



## LAKE RESOURCES N.L. (ASX:LKE)

ASX Market Announcements Office

2 November 2018

### DRILLING ADVANCES AT CAUCHARI LITHIUM BRINE PROJECT

- **Two drill rigs drilling on site advancing a four-hole 1500 metre program.**
- **Diamond drilling underway on first hole, currently at about 110 metres depth of a targeted 400 metres depth with the second rotary rig at 100 metres.**
- **Drill targets expected to show likely extension of high-grade lithium brines from adjoining proven lithium resources with initial results anticipated in two weeks.**
- **New short-term unsecured \$0.5 million facility established with current shareholder.**

Argentine-focused lithium exploration and project development company **Lake Resources NL (ASX: LKE)** has advanced drilling at the 100% owned Cauchari Lithium Brine Project (See Figure 1). Two drill rigs are now on site, a rotary rig drilling 100 metre pre-collar holes through gravels to fast-track diamond drilling into the targeted brines.

**The diamond drill rig** has advanced on drill hole #1 and is currently at about 110 metres.

**The rotary rig** has been completed the pre-collar to 100 metres depth at drill hole #2. This will assist the diamond rig through the upper gravels into the brine sequence in this hole. The two holes are 2500 metres apart.

Assays are expected in the coming weeks from the brines being targeted. Drilling is anticipated to support the geophysics which has shown a likely extension to the high grade lithium brines of Ganfeng Lithium/Lithium Americas and Orocobre/Advantage Lithium in adjacent properties (Figures 2,3,4). Third party drill results close to the lease boundary include 600-705mg/L lithium with high flow rates (\*1).

The Company advises that an unsecured \$500,000 facility has been established with a current shareholder, immediately available for short term funding of the exploration activities including the advancement of drilling at Cauchari. The facility has a commercial interest rate. The Company is in discussions with a number of potential strategic investors to advance the flagship projects through prefeasibility study and/or feasibility study. With current facilities, Lake has sufficient funds to continue current exploration activities.

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Figure 1 a,b,c,d: Lake's Cauchari Lithium Project – View looking north west from first diamond drill hole across the Cauchari salt lake towards adjoining Ganfeng Lithium / Lithium Americas resource and Orocobre / Advantage Lithium resource. Diamond drill rig looking east (Hole #1) and Rotary drill rig looking east (Hole #2). View of drilling area.



