Commitment to the Future

Developing new sources of commercial lithium supply

Corporate Update

February 2018

LEPIDICO

About Lepidico

- Lepidico (ASX: LPD) is an ASX-listed lithium exploration and development company with a **management team experienced in project and business development**
- Lepidico's strategic objective is to become a **fully integrated lithium business** from mine to battery grade lithium chemical
- **Lepidico is differentiated by its clean-tech L-Max®** process technology that extracts lithium and recovers valuable by-products from the less contested lithium-mica minerals
- Phase 1 Plant Project to be located in Sudbury, Canada; currently in Full Feasibility Study – **first production target late 2019**
- Quality lithium-mica mine feed to be sourced from Portugal, Australia and Canada
- Well funded with proforma cash at 31 December 2017 A$7.6M and no debt

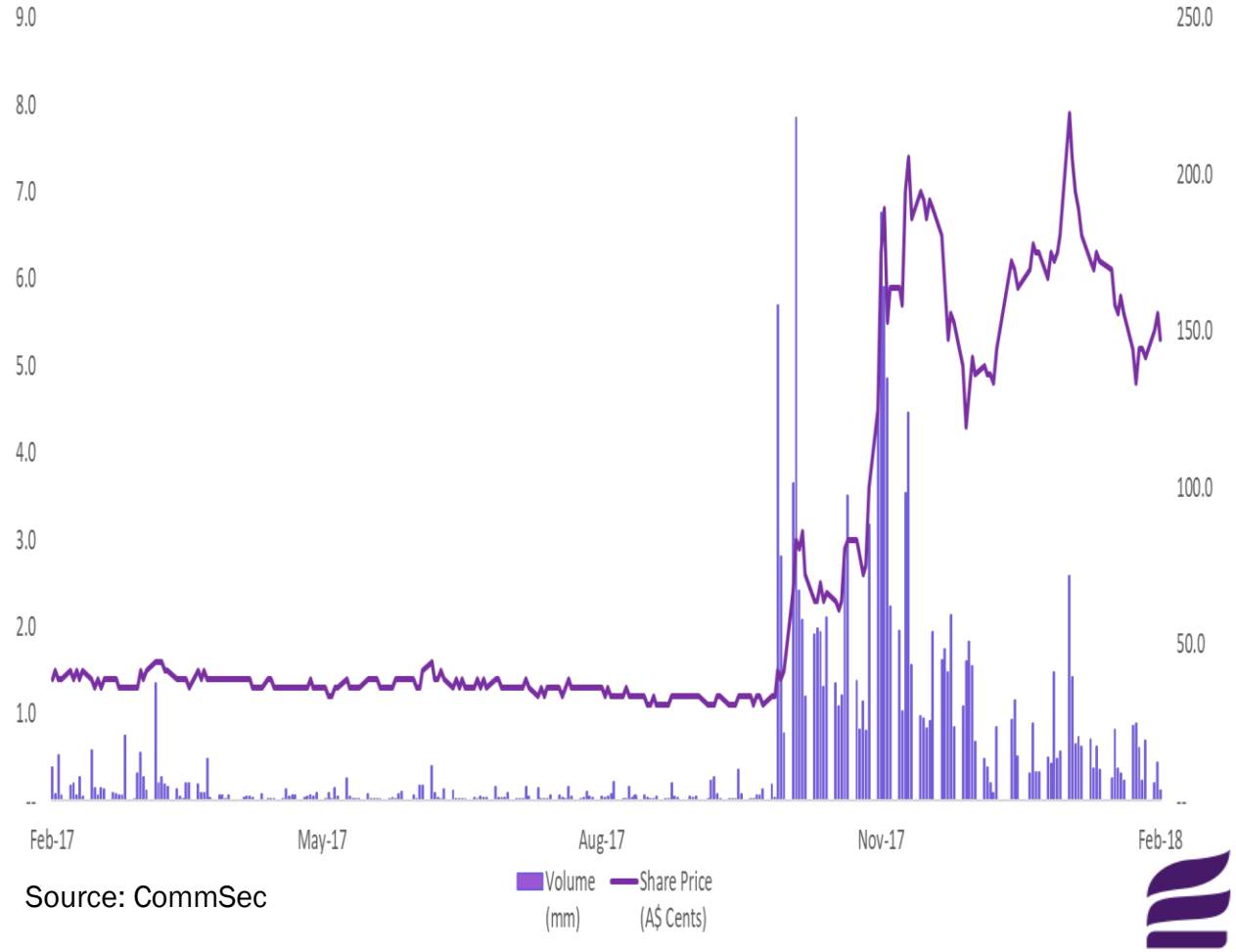
LEPIDICO

Corporate Snapshot

Lepidico Ltd (ASX:LPD) Board of Directors		
Gary Johnson	Chairman, Non-executive	Metallurgist
Joe Walsh	**Managing Director**	Mining Engineer
Tom Dukovcic	Director Exploration	Geologist
Mark Rodda	Non-Executive Director	Lawyer
Cynthia Thomas	Non-Executive Director	Banking & finance
Brian Talbot	Non-Executive Director	Mine Operations

Capital Structure		
Market Capitalisation	$161 M (@ 5.6¢; 13/2/2018)	
Shares on issue	2,880,020,897	
Options (unlisted)	151.5 M, 1.5c – 9.1c	
Major Shareholders (10 November 2017)	Strategic Metallurgy	12.29%
	Galaxy Resources	11.91%
	JP Morgan Noms Aust	3.59%
	Bacchus Capital Advisers	2.13%
	Lycopodium Minerals	1.84%
	Top 5	*31.76%*
	Top 20	*46.50%*

LPD year-to-date share price as at 14 February 2018



Source: CommSec

LEPIDICO

Asset Overview

Separation Rapids lithium deposit 9.6Mt @ 1.31% Li_2O
Lepidolite offtake LOI with owner Avalon Advanced Materials

Alvarrões Lepidolite Mine
Inferred Resource
1.5Mt @ 1.1% Li_2O
Ore offtake agreement with Grupo Mota

Strategic Alliance
Mt Cattlin & L-Max®
Synergy Initiative

Phase 1
L-Max® Plant
Sudbury, Canada
In Feasibility Study

Pioneer Dome JV
LPD 75% Earn-in on Peg 9,
Lepidolite rich pegmatite
Permitting to drill

