allowed for the first pass and a minimum of four and a maximum of ten in the second pass. A limit of three composites from a single drillhole was permitted for the granite domain.
	Any assumptions behind modelling of selective mining units.	The model assumes selective mining of complete sills.
	Any assumptions about correlation between variables.	All elements within a domain used the same sample selection routine for block grade estimation. Correlation studies on the composite data showed good correlation (0.73) between Li and Rb, but almost no correlation between Li and K,or K and Rb.
	Description of how the geological interpretation was used to control the resource estimates.	The geological interpretation is used to define the limits of the sills and the mineralization estimate is confined to the sills. All the domains are used as hard boundaries to select data for estimation.
	Discussion of basis for using or not using grade cutting or capping.	Analysis showed that none of the domains had statistical outlier values that required top-cuts to be applied.

Criteria	JORC Code Explanation	Commentary
	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	Validation of the block model consisted of: J Volumetric comparison of the mineralization wireframes to the block model volumes. J Visual comparison of estimated grades against composite grades. J Comparison of block model grades to the input data using swath plots. No mining has taken place.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	All mineralization tonnages are estimated on a dry basis. The moisture content in mineralization is considered very low.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	A 1,750 ppm Li cut-off grade has been used to report the Mineral Resource. The Mineral Resource is reported in an optimization shell generated using US$12,000 lithium carbonate price. A minimum thickness of 0.5 m has been applied. Independent mining consultancy Australian Mine Design and Development Pty Ltd (AMDAD) performed a preliminary pit optimization to determine the likelihood of eventual economic extraction of lithium. AMDAD supplied the reporting shell and gave advice on the cut-off grade for reporting.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	The primary mining scenario being considered is conventional open pit mining targeting pegmatite sills with no grade selection across the width of the sills.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Preliminary metallurgical testwork has been completed. Lepidico proposes to use a process that floats lithium-bearing micas and then processes the concentrate to produce lithium carbonate. Recoveries from testwork and processing costs were used by AMDAD to produce an optimization shell and to determine a cut-off grade. The cut-off grade takes into account a fixed tails grade that accounts for lithium not recovered in the process.

Criteria	JORC Code Explanation	Commentary
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Environmental studies have yet to be undertaken. The site is an operating quarry.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Bulk density determinations (using the Archimedes' method) were made on 104 diamond core samples. Core was weighed wet and dry and core lengths varied from 8 cm to 1.16 m in length. The average and median lengths were between 25 cm and 30 cm.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	The water immersion method was used for direct core measurements. Core was not sealed. Observable porosity was not likely to be high for most of the core especially in pegmatite. Density of weathered granite near surface may be less than the mean of all determinations.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	An average bulk density value of 2.5 t/m^3 was applied to the resource estimate. Granite and pegmatite sill average values are 2.49 t/m^3 and 2.50 t/m^3. The values measured range from 2.0 t/m^3 to 2.73 t/m^3, with the median value being 2.51 t/m^3.
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	Classification of the Mineral Resource estimate is based on continuity of geology, mineralization and grade, considering drillhole spacing and quality and sample statistics. The resource classification is considered valid for the global resource and applicable for the nominated cut-off grade.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The estimate of pegmatite sills has been classified as Inferred Mineral Resource within a nominal 100 m from the nearest drillhole. The granite domain estimate is not classified as Mineral Resource.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The classification appropriately reflects its confidence in the grade estimates and robustness of the interpretations.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	The Mineral Resource estimate has not been audited.

Criteria	JORC Code Explanation	Commentary
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The resource classification represents the relative confidence in the resource estimate as determined by the Competent Person. Issues contributing to or detracting from that confidence are discussed above. No quantitative approach has been conducted to determine the relative accuracy of the resource estimate. The estimate is considered to be a global estimate with no further adjustments for selective mining unit (SMU) dimensions. Accurate mining scenarios are yet to be determined by mining studies. No production data for lithium extraction is available for comparison to the estimate. The local accuracy of the resource is adequate for the expected use of the model in the mining studies. Further infill drilling will be required to raise the level of resource classification.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The level of confidence and accuracy applied to the Mineral Resource estimate relates to the global estimate of grade and tonnes for the deposit.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	There has been no production specifically for lithium from the Alvarrões deposit to date.