

**HIGH GRADE BRINES FROM CAUCHARI DRILLING*****LAKE ON-TRACK TO MAJOR DISCOVERY AT 100% OWNED PROJECT***

- **High grade brines with excellent lithium values up to 538 mg/L returned from high flow brines at 261m depth at Lake's Cauchari Lithium Brine Project, Argentina.**
- **Results and flow rates over a series of horizons show continuity with lithium brine horizons announced from adjoining pre-production areas in the heart of the Lithium Triangle.**
- **Results provide further confirmation of continuity of Lake drilling in the same basin with similar brines as adjoining world-class major projects. Better results are anticipated at depth.**
- **Drill rig currently below 290m, targeting ~350-450m sand horizon that has recorded higher lithium values and fluid flows in the adjoining project – lithium values increasing with depth.**

**Lake Resources NL (ASX: LKE)** announced today further high-grade lithium brine results from high flow brines following drilling at its 100% owned Cauchari Lithium Brine Project in Argentina. These ongoing brine results show continuity over a series of horizons with adjoining major projects (Figures 1-4), further increasing Lake's confidence in Cauchari and Lake's ability to replicate the success of nearby multi-billion dollar projects located in the heart of the Lithium Triangle.

High grade conductive brines with lithium values up to 538 mg/L were returned from high flow brines at a depth of 261m with low Mg/Li ratios.

These results over a series of horizons are similar to lithium brine horizons announced from the adjoining pre-production area, showing continuity with Ganfeng/Lithium Americas (LAC) and the Advantage Lithium (AAL)/Orocobre joint venture that are attracting significant corporate transactions. Lake is clearly drilling in the same basin with similar brines, with even better results anticipated at depth (refer to ASX announcement 28 May 2019 for past results announced from adjoining projects).

These are preliminary results and larger samples will be collected once the hole is completed. The diamond drill rig is now below 290m, although drilling has been challenging requiring more time due to high fluid pressures. The target is a sand horizon estimated between 350-450m which has recorded higher lithium values and fluid flows in the adjoining project.

The latest results follow increased investor support for Lake, with the Company recently attracting approximately \$2.7 million (before costs) in new funding from offshore and local sophisticated and professional investors (refer ASX announcement 11 June 2019). These funds will allow for an acceleration of drilling at Cauchari, to be followed by drilling at Lake's equally prospective Olaroz project.

Current drilling aims to unlock value from this exciting project, which is growing in scale located immediately adjacent to a world-class brine project in pre-production in the Lithium Triangle, approximately 500m from the Ganfeng/Lithium Americas Cauchari project.

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Commenting on the latest update, Lake's Managing Director Steve Promnitz said: "Lake is on track to record a major discovery here at Cauchari, with results showing continuity of lithium brines from the major projects located nearby that are currently proceeding towards production. As we advance towards the target depth, these results auger well for improving success at depth, and later at the Olaroz project, where the Company has a 30km belt as an extension to the adjoining production area.

"Cauchari is rapidly gaining momentum as a highly valuable project for Lake, adding to our portfolio of 100% owned projects in the heart of the Lithium Triangle, including Olaroz and the world-class Kachi project. With talks progressing with potential development partners, we are in an excellent position to deliver increased value for shareholders."

**For further information please contact:**

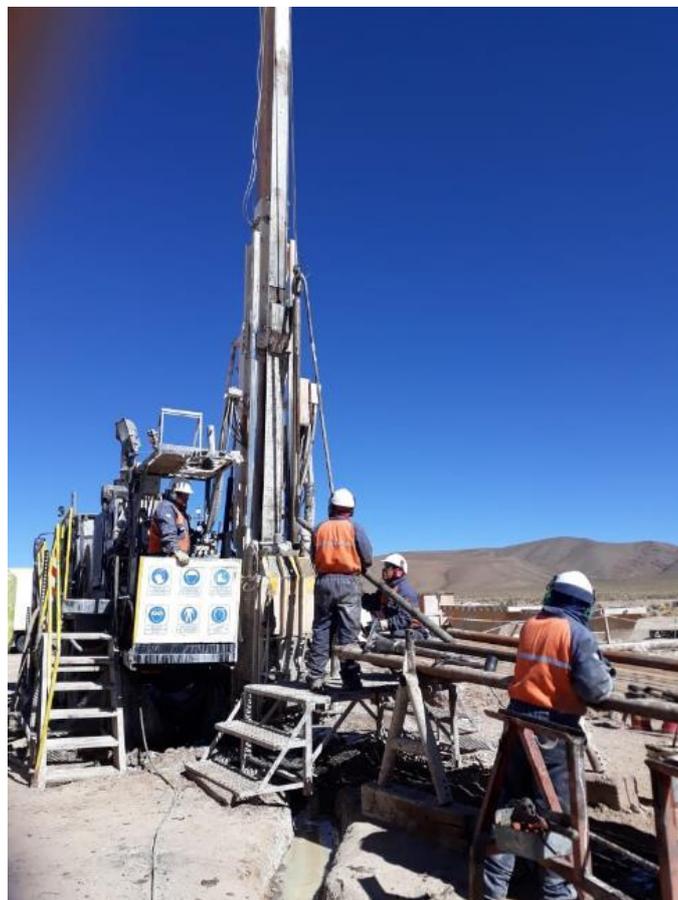
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**Figure 1: Foraco diamond drill rig at Cauchari**