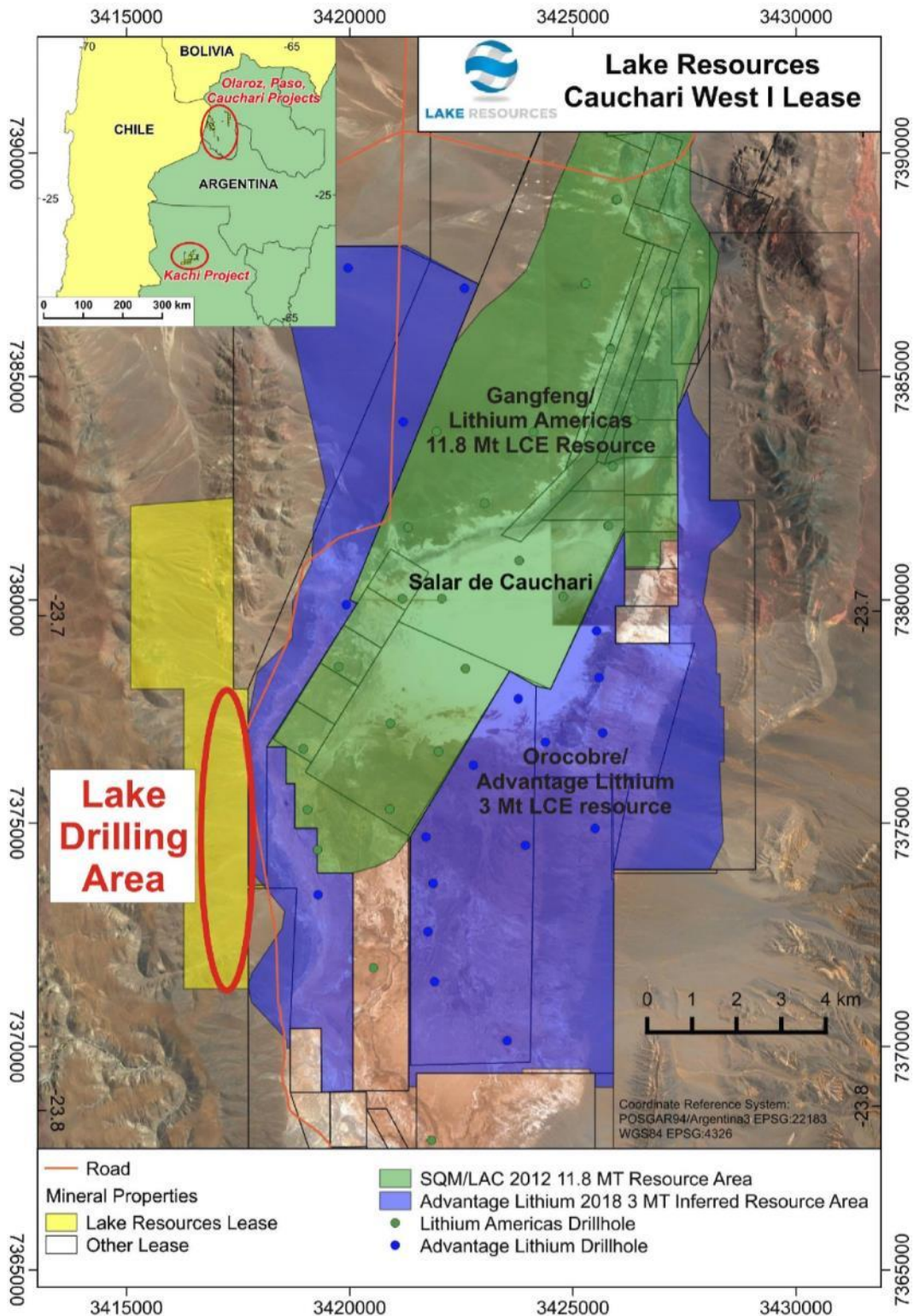
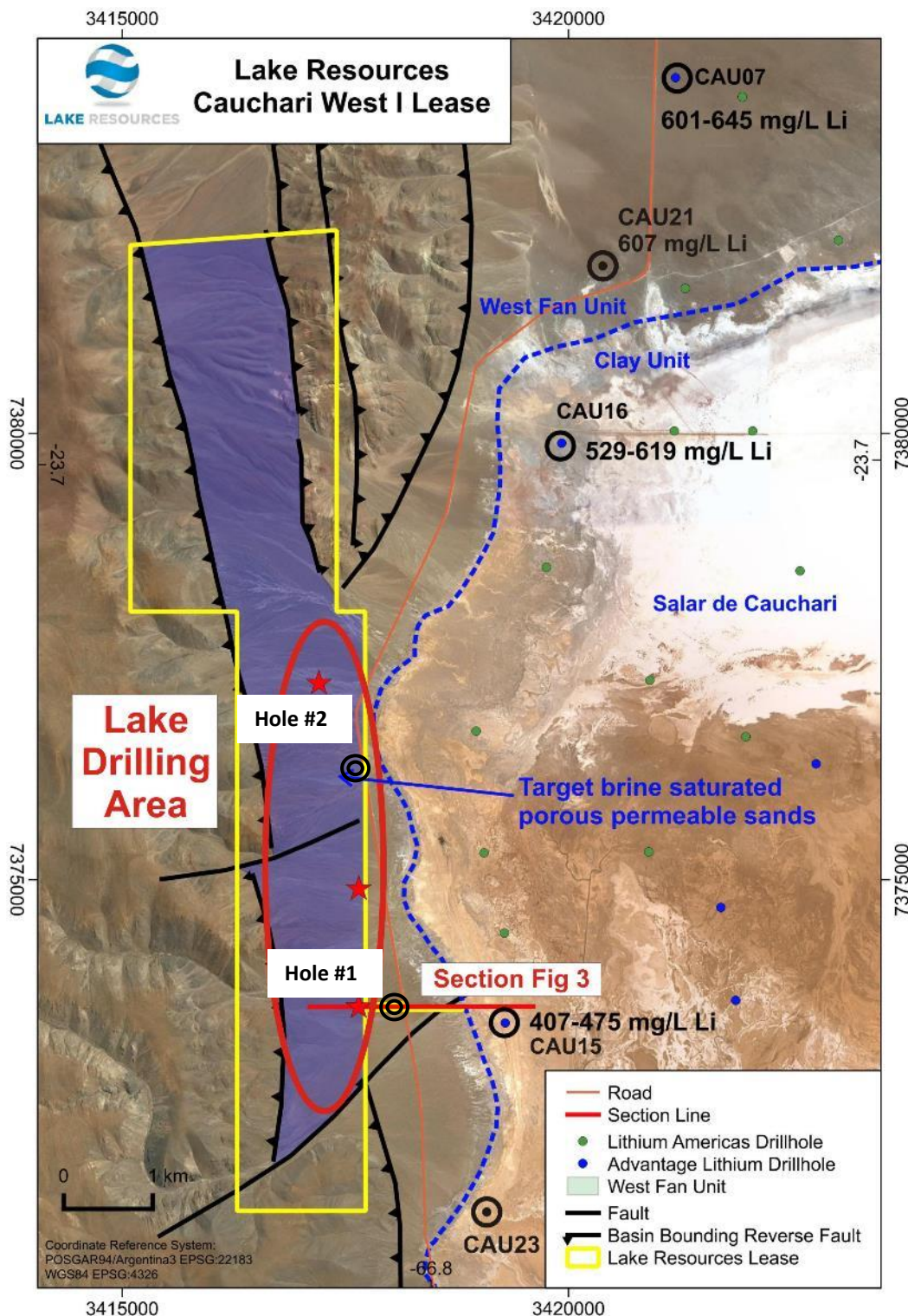