Moriarty JV
LPD 75% Farm-in Lepidolite Target
Exploration

LEPIDICO

Lithium mica feed sources

5

Galaxy Resources strategic alliance

- Galaxy Resources Limited (ASX:GXY) is a leading S&P/ASX 200 Index pure play lithium concentrate producer, with a diverse project portfolio and an extensive network of downstream participants in global lithium markets
- Galaxy Resources took a 12% strategic shareholding in Lepidico in October 2017
- Of the c. 140 publicly listed lithium companies globally only a select few have gained support from a strategic investor
- Strategic rationale for alliance:
  - Leverage Galaxy's industry position and relationships to secure off-take and funding support for the Phase 1 L-Max® Plant Project
  - Evaluation of potential synergies with the Mt Cattlin mine: Mineral Resource 16M t @ 1.08% Li_2O
  - Evaluation of regional lithium mica opportunities in Western Australia and internationally

GALAXY | LEPIDICO

Mineral Resource Development

Alvarrões Lepidolite Mine*

- **Ore access agreement with Grupo Mota** over the operating Alvarrões lepidolite mine, Portugal, which currently supplies c. 1.8% Li_2O concentrate to the ceramics industry
- **Multiple stacked lepidolite mineralised pegmatite sills 1m to 4m thick exposed over a strike of more than 1km in two open pits**
- **Drilling has confirmed mineralised pegmatites extending 500m 'down dip' (flat-lying)**
- **Inaugural Inferred Mineral Resource estimate 1.5M t @ 1.1% Li_2O (December 2017); mineralized system open down dip and along strike**
- Estimated **+10 years' lepidolite concentrate feed for Phase 1 L-Max® Plant**
- Exploration target **3M to 5M t grading 1.0% to 1.5% Li_2O**
- **Mining rates may be increased materially** to c. 100,000tpa of mill feed sufficient to supply 30,000t pa of lithium mica concentrate to the planned Phase 1 L-Max® Plant in Sudbury

*Reference: ASX Announcement, Alvarrões Lepidolite Mine Ore Access Agreement, 9 March 2017

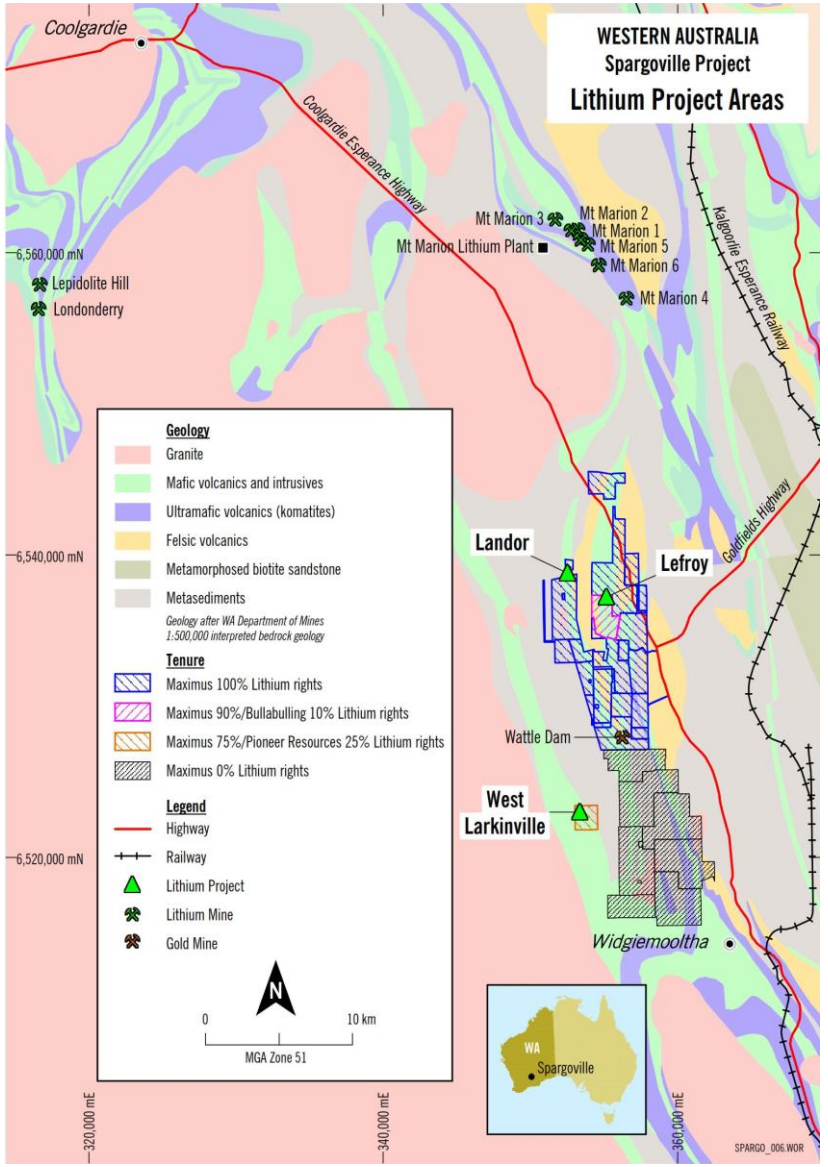
LEPIDICO

Mineral Resource Development

Moriarty Lithium Project*

- Moriarty Lithium Project covers 70 km^2 of lithium prospective ground 20 km south of the Mt Marion lithium mine
- Rock chip samples returned **grades up to 4.97% Li_2O from the Lefroy lepidolite rich pegmatite that outcrops over 200m of strike**
- Three interpreted pegmatites identified as priority targets; **drilling scheduled to commence late February 2018**
- Lepidico farm-in agreement to **earn a 75% interest in Moriarty**
- **Resource estimate potential TBA**
- Excellent existing infrastructure in the region including road, rail and port

*Reference: ASX Announcement, Lepidico secures Moriarty Lithium Project in WA, 21 August 2017



