

ASX/Media Announcement

Perth: 2 March 2017

Lepidico Reaffirms Advice to **TAKE NO ACTION** following lodgement of Bidder's Statement by Lithium Australia

The Board of Lepidico Ltd (ASX:LPD) (**Lepidico** or **the Company**) reiterates its advice to shareholders to **TAKE NO ACTION** on the unsolicited proposed conditional scrip takeover bid from Lithium Australia NL (ASX: LIT) (**LIT**) following receipt of the Bidder's Statement on 2 March 2017.

The Company has previously advised that it became aware via an announcement to the ASX on 6 February 2017 that LIT intends to make an **unsolicited** and **conditional** scrip offer to purchase all of the fully paid ordinary shares in Lepidico. In summary, under the proposed LIT offer, Lepidico shareholders will be offered one (1) LIT share for every thirteen and one quarter (13.25) Lepidico shares (**Offer**).

The Lepidico Board will review the Bidder's Statement and respond formally through a Target's Statement in due course. Until the Lepidico Board provides shareholders with a formal recommendation we advise all shareholders to TAKE NO ACTION.

A copy of the Bidder's Statement is expected to be sent to Lepidico shareholders by LIT in the coming weeks, after which the Offer will be required to remain open for at least one month. **The Bidder's Statement is not a Lepidico document.**

The Lepidico Board will keep Lepidico shareholders fully informed of further developments as they occur and will provide a formal recommendation on the Offer in ample time for Lepidico shareholders to make an informed decision.

The Board remains of the view that the announcement by LIT is highly opportunistic in light of Lepidico's significant near-term news flow, including the release of the PFS results (**Positive Phase 1 L-Max® Plant Pre- Feasibility Study**) on 27 February 2017.

Lepidico's Board has previously stated that in its view LIT needs to provide further clarity with regard to its business model and commercialisation plans in order for shareholders, and the market generally, to make an informed decision on the possible future viability, or not, of LITs assets and processes. Your Directors now look forward to reviewing the Bidders Statement and assessing the extent to which the Lepidico Board's concerns may or may not have been addressed by any further details provided in the Bidders Statement.

Further Information

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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 has completed a pre-feasibility study for a Phase 1 L-Max[®] plant, targeting production for 2019. Four potential sources of feed to the planned Phase 1 Plant are being evaluated, one of which is the Separation Rapids deposit in partnership (currently under a Letter of Intent) 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; ownership of the Euriowie project near Broken Hill in New South Wales; joint venture agreements with ASX-listed Pioneer Resources (ASX: PIO) in Australia; Crusader Resources (ASX: CAS) in Brazil; and ongoing discussions with Latin Resources (ASX: LRS) aimed at leveraging L-Max[®] in Peru and Argentina to jointly evaluate lithium opportunities.

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