

CAUCHARI DRILLING PROGRESSES – VIDEO UPDATE

- **Drilling progresses at Lake’s Cauchari Lithium Brine Project, Argentina, where high grade lithium brine results have been previously reported amid growing lithium demand.**
- **A video update is provided to show Lake drilling and the activity in the area and the proximity of Lakes drilling to pre-production of the Lithium Americas/Ganfeng world-class major project.**
- **The interview can be accessed at:**
<http://www.finnewsnetwork.com.au/MediaCenter/MediaCenterMobile.aspx?Site=FNN1579>

and on the Presentations and Videos section of the Investors section on the Lake Resources website:

<http://www.lakeresources.com.au/investors/?page=presentations-videos>

Lake Resources NL (ASX: LKE) released today a video update from site of the drilling currently progressing at Lake’s 100% owned Cauchari Lithium Brine Project in Argentina where high-grade lithium brine results have been previously reported of up to 538 mg/L from high flow brines (refer ASX announcements 28 May, 12 June 2019). These results show the continuity of Lake’s drilling over a series of horizons extending similar results from adjoining major projects located in the heart of the Lithium Triangle.

The video shows the drilling progressing next to the Cauchari salt lake and adjoining pre-production works of Ganfeng/Lithium Americas (LAC). Lake is clearly drilling in the same basin with similar brines with the potential to replicate the success of similar projects.

The diamond drill rig has experienced challenging conditions due to sandy/gravel horizons and high fluid pressures and has not advanced beyond the previously reported depth while the section has been cleaned, conditioned and drilled, but is now making good progress toward the target zone. The target is a sand horizon estimated between 350-450m which has recorded higher lithium values and fluid flows in the adjoining project. Lake will update the market as the hole progresses.

Commenting on the drilling, Lake’s Managing Director Steve Promnitz said: “Lake has demonstrated proof that our Cauchari project is similar to the adjoining world class projects, and with the drilling continuing to progress, we see great potential to identify high-grade lithium values.

“Together with our emerging Kachi project in PFS stage, Lake is confident of delivering increased value for shareholders amid growing demand for these increasingly strategic assets in the heart of the Lithium Triangle.”

For further information please contact:

Steve Promnitz - Managing Director
+61 2 9188 7864
steve@lakeresources.com.au

Follow Lake Resources on Twitter:
https://twitter.com/Lake_Resources
<http://www.lakeresources.com.au>

LAKE RESOURCES NL

Level 5, 126 Phillip St, Sydney, NSW 2000, Australia 1
T: +61 2 9299 9690

[LAKERESOURCES.COM.AU](http://www.lakeresources.com.au)

**AT THE HEART OF THE
LITHIUM TRIANGLE**



Figure 1: Drill rigs at Cauchari looking over to the adjoining major projects

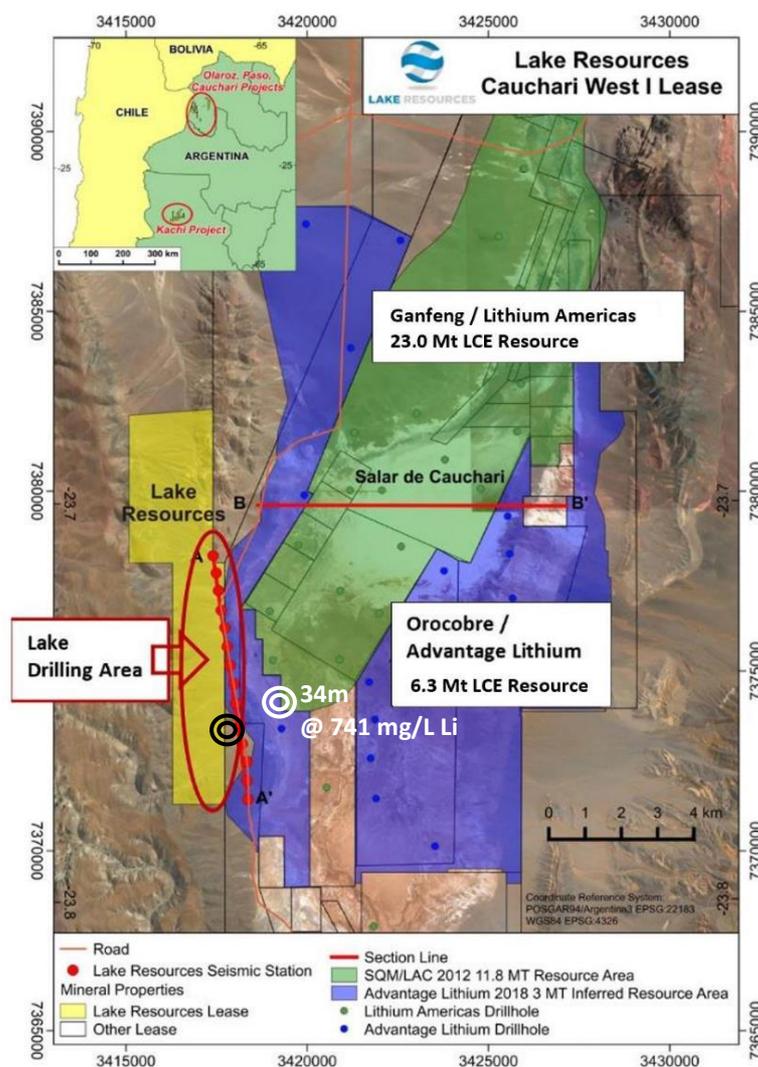


Figure 2: Cauchari Lithium Project, with adjoining Ganfeng / Lithium Americas combined resource and Orocobre / Advantage Lithium combined resource with (Orocobre announcements 7/11/2017, 4/12/2017, 18/01/2018, 15/03/19; Advantage Lithium announcement 5/3/2018, 10/01/2019, 7/03/19, 24/04/19). (Third Party Resource details summarised in LKE's ASX announcement dated 6 Sept 2018)

LAKE RESOURCES NL

Level 5, 126 Phillip St, Sydney, NSW 2000, Australia 2
T: +61 2 9299 9690

LAKERESOURCES.COM.AU

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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, scalable 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) (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 (refer ASX announcement 10 December 2018). This process is will be trialed on site with a pilot plant in tandem with conventional methods as part of the PFS underway. Discussions are advanced with a number of downstream entities, mainly battery makers, to jointly develop the project.

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 of lithium bearing horizons and demonstrate that Lake is drilling in the same basin as adjoining world-class major projects (refer ASX announcements 28 May, 12 June 2019). Better results are anticipated at depth. High fluid pressures 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/>