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Figure 2: Location of LKE’s drill operations at Cauchari in relation to Advantage Lithium/Orocobre & Gangfeng/Lithium Americas leases. (Note: The marked boundaries are indicative only. Please refer to the detailed map).

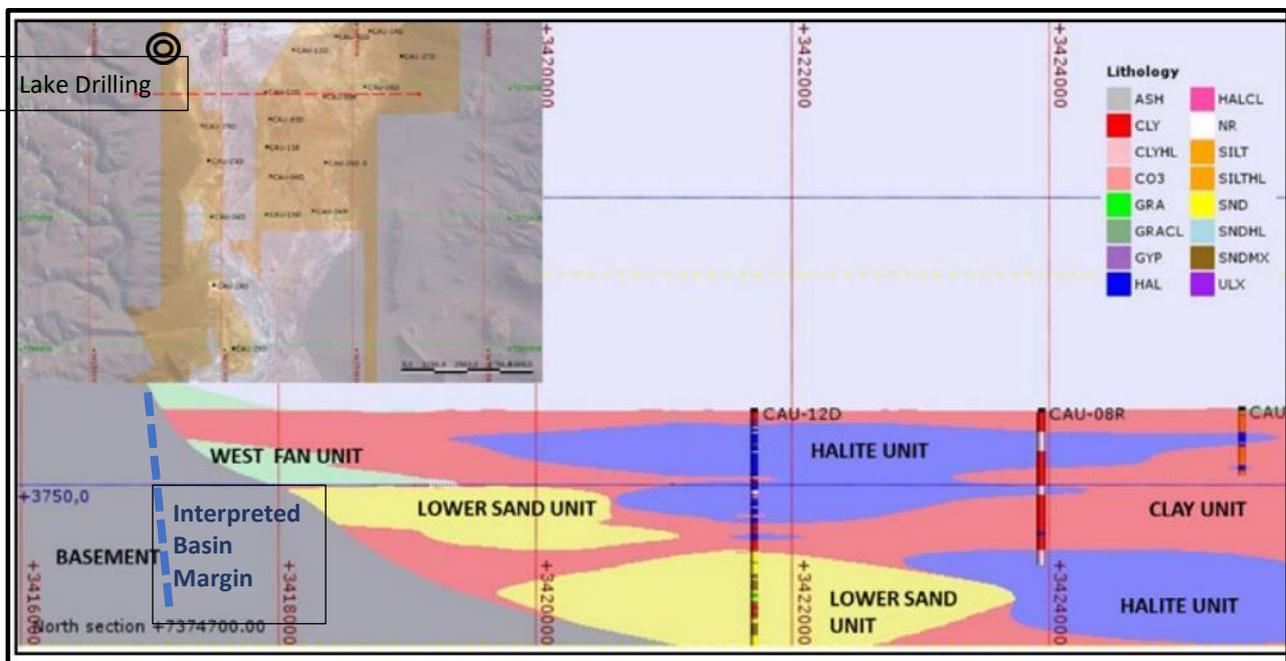


Figure 3: Cauchari Lithium Project, with adjoining Ganfeng / Lithium Americas project and Orocobre / Advantage Lithium project showing interpreted West Fan Unit and the targeted Lower Sand Unit (Orocobre announcement and Advantage Lithium announcement 24/04/19 – Figure 7.10 from NI43-101 report). Lake interprets the western boundary (left hand side) to be steep and faulted rather than dipping 45 degrees as in this diagram.

