

LAKE RESOURCES

ASX: LKE

LAKE RESOURCES

Lithium - Size; Best Location

Kachi – Large Resource; New Tech

Cauchari /Olaroz - Adjoin Production

**Update – Post Maiden Kachi Resource
January 2019**

Disclaimer



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General Statement and Cautionary Statement

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Forward Looking Statements

Certain statements contained in this presentation, including information as to the future financial performance of the projects, are forward-looking statements. Such forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Lake Resources N.L. are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results, expressed or implied, reflected in such forward-looking statements; and may include, among other things, statements regarding targets, estimates and assumptions in respect of production and prices, operating costs and results, capital expenditures, reserves and resources and anticipated flow rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions and affected by the risk of further changes in government regulations, policies or legislation and that further funding may be required, but unavailable, for the ongoing development of Lake's projects. Lake Resources N.L. disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Lake does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Investment Highlights



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Lake Resources (ASX:LKE)

- Lithium exploration/development in Argentina - 3 lithium brine & 1 hard rock lithium project
- One of Largest Lease Holdings of Lithium ~ 200,000 Ha, provides scale, optionality

Flagship Projects:

Kachi - Large Resource (Top 10); Large Target; 100% owned

- Large maiden resource: 4.4 Mt LCE (Indicated & Inferred) – In Top 10 global lithium brine resources
- Indicated: 1 Mt LCE Inferred: 3.4 Mt LCE (Lithium Carbonate Equivalent) Defined in 1 year
- Large basin: 20km x 15km x 400-800m deep; Leases cover entire brine basin 69,000 Ha (100% LKE)
- PFS to start – development – conventional & direct extraction methods
- Direct extraction method – Lowest quartile opex costs US\$2600/t LCE fcast; Reduced time to production
- Located 80km south of FMC/Livent (20 years production)

Olaroz – Cauchari - Adjoins Orocobre/Advantage Lithium, Ganfeng/Lithium Americas

- Extensions of world class lithium brine resources - Grade, scale - Next to Production / Development
- Drilling underway 450m from major resources; pegged leases 2.5 years ago

Pegmatites – 80,000 Ha – New modern targets in past producing pegmatite belt in Catamarca

Major Transactions in Area

- Cauchari - Next to major acquisition \$237M at Cauchari (Ganfeng Aug'18) = 8x LKE market value
- Kachi – South of Galaxy sale of resource – US\$280M (POSCO June-Dec 2018)
- Implied Acquisition Value: US\$70-110 M per 1 Mt LCE resource

Undervalued vs Peers:

- Comparisons with peer lithium companies in Argentina – shows deep value in LKE
- Neighbours market value \$100M to \$1000M; Recent LKE research \$0.73 price target

Prime Location

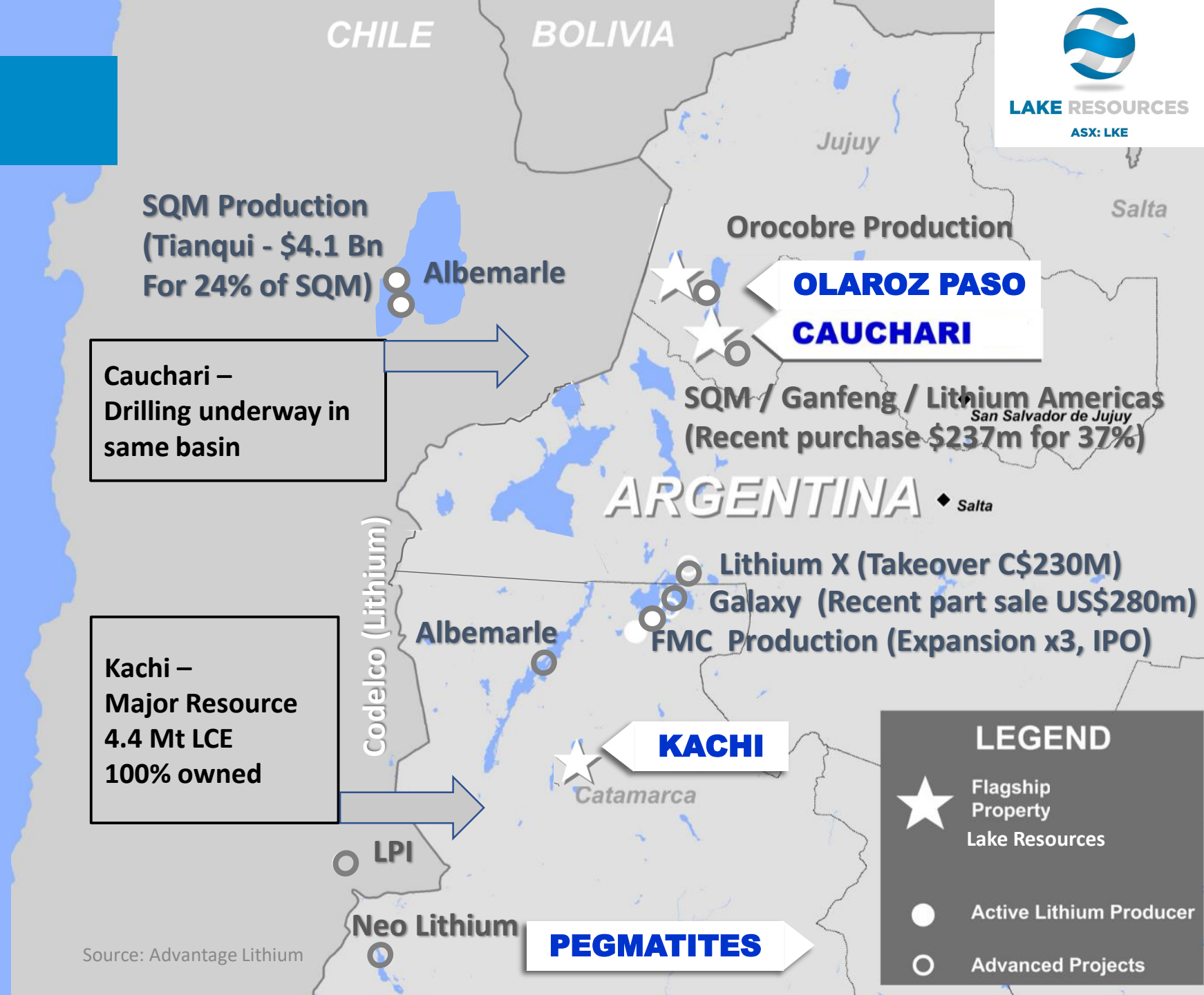
Center for Major Lithium Production And Development