LEPIDICO

L-Max® lithium plant

The L-Max® Advantage

- ✓ The Australian Patent Office declared L-Max® to be “novel, inventive, industry applicable and patentable”
- ✓ L-Max® leaches lithium from non-conventional and relatively uncontested mineral sources; lithium micas and phosphates
- ✓ L-Max® reagents and operation have straightforward health, safety and environmental characteristics
- ✓ L-Max® utilises common use, inexpensive reagents & is energy efficient
- ✓ L-Max® utilises conventional equipment and straightforward processes at atmospheric pressure and modest temperature
- ✓ By-products include potassium sulphate fertiliser (SOP), sodium silicate & sodium sulphate; potentially gypsum, caesium & rubidium formates (& Ta, Sn, W conc’s)
- ✓ Fast leach kinetics, high recoveries and moderate process cost estimates make for compelling economics

Lepidolite

$K(Li,Al,Rb)_3(Al,Si)_4O_{10}(F,OH)_2$

Zinnwaldite

$KLiFeAl(AlSi_3)O_{10}(OH,F)_2$

Amblygonite

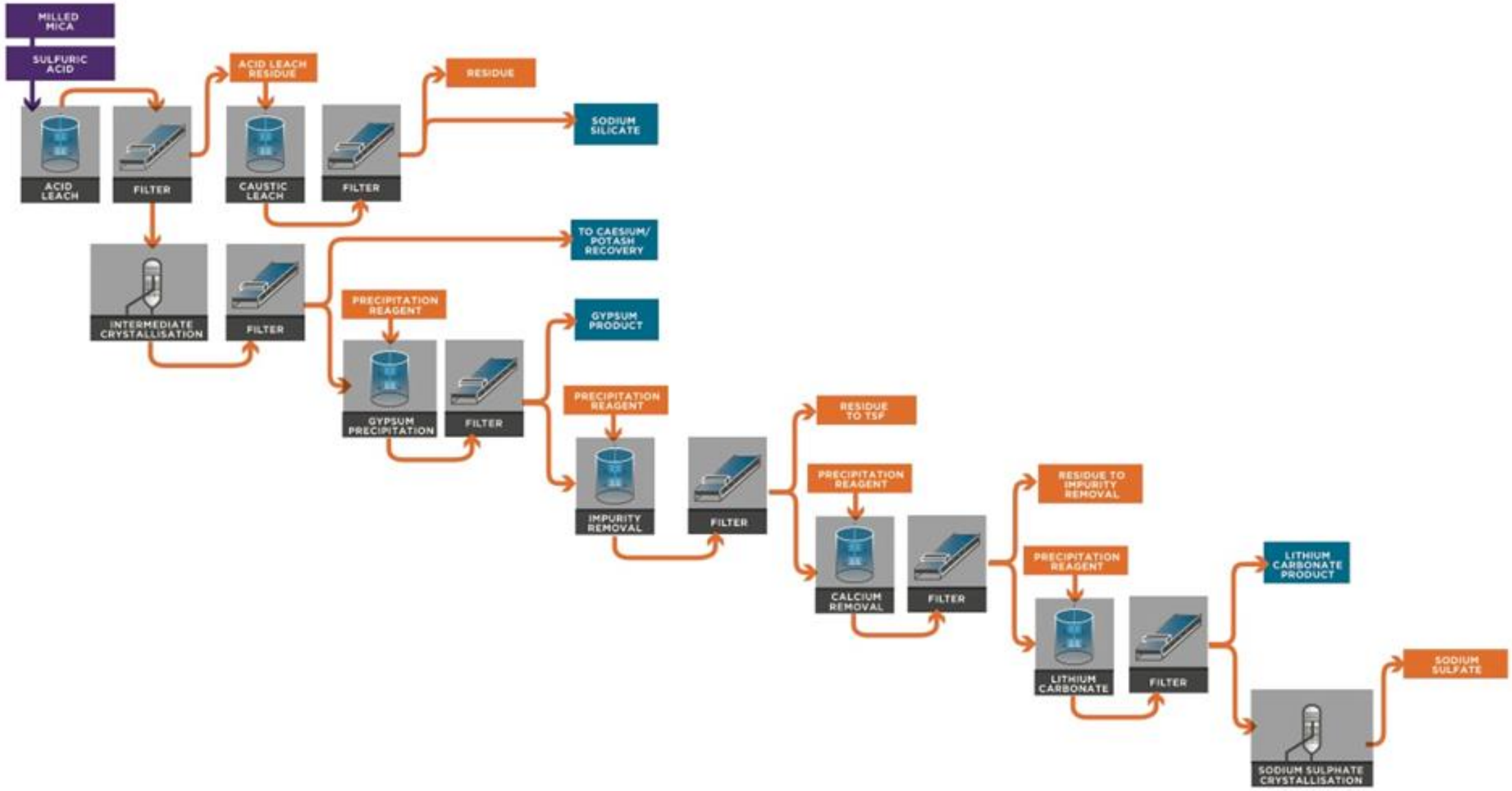
$(Li,Na)AlPO_4(F,OH)$

Product Recoveries

Element	L-Max® Feed Grade	Recovery to Product
Lithium	2.10%	94%
Potassium	6.77%	85%
Silicon	23.10%	85%
Caesium	0.05%	81%
Tantalum	0.03%	70%

10

L-Max® - 100% Owned by Lepidico



LEPIDICO

Phase 1 L-Max® Plant Project Feasibility Study

- Key metrics for the Feasibility Study scope* are:
  - Plant throughput rate 3.6tph of lithium-mica concentrate (annualised rate of 29,000tpa – 91.4% operating time)
  - Battery grade lithium carbonate equivalent (LCE) production of 3,000tpa nominal, with debottlenecked capacity of 5,000t – 6,000t pa LCE
  - Average C3 Costs of US$1,000-2,000/t after by-product credits including amortisation of development capital
  - Capex of US$40-45M (incl. 20% contingency and US$5M for DFS costs)
  - Valuable suite of by-products including sulphate of potash (SOP), caesium, tantalum concentrate and sodium silicate

*The assumptions set out above and elsewhere in this announcement contain reference to broad indicative plant operating parameters (Parameters) for the purpose of the Feasibility Study (FS) which have been developed through scoping level work and subsequent PFS work. For the avoidance of doubt, investors are advised that the Parameters expected to be adopted for the DFS do not constitute a production forecast or target in relation to mineral resources associated with any project owned by the Company. The Company wishes to expressly clarify that any references in this announcement or the PFS to annual production rates relate to scoping and planning parameters and are not a production target. The Company cautions investors against using any statements made in either this announcement or the PFS which may indicate or amount to the reporting of a production target or forecast financial information, as a basis for making any investment decisions about shares in the Company. The primary purpose of disclosing the FS Parameters is to inform on the scope of work for the study and provide an estimate of the intended scale of a potential future Phase 1 Plant.