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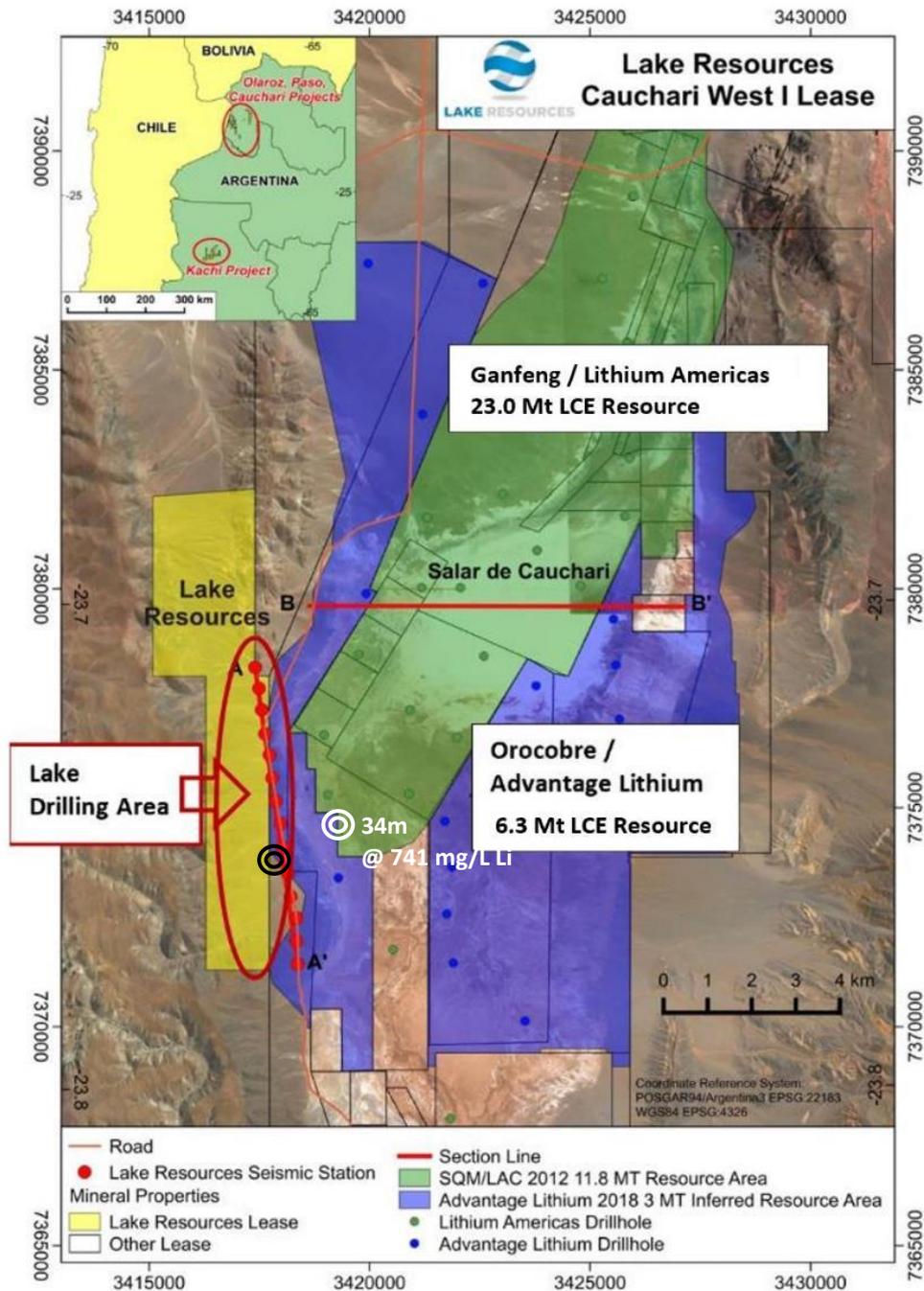


Figure 4: Cauchari Lithium Project, with adjoining Ganfeng / Lithium Americas combined resource and Orocobre / Advantage Lithium combined resource with (Orocobre announcements 7/11/2017, 4/12/2017, 18/01/2018, 15/03/19; Advantage Lithium announcement 5/3/2018, 10/01/2019, 7/03/19, 24/04/19). (Third Party Resource details summarised in LKE's ASX announcement dated 6 Sept 2018)