**LKE – Large Lease Holdings
Next to Majors**

~200,000 Ha

3 Brine Projects, 1 Hardrock
100% owned

*This land package is part of the
Lithium Triangle from where
~50% of the world's lithium is
produced at the lowest costs.*



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Experienced Board and Management



STEVE PROMNITZ
Managing Director

Extensive Project Management
experience in South America –
Geologist and Finance
experience



STU CROW
Chairman Non-Exec
More than 25 years of
experience (numerous public
companies) and in financial
services



NICK LINDSAY
Non-Exec Director
25+ years of experience in
Argentina/Chile/Peru (PhD in
Metallurgy& Materials Engineering);
Taken companies from inception to
development to acquisition on
projects in South America



ANDREW BURSILL
CFO/Company Secretary
Accounting/ governance
experience. Director, CFO and
Coy-Sec of a number of ASX
companies

Experienced Local Team

Geologists; Hydrogeologists; Assistants Legal & Accounting

Hydrogeologists ex-Orocobre; ex-NeoLithium
Extensive exploration experience in Argentina
Existing long term relationships with team members



Comparisons - LKE Deep Value



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Company brine resources in Argentina

Nearby's Mkt Value 270%
to 1000% larger than LKE
With similar or smaller
mineral resources

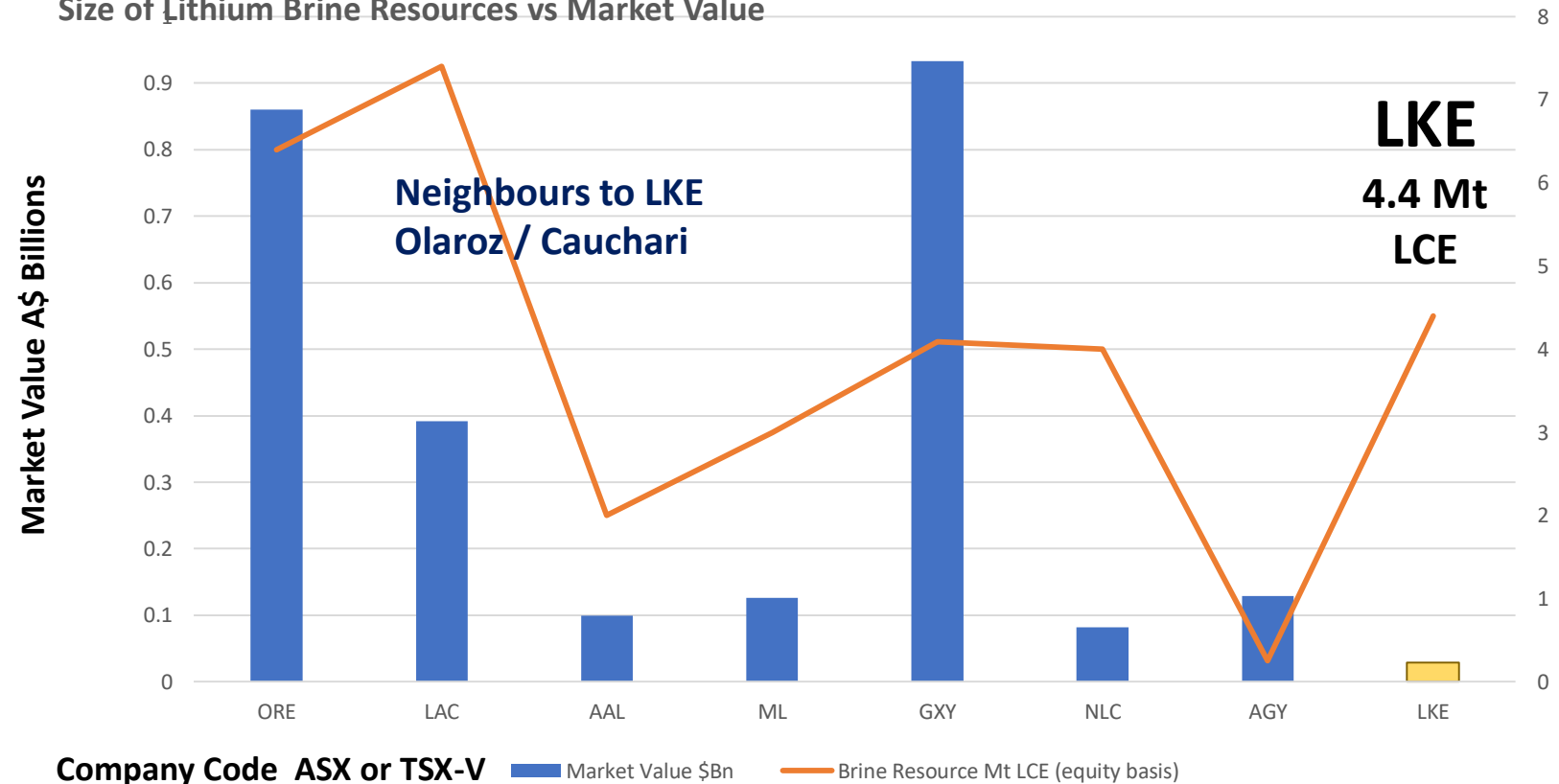
LKE Research:
Significant Price Target Upside
(Dollar figures in AUD)

\$0.73 / share
(Nov 2018 – Fundamental)

\$0.36 / share
(Nov 2018 – VSA Capital)

\$0.40 / share
(Dec 2018 – Hunter Capital)

Size of Lithium Brine Resources vs Market Value



Source: Bloomberg 9 Jan 2019; StocknessMonster; GXY Sal de Vida resource after POSCO sale; AAL 65% equity in resource; LAC 63% equity in resource