Project Planning Key Metrics

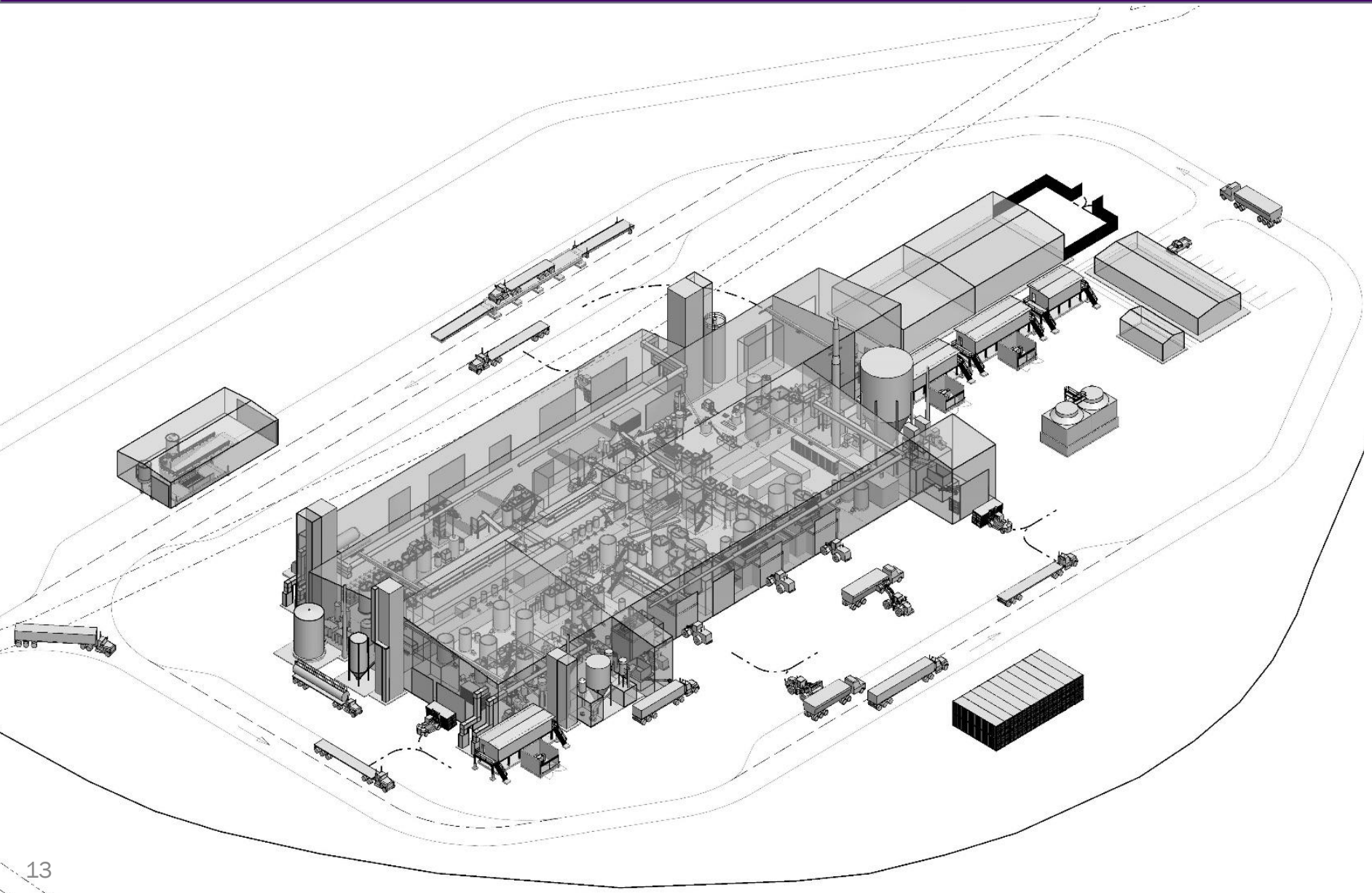
Key Parameter	Key Metric
Lithium Carbonate (>99.5%) Production	3,000 tpa
SOP (>95% K_2SO_4) Production	3,000-4,000 tpa
Sodium Silicate (40wt% solution at SiO_2:Na_2O ratio of 2.0) Production	40,000-50,000 tpa
Caesium (as metal contained in formate) Production	10-100 tpa
Tantalite Con (30% Ta_2O_5) Production	20-25 tpa
Li-Carbonate C1 cost after by-products credits	<=US$0/t
Li-Carbonate C3 cost after by-product credits	US$1,000-2,000/t

Expected Operating Costs

Item	US$/t of Concentrate Processed (current prices)
Concentrate purchase	350
Concentrate transport	4
Inbound consumables logistics	144
Consumables FOB	286
Processing costs other	186
Sales, marketing, and outbound logistics	55
General and administration	104
Total Unit Cost	1,130