## Competent Person's Statement – Kachi 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.

## About Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its three lithium brine projects and 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 (~200,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provide the potential to provide consistent security of supply, scaleable as required, which is demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 69,000 ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project in Catamarca Province. Drilling at Kachi has confirmed a large lithium brine bearing basin over 20km long, 15km wide and 400m to 800m deep. Drilling over Kachi (currently 16 drill holes, 3100m) has produced a maiden indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt and Inferred 3.4Mt) within a 8-17 Mt LCE exploration target grading in the range of 310 mg/L to 210 mg/L lithium <sup>1</sup>(refer ASX announcement 27 November 2018).

A direct extraction technique is being tested in partnership with Lilac Solutions, which has shown 80-90% recoveries and lithium brine concentrations in excess of 25000 mg/L lithium. Phase 1 Engineering Study results have shown operating costs forecast at US\$2600/t LCE in the lowest cost quartile <sup>2</sup>. This process 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 Olaroz-Cauchari and Paso brine projects are located adjacent to major world class brine projects either in production or being developed in the highly prospective Jujuy Province. 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.

A new drill rig is being used to increase the depth capacity and speed at Cauchari. High grades and high flow rates have been reported over a series of horizons, similar to lithium brine horizons announced from adjoining pre-production areas under development. Results provide further confirmation of the continuity lithium bearing horizons and demonstrate that Lake is drilling in the same basin as adjoining world-class major projects. Better results are anticipated at depth. High fluid pressure have meant that conditions are challenging. 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, followed by a further US\$160 million to increase Ganfeng's equity position to 50% on 1 April 2019, together with a resource that had doubled to be the largest on the planet. Ganfeng then announced a 10 year lithium supply agreement with Volkswagen on 5 April 2019. Nearby projects of Lithium X were 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-Dec 2018. LSC Lithium was acquired in Jan-Mar 2019 for C\$111 million by a mid-tier oil & gas company with a resource size half of Kachi. These transactions imply an acquisition cost of US\$55-110 million per 1 million tonnes of lithium carbonate equivalent (LCE) in resources.

For more information on Lake, please visit <http://www.lakeresources.com.au/home/>

**Table 1: Cauchari Lithium Project – details of drill-hole locations**

Exploration Hole	Drilling Method	Easting	Northing	Elevation	Total Depth (m)	Azimuth / Dip (deg)	Assay Interval (m)	Lithium (mg/L)	Magnesium (mg/L)	Potassium (mg/L)
CW01D01	Diamond	3418810	7373543	3948	205 (*)	90	136m	148	586	1290
							186m	452	1590	4330
							<b>186m</b>	<b>480</b>	<b>1650</b>	<b>4580</b>
							<b>261m</b>	<b>538</b>	<b>1200</b>	<b>3270</b>
							TBA			
CW01R02	Rotary	3418801	7373545	3948	230 (*)	90				

\* = Hole advancing, not completed

Coordinates are Argentine POSGAR Zone3 (UTM19)