9x Li Battery Growth = 8x Lithium Demand

MATERIAL	2017	2023	2028
LITHIUM	148,803	743,658	1,239,958
TOTAL GWh	147.8	695	1147.5

More Lithium for More Batteries

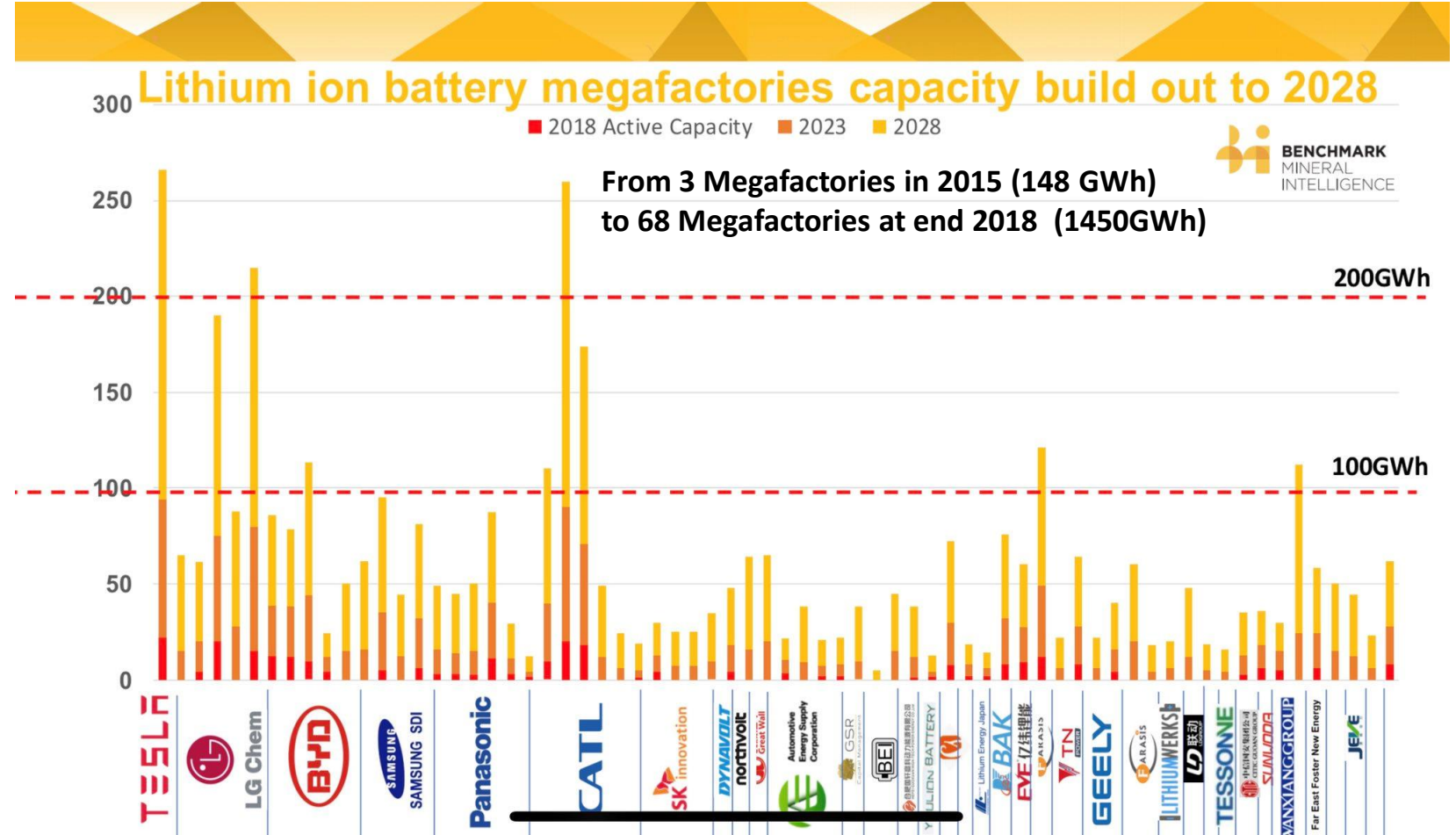
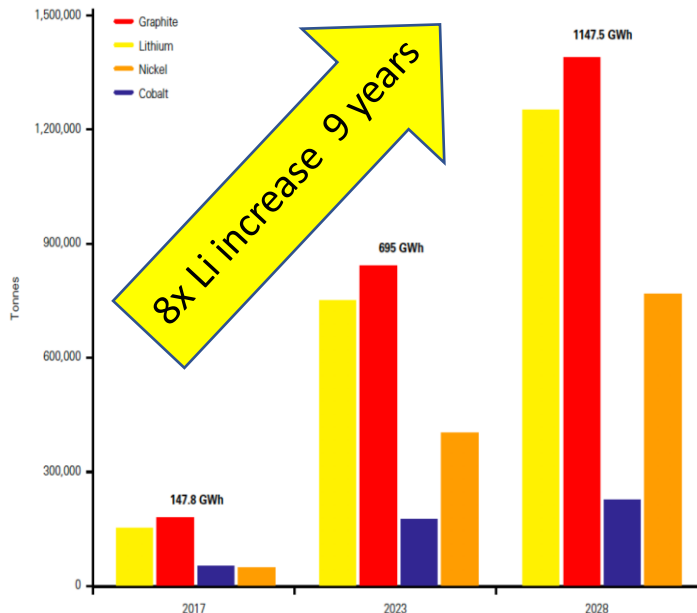
150,000 t LCE Production 2017

Need 1,090,000 t LCE more
production in 9 years

Minimum 8x growth

Up to 11x growth forecast by others

Lithium demand up 22% in 2018



Source: Benchmark Mineral Intelligence December 2018 and Sept 2018; Lithium Ion Battery Megafactory Assessment



