ASX/Media Announcement
Perth: 14 June 2017

Alvarrões Drilling Update

- **Target pegmatite intercepted in first four drill holes at Alvarrões, showing strong lithium mica mineralisation**
- **First step-out hole extends mineralised zone 150 metres down dip**
- **Multiple, deeper, sub-parallel lepidolite-bearing pegmatite sills intercepted, significantly extending the Mineral Resource potential**
- **Alvarrões is an operating mine with an identified mineralised strike extent of 1.5km across two established open pits**
- **Initial JORC Code Mineral Resource estimate targeted for Q3 2017**

Lepidico Ltd (ASX:LPD) ("Lepidico" or "Company") is pleased to advise that all four of the first diamond core holes drilled at the Alvarrões Lepidolite Mine in Portugal intercepted the target pegmatite and revealed strong lepidolite mineralisation. The fourth hole, ALVD04, collared more than 150 meters to the northwest of the first drill pad (Figure 1) demonstrates the target pegmatite sill extends materially down-dip. Furthermore, the first three holes intercepted deeper sub-parallel lithium-mica mineralised pegmatite sills, thereby significantly increasing the Mineral Resource potential at Alvarrões.

This inaugural 25-hole diamond drilling program represents the first phase of a resource definition program at Alvarrões aimed at delineating a JORC Code compliant Mineral Resource estimate during the September 2017 quarter. Commencement of drilling was announced on 25 May 2017.

Lepidico's Managing Director, Joe Walsh said, *"These initial drill results from Alvarrões provide considerable encouragement for the delineation of a Mineral Resource that could support a substantial mine life for Lepidico's Phase 1 L-Max® Plant Project. So far the geology has proved predictable both down-dip and along strike, which bodes well for the newly identified deeper pegmatite sills. Importantly the hangingwall and footwall granite appears competent down-dip from the existing mines, implying good ground conditions for mining. Assay results are expected by the end of June."*

Alvarrões Lepidolite Project, Portugal

As announced on 9 March 2017, Lepidico has signed a binding term sheet with Grupo Mota, the majority owner of the Alvarrões mining concession, and operator of several open pit lepidolite mines, known as the Gonçalo Lepidolite Mine.

Lepidico is focusing its drilling program on a 1.5 km long zone down dip from the two operating Gonçalo open pits (Figure 1). The mineralisation occurs in a series of flat-lying pegmatite sills, ranging in thickness from a few centimetres to over five metres, hosted in the Guarda granite. The dense concertation and strike continuity of the pegmatites suggests excellent potential for the delineation of significant deposits of lepidolite mineralisation at Alvarrões.