LEPIDICO

Phase 1 L-Max® Plant Site Layout



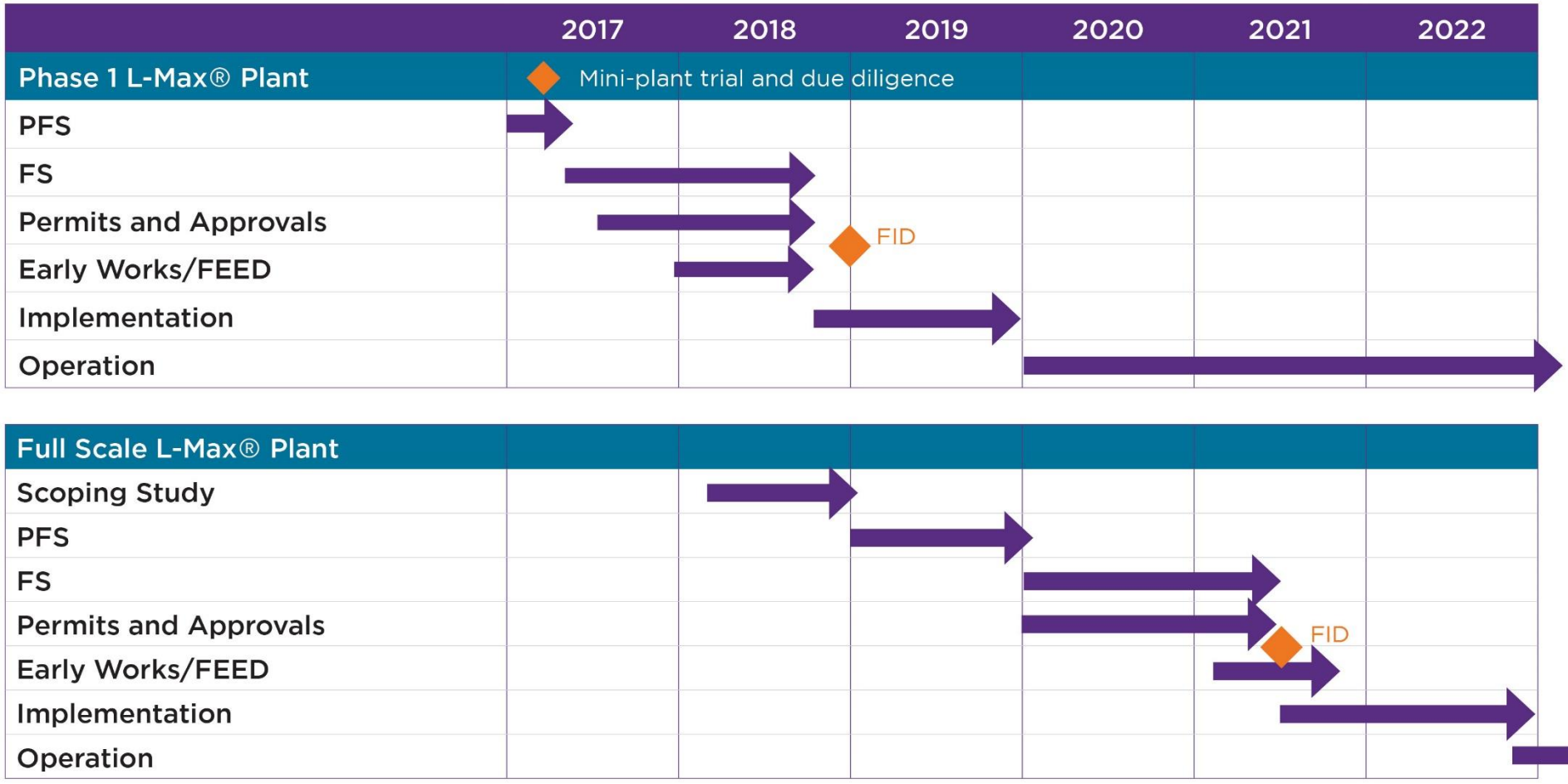
- Location: Sudbury, Canada close to established infrastructure including power, water, gas and rail
- Local abundance of key reagents: sulfuric acid and lime
- Close to markets for bulk by-products: sodium silicate and SOP fertilizer
- On-site residue storage
- Capacity-cost trade-offs being undertaken: key equipment sized for 5,000t – 6,000t pa LCE production*

*Reference: ASX Announcement 22 December 2017,

LEPIDICO

Opportunities

First production projected for late 2019, subsequent developments may be up-scaled

