

25 February 2020

First Optimised Production Schedule Guides to Significant By-Product Volumes

- Updated Karibib Project Mineral Resource estimate has allowed the first production schedule to be generated that is optimised for maximising revenue from all product streams
- Project nameplate capacity of 5,600 tonnes per year of lithium hydroxide monohydrate
- SOP production significantly exceeds PFS estimates to average over 11,000 tonnes per year over the project life
- Amorphous silica average annual production to exceed 30,000 tonnes
- Rubidium sulphate production estimated for the first time, to average 1,400 tonnes per year
- Caesium formate brine output averages 210 tonnes per year

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce the results of the first Phase 1 Project production schedule based on pit optimisations carried out and incorporated in the recently announced JORC Code (2012)-compliant Mineral Resource estimate (“MRE”) for the Karibib Project in Namibia¹. By-product tonnages significantly exceed those estimated for the 2017 Pre-Feasibility Study and for the first time include estimates for caesium and rubidium chemicals.

Karibib mill throughput design is 330,000tpa (tonnes per annum) for the first seven years of operation prior to expansion to 540,000tpa as lower lithium grade feed is scheduled, allowing annual lithium mica concentrate output to be maintained at 57,700 dry metric tonnes. The strip ratio over the first seven years averages just 0.7 to 1.

¹ Refer ASX announcement “Updated Mineral Resource Estimates for Helikon 1 and Rubicon” on 30 January 2020 and Snowden Mineral Resource Report s.10.1 and s.10.2

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Phase 1 chemical plant engineering remains on track for completion in May 2020 based on concentrate throughput of 6.9 tonnes per hour and nameplate output of 5,600tpa of lithium hydroxide monohydrate. By-product design capacity is for up to 16,000tpa of sulphate of potash (SOP) fertiliser, 32,000tpa of amorphous silica, 450tpa of caesium rich formate and 1,700tpa of rubidium sulphate.

The mine planning schedule is optimised to maximise cash flow from the aggregated product revenue stream. Annual lithium hydroxide production is being targeted to be within 10% of nameplate for the first ten years of operation. SOP production is estimated to average 11,000tpa compared with just 3,000-4,000tpa in the 2017 Pre-Feasibility Study (PFS). Potassium head grades tend to be inversely correlated with lithium grades. Marketing for this premium fertiliser in the United Arab Emirates has commenced.

Annual amorphous silica production is generally consistent, averaging 31,000t over the sixteen year project life. Caesium grades vary significantly year to year, with annual production of caesium rich formate ranging from just 110t to 460t, with a post ramp-up average of 210tpa. Caesium grades at Karibib are significantly higher than those contemplated for the PFS (which at the time supported annual production of just 10-100tpa). Rubidium grades are somewhat less variable with annual production of rubidium sulphate ranging from +/- 20% from the average level of 1,400t. Marketing of caesium and rubidium chemicals has started, to prospective customers in North America, Europe and Asia.

Mine design work for the two relatively shallow open pits at Rubicon and Helikon 1 is on track to be completed in April 2020 and is not expected to lead to any material changes in these annual production estimates. The key findings from the Feasibility Study continue to be scheduled for May 2020.

Further Information

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The information in this report that relates to the Helikon 1 and Rubicon MRE is based on information compiled by Vanessa O'Toole who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking 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". Vanessa O'Toole is an employee of Snowden Mining Industry Consultants Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr Tom Dukovcic, who is an employee of the Company and a member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the styles of mineralisation and the types of deposit under consideration, and to the activity that has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Dukovcic consents to the inclusion in this report of information compiled by him in the form and context in which it appears.

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 (LCE) capacity Phase 1 lithium chemical plant, targeting commercial production for 2021. Work is currently being undertaken to incorporate LOH-Max™ into the Phase 1 Plant Project engineering. Feed to the Phase 1 Plant is planned to be sourced from the Karibib Lithium Project in Namibia, 80% owned by Lepidico where a Measured and Indicated Mineral Resource of 11.24 Mt grading 0.43% Li₂O, (including Measured Resources of 2.20 Mt @ 0.57% Li₂O and Indicated Resources of 6.66 Mt @ 0.38% Li₂O at a 0.15% Li₂O cut-off) is estimated (ASX announcement of 30 January 2020) and/or the Alvarrões Lepidolite Mine in Portugal under an ore access agreement with owner-operator Grupo Mota (ASX announcement of 7 December 2017).

Forward-looking Statements

All statements other than statements of historical fact included in this release including, without limitation, statements regarding future plans and objectives of Lepidico, are forward-looking statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Lepidico that could cause Lepidico's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place any reliance on these forward-looking statements. Lepidico does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this release, except where required by applicable law and stock exchange listing requirements.