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KACHI PROJECT

Large scale; Low impurities

Similar to projects in development

Major Resource 4.4 Mt LCE



Kachi – Large Resource



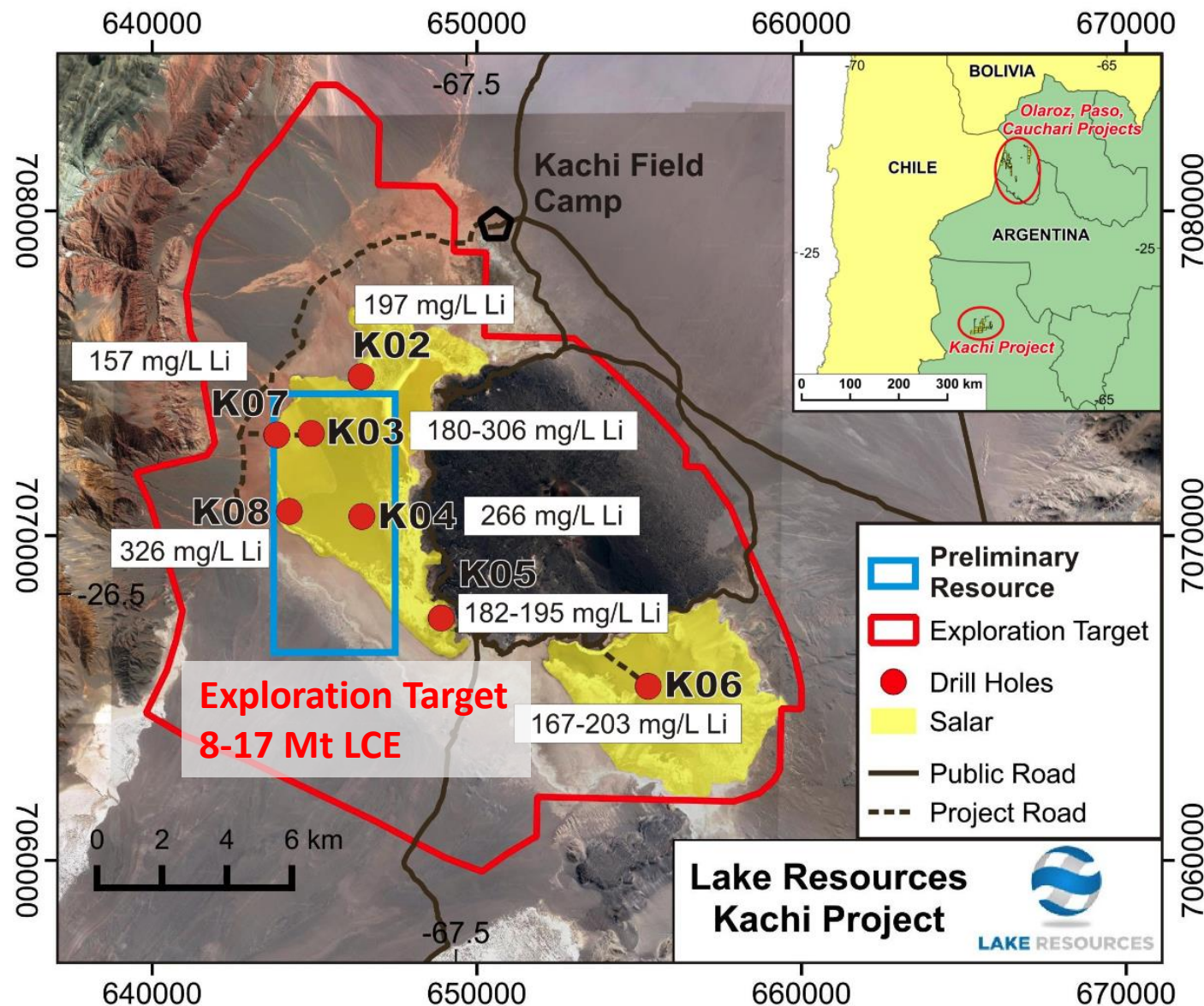
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Large Resource – 4.4 Mt LCE

- Large salt lake 20km x 15km
- Previously untested - now 15 drill holes
- 69,000 Ha mining leases & 100% Lake
- Indicated Resource 1.0Mt LCE 290mg/L
- Inferred Resource 3.4Mt LCE 210mg/L

Results:

- Good chemistry, low impurities
~320mg/L lithium (250-320mg/L)
- Low Li/Mg ratio 3.8-4.6
- Brines from surface to 400-800m depth
- High permeabilities in sand filled basin