**APPENDIX 1 - JORC Code, 2012 Edition**

**Table 2 Report: Cauchari Lithium Brine Project**

Criteria	Section 1 - Sampling Techniques and Data
Sampling techniques	<ul style="list-style-type: none"> <li>Brine samples were taken from the diamond drill hole with a bailer during advance and once the hole is completed, a double packer device will be used to obtain representative samples of the formation fluid by purging a volume of fluid from the isolated interval, to minimize the possibility of contamination by drilling fluid then taking the sample. Low pressure airlift tests will be used as well. The fluid used for drilling is either brine sourced from the drill hole or nearby pumped water mixed into a brine. The return from drillhole passes back into the excavator dug pit lined to avoid leakage.</li> <li>The brine sample was collected in a clean plastic bottle (1 litre) and filled to the top to minimize air space within the bottle. A duplicate was collected at the same time for storage and submission of duplicates to the laboratory. Each bottle was taped and marked with the sample number.</li> <li>Drill cuttings were collected each metre from the parts of the hole drilled with a tricone bit.</li> <li>Drill core in the hole was recovered in 1.5 m length core runs in core split tubes when drilling was undertaken with a diamond bit. Drill core was undertaken to obtain representative samples of the sediments that host brine.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Diamond drilling with an internal (triple) tube was used for drilling. The drilling produced cores with variable core recovery, associated with unconsolidated material, in particularly sandy intervals. Recovery of these more friable sediments is more difficult with diamond drilling, as this material can be washed from the core barrel during drilling.</li> <li>Rotary drilling has used 8.5" or 10" tricone bits and has produced drill chips.</li> <li>Brine has been used as drilling fluid for lubrication during drilling.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Diamond drill core was recovered in 1.5m length intervals in the drilling triple (split) tubes. Appropriate additives were used for hole stability to maximize core recovery. The core recoveries were measured from the cores and compared to the length of each run to calculate the recovery.</li> <li>Chip samples are collected for each metre drilled and stored in segmented plastic boxes for rotary drill holes.</li> <li>Brine samples were collected at discrete depths with a bailer as drilling advanced. Brine samples will be collected once the drill hole is completed using a double packer over a 1 m interval (to isolate intervals of the sediments and obtain samples from airlifting brine from the sediments within the packer).</li> <li>As the brine (mineralisation) samples are taken from inflows of the brine into the hole (and not from the drill core – which has variable recovery) they are largely independent of the quality (recovery) of the core samples. However, the permeability of the lithologies where samples are taken is related to the rate and potentially lithium grade of brine inflows.</li> </ul>

<p><i>Logging</i></p>	<ul style="list-style-type: none"> <li>• Sand, clay, silt, salt, breccia, coarse sandstone/conglomerate and cemented rock types were recovered in a triple tube diamond core drill tube, or as chip samples from rotary drill holes, and examined for geologic logging by a geologist and a photo taken for reference.</li> <li>• Diamond holes are logged by a senior geologist who also supervised taking of samples for laboratory porosity analysis as well as additional physical property testing.</li> <li>• Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies and their relationships. When cores are split for sampling they are photographed.</li> </ul>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li>• Brine samples were collected by bailer and will be collected by packer sampling methods, over a metre, once the drill hole is completed. Low pressure airlift tests will be used to purge test interval and gauge potential yields.</li> <li>• The brine sample was collected in one-litre sample bottles, rinsed and filled with brine. Each bottle was taped and marked with the sample number.</li> </ul>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li>• The Alex Stewart Argentina lab in Palpala, Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected as part of the sampling program. The SGS laboratory in Buenos Aires is used for both primary and check samples. They also analyzed blind control samples and duplicates in the analysis chain. The Alex Stewart laboratory and the SGS laboratory are ISO 9001 and ISO 14001 certified, and are specialized in the chemical analysis of brines and inorganic salts, with experience in this field. This includes the oversight of the experienced Alex Stewart Argentina S.A. laboratory in Mendoza, Argentina, which has been operating for a considerable period.</li> <li>• The quality control and analytical procedures used at the Alex Stewart laboratory or SGS laboratory are considered to be of high quality and comparable to those employed by ISO certified laboratories specializing in analysis of brines and inorganic salts.</li> </ul>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li>• Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses. Accuracy, the closeness of measurements to the “true” or accepted value, will be monitored by the insertion of standards, or reference samples, and by check analysis at an independent (or umpire) laboratory.</li> <li>• Duplicate samples in the analysis chain were submitted to Alex Stewart or SGS laboratories as unique samples (blind duplicates) during the process</li> <li>• Stable blank samples (distilled water) were used to evaluate potential sample contamination and will be inserted in future to measure any potential cross contamination</li> <li>• Samples were analysed for conductivity using a hand-held pH/EC multiprobe.</li> <li>• Calibration using standard buffers is being undertaken at times.</li> </ul>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li>• The diamond drill hole sample sites and rotary drill hole sites were located with a hand-held GPS.</li> <li>• The properties are located in the Argentine POSGAR grid system Zone 3 (UTM 19) and in WGS84 Zone 19 south.</li> </ul>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> <li>• Brine samples will be collected over 1m intervals every 6 m intervals within brine producing aquifers, where possible. Brine samples were collected were possible as the drill hole progressed.</li> </ul>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> <li>• The salt lake (<i>salar</i>) deposits generally have sub-horizontal beds and lenses that contain sand, gravel, salt, silt, clay, breccia and coarse sandstone/conglomerate. The vertical diamond drill holes provide a better understanding of the stratigraphy and the nature of the sub-surface brine bearing aquifers.</li> </ul>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> <li>• Samples were transported to the Alex Stewart laboratory or SGS laboratory for chemical analysis in sealed 1-litre rigid plastic bottles with sample numbers clearly identified. Samples will be transported by a trusted member of the team.</li> <li>• The samples were moved from the drillhole sample site to secure storage at the camp on a daily basis. All brine sample bottles sent to the laboratory are marked with a unique label not related to the location.</li> </ul>
<p><i>Review (and Audit)</i></p>	<ul style="list-style-type: none"> <li>• No audit of data has been conducted to date. However, the CP will be onsite periodically in the future as drilling progresses during the programme and has previously provided guidance to the technical people on a similar project.</li> </ul>