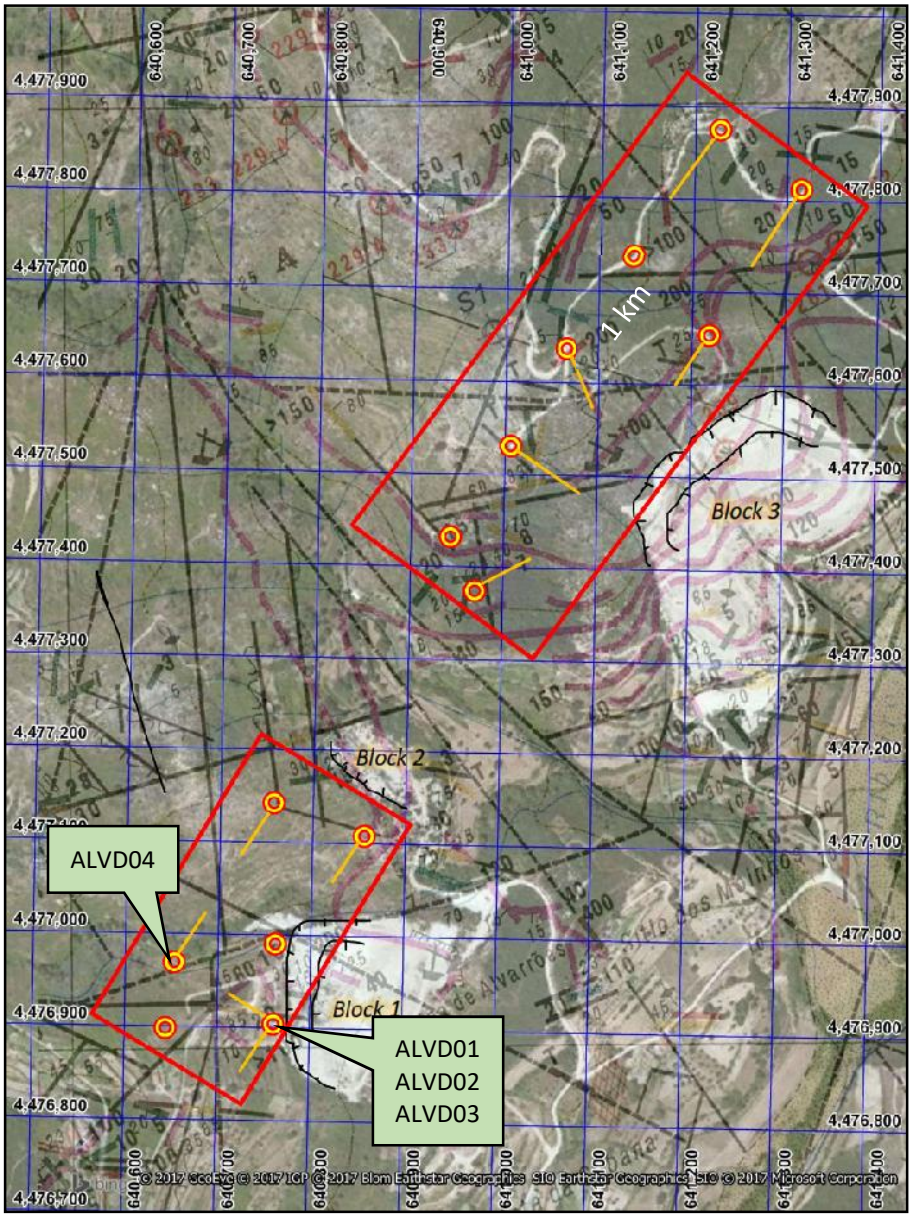

Figure 1. *Location of holes ALVD01 – ALVD04 and proposed location of diamond drill holes covering the Block 1 and Block 3 targets at the Gonçalo lepidolite mine. Each site will include a vertical hole plus angled holes as shown.*

Each hole has intersected multiple pegmatites, of varying thickness (Figures 2 - 4) and varying lepidolite content. Two dominant sills, dipping shallowly to the NW, are seen to occur at around 15 m and 25 m vertically below surface, as shown by hole ALVD02 (Figures 3 and 4). It is planned to drill ALVD04, a vertical hole, to approximately 80 m to test for the presence of further pegmatite sills at depth.

Drilling to date confirms the down-dip continuity of the pegmatite sills, as well as highlighting the presence of further lepidolite-bearing pegmatites at depth. The mapped strike of the target pegmatite is approximately 1.5 km, being largely exposed in the existing open pits.

Figure 2. *Hole ALVD04, upper pegmatite sill, approximately 2.5 m thick from 16.2 m; visible lepidolite. Vertical hole. Fresh rock with more competent footwall and hanging wall ground conditions.*

Figure 3. *Hole ALVD02, upper pegmatite sill, approximately 5 m thick from 14 m; visible lepidolite. Vertical hole. Weathered and near-mine broken ground conditions.*

Figure 4. *Hole ALVD02, lower pegmatite sill, approximately 4 m thick from 37.1 m; visible lepidolite. Angled hole. Less weathered with near-mine broken ground conditions.*

Near surface the granite host unit is weathered and broken which hindered drilling progress. Three holes (ALVD01 – ALVD03) have been completed while hole ALVD04 is currently at 53 m, for a total advance of 188 m.

The dominant lepidolite-bearing sills from each of the four holes have been sampled and dispatched for assay this week. Results are expected before the end of the month.

To assist with the implementation of proper processes during the drilling the Company has engaged the services of Perth-based AMC Consultants, who will also provide the Competent Person sign-off on any mineral resource estimates at Alvarrões or the Company's other lithium projects.

Table 1. Alvarrões Drill hole data for holes ALVD01 – ALVD04

Hole ID	Easting (m)^	Northing (m)^	Altitude (masl)^	Azimuth (degrees)	Dip (degrees)	Depth (m)
ALVD01	640 798	4 476 877	594	000	-90	38.35
ALVD02	640 797	4 476 878	595	309	-50	50.97
ALVD03	640 797	4 476 878	595	216	-50	44.00
ALVD04	640 636	4 476 967	626	000	-90	53.00*

^ Preliminary; UTM 29T Coordinates; portable GPS; (masl = metres above sea level)
*hole in progress

The drilling at Alvarrões is part of the Company's campaign to establish a global inventory of lithium mica resources to provide feedstock for the proposed Phase 1 L-Max® Plant, currently the subject of a Feasibility Study by the Company. These resources are expected to be sourced from Separation Rapids in Canada, Alvarrões in Portugal and the Peg 9 prospect in Western Australia as well as other targets that are subject to the Company's ongoing evaluation.

Further Information
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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. 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, one of which is the Separation Rapids deposit in Ontario, Canada in partnership with its owner Avalon Advanced Materials Inc.

Lepidico's current exploration assets include options over the Lemare and the Royal projects, both in Quebec, Canada; an ore access agreement with Grupo Mota over the Alvarrões Lepidolite Mine in Portugal; a farm-in agreement with Pioneer Resources (ASX:PIO) over the PEG 9 lepidolite prospect in Western Australia; and an agreement with ASX-listed Crusader Resources (ASX:CAS) on potential deployment of L-Max® in Brazil and Portugal on suitable lithium mica opportunities.