Figure 2. Cauchari Lithium Project, with adjoining SQM / Lithium Americas resource and Orocobre / Advantage Lithium resource with summary drill results (Orocobre announcements 7/11/2017, 4, /12/2017, 18/01/2018, Advantage Lithium announcement 5/3/2018).



**Figure 3. Cauchari Lithium Project, showing initial drill hole location and interpreted cross section planned to intersect the extension of the sand unit inferred to extend into Lake's leases from adjoining Orocobre / Advantage Lithium resource and Ganfeng Lithium / Lithium Americas resource (previously SQM / Lithium Americas) with brine bearing sediments to around 400m depth (Source: Advantage Lithium NI 43-101 (\*1))**

Footnotes:

(\*1): Drill results released by Orocobre (ASX:ORE) from their market releases on the ASX on 18 April 2018, 29 June 2018 and 19 Sept 2018.



### **Competent Person's Statement – Cauchari Lithium Brine Project**

The information contained in this ASX release relating to Exploration Results has been compiled by Mr Andrew Fulton. Mr Fulton is a Hydrogeologist and a Member of the Australian Institute of Geoscientists and the Association of Hydrogeologists. Mr Fulton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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.

Andrew Fulton is an employee of Groundwater Exploration Services Pty Ltd and an independent consultant to Lake Resources NL. Mr Fulton consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from initial exploration at the Cauchari project.

### **About Lake Resources NL (ASX:LKE)**

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its 3 lithium brine projects and 1 hard rock project in Argentina, all owned 100%. The leases are in a prime location among the lithium sector's largest players within the Lithium Triangle where half of the world's lithium is produced. Lake holds one of the largest lithium tenement packages in Argentina (~180,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provide the potential to provide security of supply demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 50,000 Ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project. Drilling at Kachi has confirmed a large lithium brine bearing basin over 22km long and over 400m deep. Drilling over Kachi is aimed to produce an exploration target and resource statement in 2018, anticipated in Oct 2018. A direct extraction technique is being tested in partnership with Lilac Solutions and is planned to be trialled on site in tandem with conventional methods as part of a PFS to follow the resource statement. Scope exists to unlock considerable value through partnerships and corporate deals in the near-term.

The three key brine projects, Kachi, Olaroz/Cauchari, and Paso, are located adjacent to major world class brine projects either in production or being developed in the highly prospective Jujuy and Catamarca Provinces. The Olaroz-Cauchari project is located in the same basin as Orocobre's Olaroz lithium production and adjoins Ganfeng Lithium/Lithium Americas Cauchari project, with high grade lithium (600 mg/L) with high flow rates drilled immediately across the lease boundary.

Two drill rigs has been mobilised to Cauchari with results anticipated to extend the proven resources in adjoining properties into LKE's area with results anticipated from late October into December 2018. This will be followed by drilling extensions to the Olaroz area in LKE's 100% owned Olaroz leases.

Significant corporate transactions continue in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project with Ganfeng announcing a US\$237 million for 37% of the Cauchari project previously held by SQM. Nearby projects of Lithium X were recently acquired via a takeover offer of C\$265 million completed March 2018. The northern half of Galaxy's Sal de Vida resource was purchased for US\$280 million by POSCO in June 2018

The demand for lithium continues to be strong for lithium ion batteries in electric vehicles, according to recent data from the leading independent battery minerals consultant - Benchmark Mineral Intelligence. Supply continues to be constrained suggesting good opportunities for upstream lithium companies for many years.