Criteria	Section 2 - Mineral Tenement and Land Tenure Status
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>The Cauchari Lithium Brine project is located approximately 500m from the Ganfeng/Lithium Americas Cauchari pre-production area and 25km south of Orocobre's Olaroz lithium operation, and 23km north east of Catua in Jujuy province of north western Argentina at an elevation of approximately 3,900m asl.</li> <li>The project comprises approximately 1936 Ha in one mineral lease (minas) granted for drilling. Cauchari is a part of the Cauchari-Olaroz project with 17,953 Ha in eleven mineral leases (minas) with 10 granted access for exploration, 5 granted for drilling and 5 in the last phase prior to drilling approval.</li> <li>The tenements are believed to be in good standing, with statutory payments completed to relevant government departments.</li> </ul>
<i>Exploration by other parties</i>	<ul style="list-style-type: none"> <li>Lithium Americas (Ganfeng Lithium 50% JV) has completed a series of drilling campaigns with rotary and diamond drill rigs since 2009 with drilling still continuing on production wells as part of the pre-production drilling. A combined resource of 23 million tonnes lithium carbonate equivalent (LCE) has been reported on 1 April 2019, comprised of 18.0 million tonnes LCE in the Measured &amp; Indicated category and 5.0 million tonnes in the Inferred category. This resource doubled from the previous resource in July 2012 of 11.8 million tonnes LCE in the Measured &amp; Indicated category.</li> <li>Results were reported in an NI 43-101 report by Mark King, Roger Kelley and Daron Abbey in July 2012 and April 2019 for Lithium Americas.</li> <li>Advantage Lithium (Orocobre 25% JV) has completed a series of drilling campaigns with one rotary hole and 25 diamond drill holes since 2011. A combined resource of 6.3 million tonnes lithium carbonate equivalent (LCE) has been reported in March 2019, released 19 April 2019, comprised of 4.8 million tonnes LCE in the Measured &amp; Indicated category and 1.5 million tonnes in the Inferred category. This resource doubled from the previous combined resource in 2018 of 3 million tonnes LCE in the Measured &amp; Indicated and Inferred categories. Gravity, VES, TEM and AMT ground geophysical surveys were completed prior to and following drilling campaigns.</li> <li>Results were reported in an NI 43-101 report by Fritz Reidel in April 2019 and Fritz Reidel with P Ehren in June 2018 for Advantage Lithium and in December 2016 by M Brooker and P Ehren for Advantage Lithium and in April 2010 by John Houston for Orocobre.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>The known sediments within the <i>salar</i> consist of salt/halite, clay, sand and silt horizons, accumulated in the <i>salar</i> from terrestrial sedimentation and evaporation of brines.</li> <li>Brines within the Salt Lake are formed by solar concentration with brines hosted within sedimentary units.</li> <li>Geology was recorded during the diamond drilling and from chip samples in rotary drill holes.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>Lithological data was collected from the holes as they were drilled and drill cores or chip samples were retrieved. Detailed geological logging of cores is ongoing.</li> <li>All drill holes are vertical, (dip -90, azimuth 0 degrees).</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>Results to date are initial analytical laboratory results. No data aggregation has been undertaken. In the future, assay averages will be provided where multiple sampling occurs in the same sampling interval.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>Mineralisation interpreted to be horizontally lying and drilling is perpendicular to the horizons.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>A drill hole location plan is provided showing the locations of the drill platforms. Individual drill locations are provided in Table 1.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>No brine assay results are available yet from the drilling to date. Information will be provided as it becomes available.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>There is no other substantive exploration data available regarding the project.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The company is undertaking an 900m maiden diamond drilling programme and 600m maiden rotary water well drilling programme which may be expanded based on results.</li> </ul>