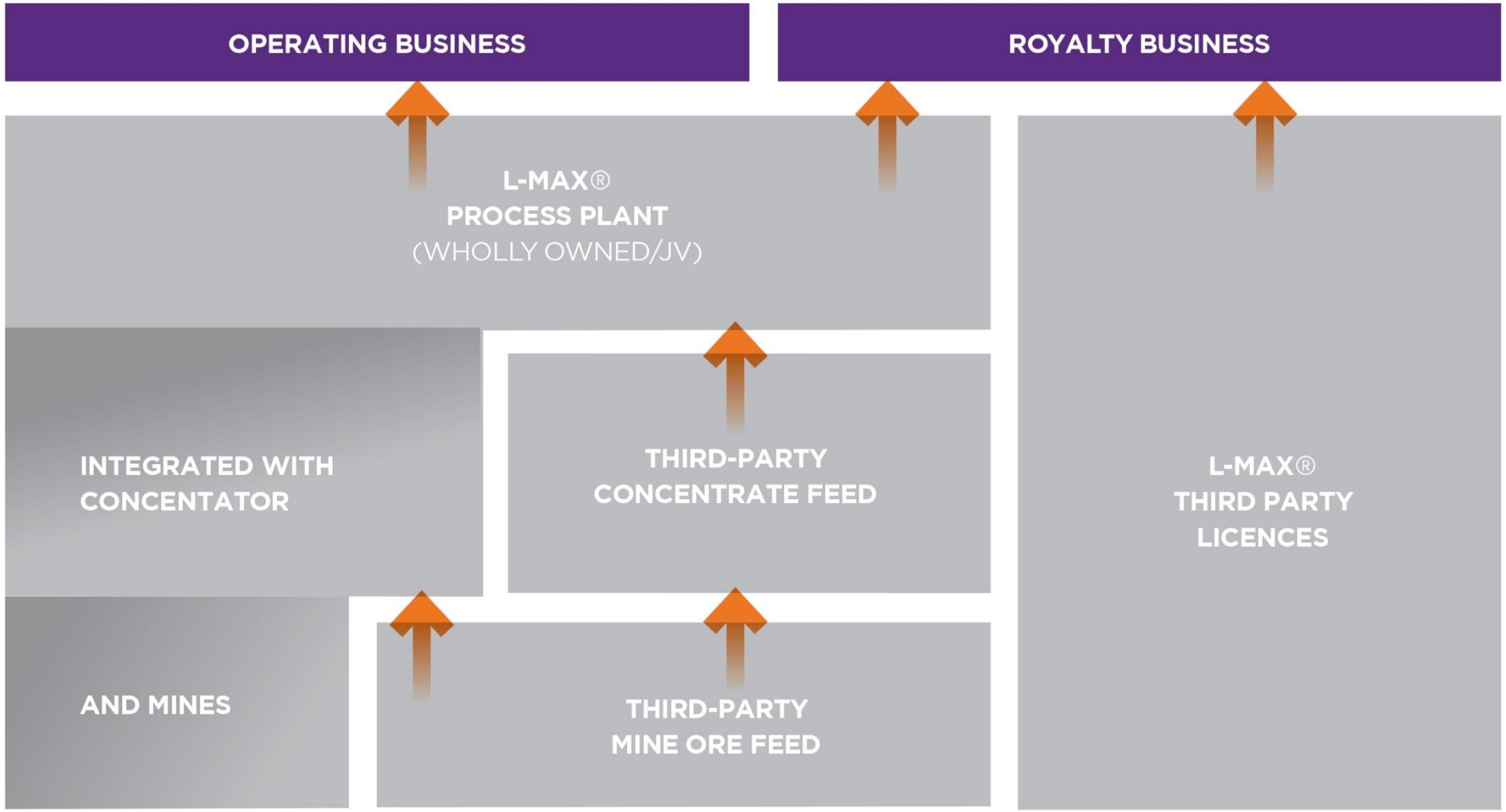


Phase 1 L-Max® Plant
c.3,000t pa LCE nominal
H_2SO_4 ~50,000 tpa
DFS ~US$5M
Development ~US$40M
Debottlenecked potential
c. 5,000t – 6,000t pa LCE

Full Scale L-Max® Plant
@ c. 20,000t pa LCE
H_2SO_4 ~400,000 tpa
Studies ~US$10M
Construction ~$Pending

LEPIDICO

Business Model



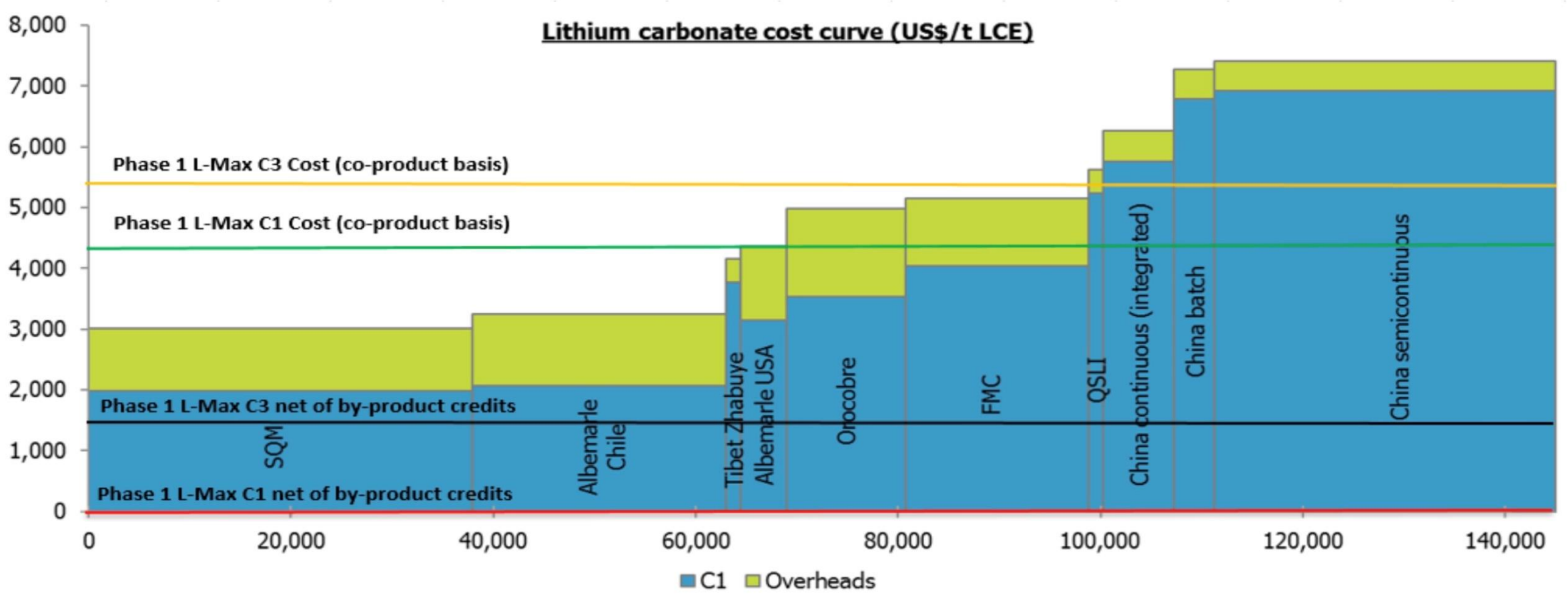
LEPIDICO

Lithium industry context

16

Peer Analysis

Phase 1 L-Max® Plant is Favourably Placed on the Global Cost Curve*



*Lithium Carbonate Cost Curve 2016 co-product basis (Source: Roskill). Ref: ASX Announcement "Positive Phase 1 L-Max® Plant Pre-Feasibility Study", 27 February 2017

