

ASX / MEDIA ANNOUNCEMENT



20 December 2019

LOI with BASF extended to 31 December 2020

- **Letter of Intent with BASF for the purchase of lithium hydroxide has been formally novated to Lepidico and extended to 31 December 2020**
- **Pilot Plant batch lithium hydroxide campaign has produced a clean lithium hydroxide with low impurities – external check assays are pending**

Lepidico Ltd (ASX:LPD) (“Lepidico” or “Company”) is pleased to announce that the non-binding Letter of Intent with BASF SE (“BASF”), whereby BASF would be able to purchase lithium hydroxide sourced from the Karibib Lithium Project in Namibia has been formally novated to Lepidico for its integrated Phase 1 Lithium Chemical Project and extended to 31 December 2020.

The novation and extension agreement follows a visit by BASF to Lepidico’s Pilot Plant in Perth and provides BASF and Lepidico sufficient time to work towards completion of a definitive qualification and offtake agreement.

Lepidico’s Managing Director, Joe Walsh said, “Lepidico looks forward to continuing discussions during 2020 with BASF for the potential supply of lithium chemicals from its planned Phase 1 Plant Project.”

Lithium Hydroxide Batch Test Update

Strategic Metallurgy Pty Ltd has advised that it has produced a “clean lithium hydroxide with low impurities” from the recent LOH-Max™ Pilot Plant batch trial. In total nine batches of lithium hydroxide were produced during the campaign to evaluate variations of the final refining stage. It is planned that refined lithium hydroxide samples will be titrated on Monday, 23 December 2019 and dispatched for external check assay, which are expected to be returned early in January 2020.

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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 and has exclusive rights to metallurgical process technologies that produced lithium chemicals 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. L-Max® also enables the manufacture of co-product rubidium and caesium compounds via a separately patent registered process, for which markets are being evaluated, and by-product sulphate of potash and an amorphous silica building material. More recently Lepidico has added LOH-Max™ to its technology base, which produces lithium hydroxide directly 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 in Abu Dhabi, targeting commissioning in late 2021. Work is currently being undertaken to incorporate LOH-Max™ into the Phase 1 Plant Project engineering design. Feed to the Phase 1 Plant is planned to be sourced from the Karibib Lithium Project in Namibia, 80% owned by Lepidico, where a Mineral Resource of 8.8 Mt grading 0.56% Li₂O and 59ppm Ta₂O₅ is estimated (ASX announcement of 16 July 2019) 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.