Kachi – Large Target

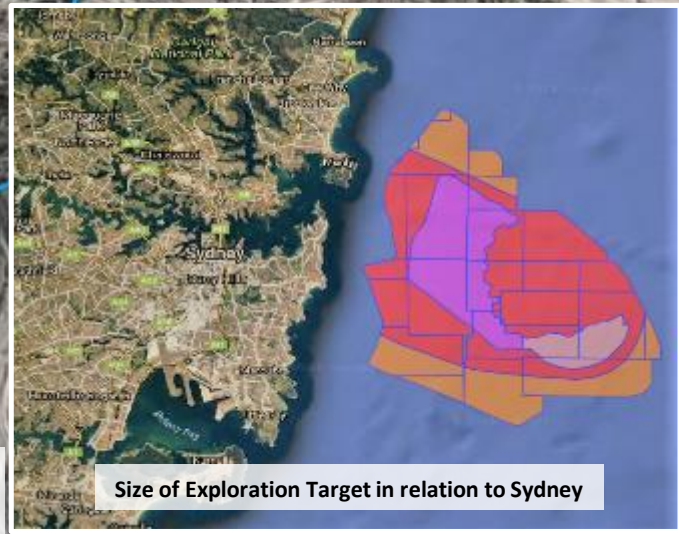
