

Pilot Plant first leach feed produced

- **5.5 tonnes of lepidolite concentrate has been produced and 1 tonne of classified leach feed prepared**
- **Programming of pilot plant instrumentation is complete**
- **Commissioning of the chiller and crystallisers scheduled to commence this week as generator power comes online**
- **Leach feed scheduled to start by 24 June, marking the commencement of the first pilot plant campaign**

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce that the Pilot Plant Project has completed two further milestones, which paves the way for leach feed for the first operating campaign to commence within one week. The sample of Alvarrões lepidolite has been processed to produce 5.5 tonnes of concentrate, and programming of the instrumentation and control systems is now complete.

Pilot Plant commissioning and first campaign

An initial factory acceptance test program was undertaken during the first week of June, which identified the requirement for minor modifications to the electrical and control systems. These were implemented and a second test program undertaken on 14 June which resulted in the programming of plant instrumentation and control systems being signed off. Final wet testing of all drives is scheduled to be undertaken this week.

During May the rolling Hazard and Operability (HAZOP) study identified that additional safety features were required in the plant. This led to the installation of safety guards and shielding on all elevated temperature valves and around the filters. This work is now complete. The HAZOP action list is expected to be closed out in June.

Generator power is required to operate the chiller, crystalliser and evaporator. The generator is on site, allowing wet commissioning of these final pieces of equipment to be undertaken this week.

Concentration of the 15 tonnes lepidolite sample sourced from the Alvarrões mine in Portugal is complete, with 5.5 tonnes of concentrate grading approximately 4% Li₂O produced. One tonne of concentrate has now been classified and is ready to be fed into the leach circuit. The first Pilot Plant campaign is scheduled to commence by 24 June and is expected to run for approximately four weeks, including ramp-up.

LOH-Max™ capability and second campaign

Strategic Metallurgy Pty Ltd (“Strategic Metallurgy”) is well advanced in the development of the process design criteria for LOH-Max™, which produces lithium hydroxide from lithium sulphate, without by-product sodium sulphate. The design is scheduled to be finalised and

provided to Lycopodium Limited (ASX:LYL) in late June, to undertake the engineering of a LOH-Max™ circuit for the Phase 1 Plant, which has designed output capacity of approximately 5,500 tonnes per annum (tpa) lithium hydroxide. This work is expected to take approximately four months.

In parallel with this, Strategic Metallurgy will engineer a LOH-Max™ circuit for the Pilot Plant. All major mechanical equipment for this circuit has already been procured.

Data from the first pilot plant campaign will be used to critically evaluate all materials of construction and mechanical equipment in the plant. The findings from this assessment will be used to develop a plant remediation plan for optimal, sustainable operation. It is planned that this work, along with the retrofit for LOH-Max™ operation will be undertaken in October 2019 and convert the plant to a demonstration facility, suitable for providing lithium chemical samples for the first three stages of lithium chemical qualification. A second Demonstration Plant campaign is provisionally scheduled for November 2019.

Further Information

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About Lepidico Ltd

Lepidico Ltd is an ASX-listed Company focused on exploration, development and production of lithium chemicals. 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 complement the lithium market by adding low-cost lithium carbonate supply from alternative sources. More recently Lepidico has added LOH-Max™ to its technology base, which produces lithium hydroxide from lithium sulphate without by-product sodium sulphate. The Company is currently conducting a Feasibility Study for a 5,000 tonne per annum Phase 1 lithium chemical plant, targeting commercial production for 2021. Work is currently being undertaken to evaluate the incorporation of LOH-Max™ into the Phase 1 Plant Project flow sheet. Feed to the Phase 1 Plant is planned to be sourced from either the Alvarrões Lepidolite Mine in Portugal under an ore access agreement with owner-operator Grupo Mota (ASX announcement of 7 December 2017) or the Desert Lion Energy Lepidolite Project in Namibia (ASX Announcement 7 April 2019).

Lepidico's current exploration assets include a farm-in agreements with Venus Metals Corporation Limited (ASX:VMC) over the lithium mineral rights at the Youanmi Lithium Project in Western Australia. Lepidico also has 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.