LEPIDICO

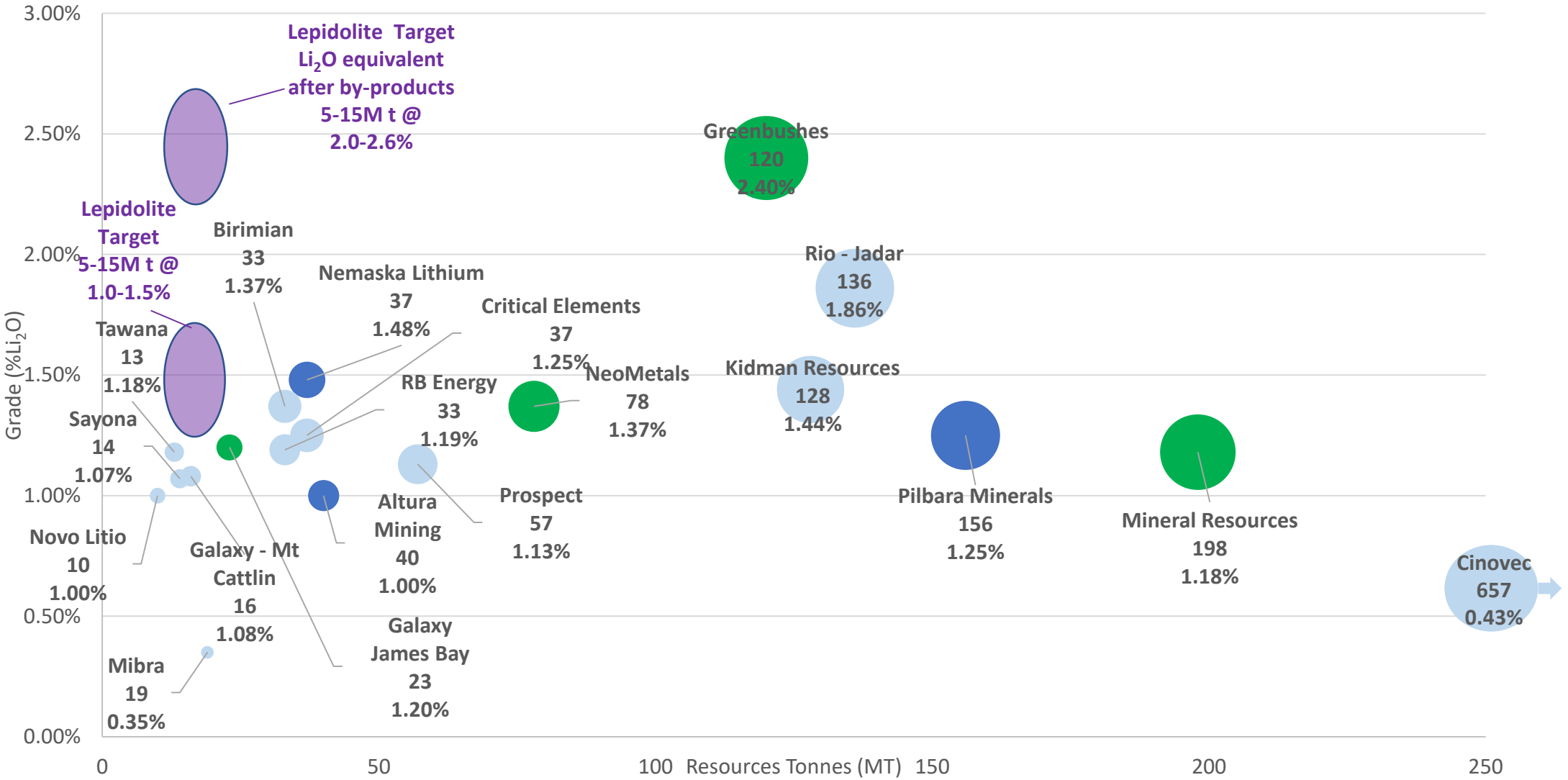
Lithium Carbonate specification

Product	Producer				
	Lepidico	SQM	FMC Lithium	Rockwood Lithium	Sichuan Tianqi
Li_2CO_3 (% min)	99.9	99.2	99.5	99.8	99.5
Impurities					
SO4 (ppm)	134	300	1000	500	800
Na (ppm)	13	600	500	650	250
K (ppm)	14	50	10	-	10
$CaCO_3$ (ppm)	140	250	1000	400	125
Fe (ppm)	9	-	5	-	20

Source: Lepidico mini-plant trial February 2017, company websites

LEPIDICO

Mineral Resource Context



Source: Company data, Lepidico targets

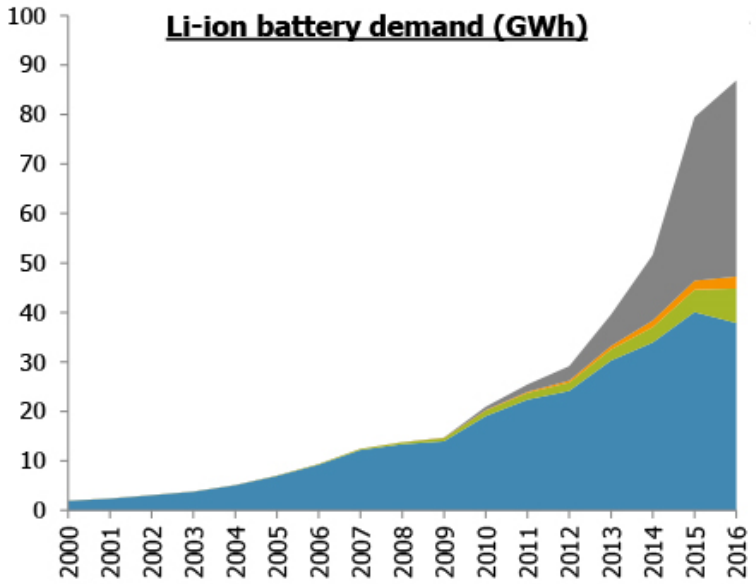
LEPIDICO

Lithium market outlook

10GWh to 100GWh in 10 years… 100GWh to 1TWh in another 10/15 years?

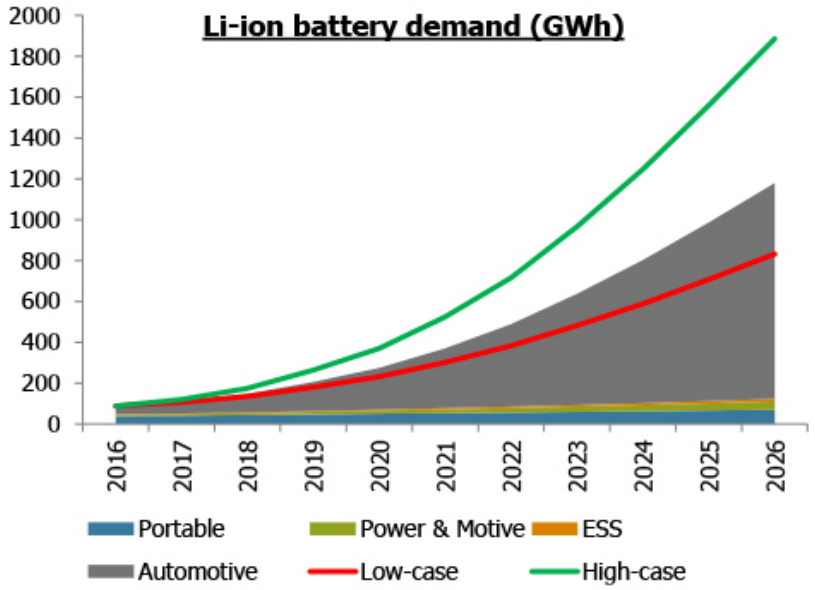
- The battery market grew rapidly over the last decade, boosted by smartphone, tablet and more recently xEV demand
- The future should not surprise us, 1TWh is only 10 million Tesla Model S