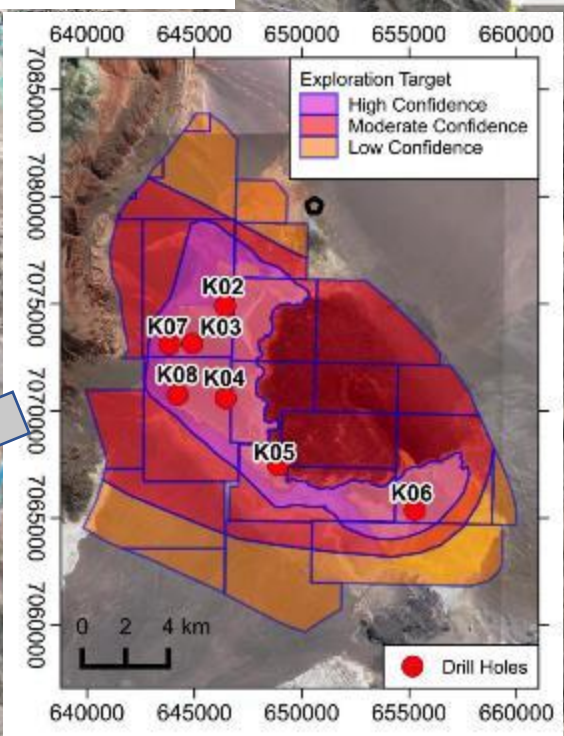
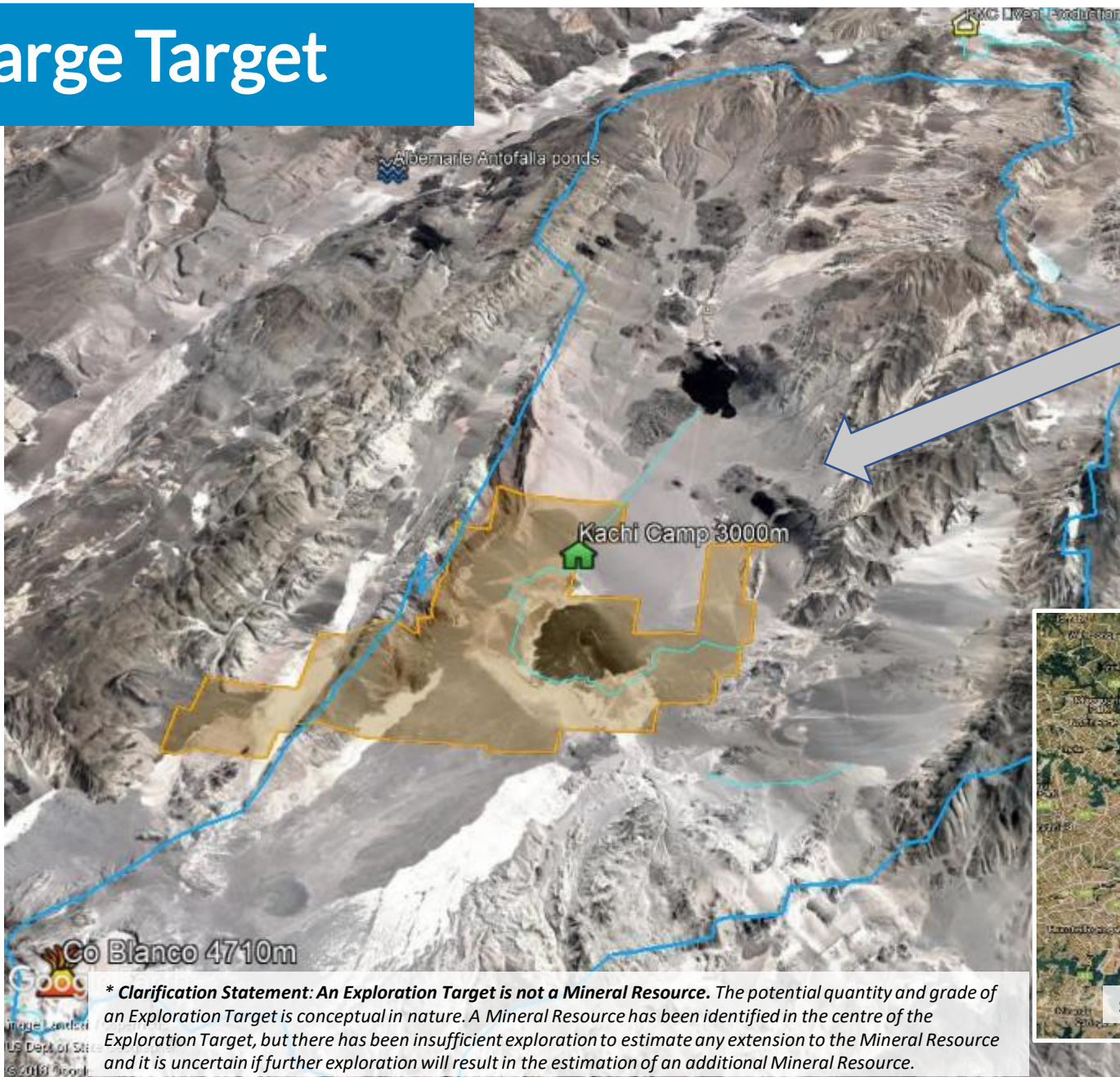
Large Project

New discovery

Exploration Target:
8-17 Mt LCE *
320-210 mg/L Lithium
(* see clarification statement)

Brine volume Equivalent to
25 x Sydney harbour

- Leases: Large area
- Located in lowest part of
- Large drainage: 6,800 km² (2500 sq. miles)

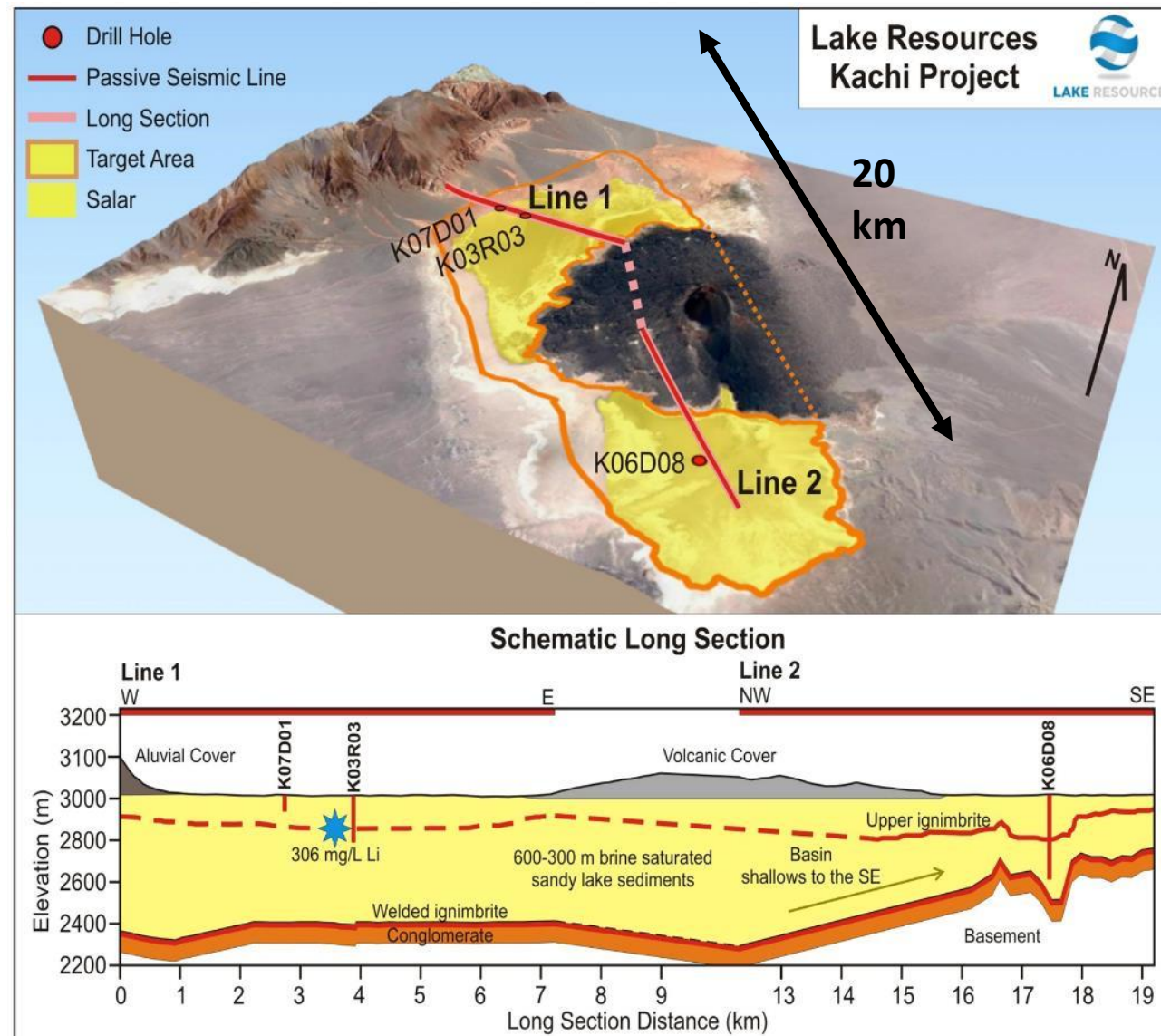
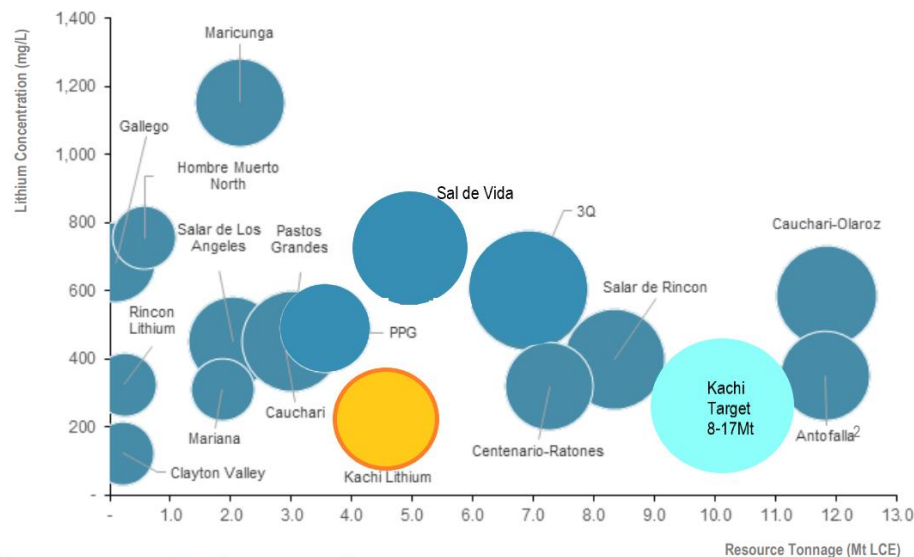