The past



→

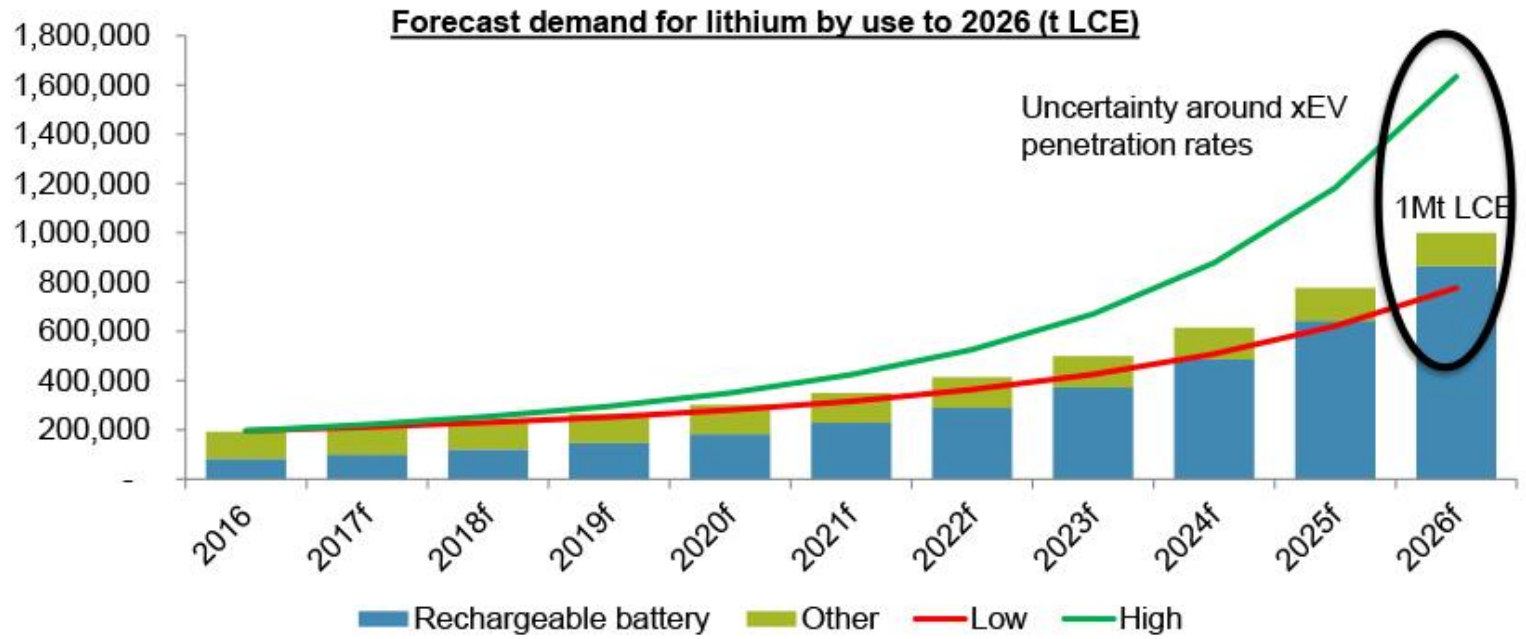
The future



Source: Roskill

Roskill
Approachable · Independent · Expert

China and Tesla actions are the short-term focus, impact will then spread to other areas towards/in 2020s, with growth accelerating



- Forecast demand growth revised upwards to 9.0%py high-case scenario in late 2016 from 6.4%py base-case in multi-client report, new 2017 projections suggest 17.7%py through 2026
- Reason: Larger than expected rise in EV sales during 2015 and 2016, as well as more robust government and automaker plans for near/long-term.
- Rechargeable batteries to account for 50% of total lithium demand in 2018, and 85% in 2025

Source: Roskill

Roskill
Approachable · Independent · Expert

LEPIDICO

Summary - Lepidico's strategy...

- ...to fast track the business to free cash flow generation, demonstrate the commercial viability of L-Max® and become a globally significant, vertically integrated lithium chemical producer through the value chain from mine to battery grade lithium chemical.
- This will be achieved by leveraging the proprietary **L-Max®** technology to process concentrates from high-quality lithium mica Resources; and
- maintaining a focus on high-return, strategically located developments in low risk jurisdictions.
- Success will provide a new supply solution for the dramatic projected demand growth in lithium chemicals.

LEPIDICO

Important Notice

This presentation has been prepared by the management of Lepidico Ltd (the 'Company') for the benefit of brokers, analysts and investors and not as specific advice to any particular party or person.

The information is based on publicly available information, internally developed data and other external sources. No independent verification of those sources has been undertaken and where any opinion is expressed in this document it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. The Company disclaims and excludes all liability (to the extent permitted by law), for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it.

Where the Company expresses or implies an expectation or belief as to the success of future exploration and the economic viability of future projects, such expectation or belief is based on management's current predictions, assumptions and projections. However, such forecasts are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed, projected or implied by such forecasts. Such risks include, but are not limited to, exploration success, commodity price volatility, future changes to mineral resource estimates, changes to assumptions for capital and operating costs as well as political and operational risks and governmental regulation outcomes. For more detail of risks and other factors, refer to the Company's other Australian Securities Exchange announcements and filings. The Company does not have any obligation to advise any person if it becomes aware of any inaccuracy in, or omission from, any forecast or to update such forecast.

Competent Person Statement

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.

LEPIDICO

Visit us at our booth

LEPIDICO

Creative Resources Leadership

Website: www.lepidico.com

Contact us: info@lepidico.com