*** Clarification Statement: An Exploration Target is not a Mineral Resource.** The potential quantity and grade of an Exploration Target is conceptual in nature. A Mineral Resource has been identified in the centre of the Exploration Target, but there has been insufficient exploration to estimate any extension to the Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.

Kachi – Deep Brines

Potential Expansion

- Geophysics show large deep basin with brines from surface to 400-800m depth
- Potential expansion at depth, south & west



Kachi – Development Options

Direct Extraction - Rapid Low US\$2600/t Opex Costs

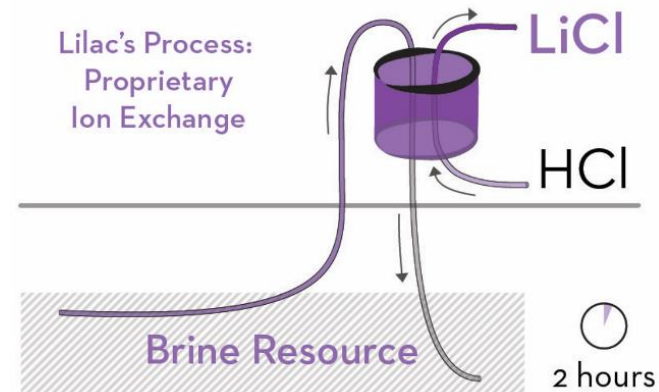
Kachi PFS: Conventional & new Direct Extraction methods

- Direct extraction Pilot plant planned H1 2019

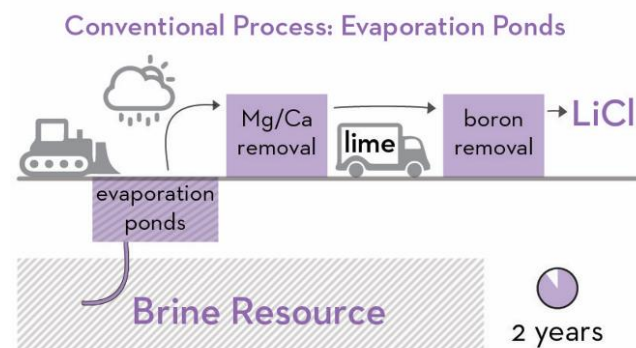
- Increases grade to 25,000 mg/L lithium
- Clean product for lithium hydroxide or carbonate
- Reduces lead time to production by at least 12 months
- Increase recoveries to 85-90% (from 40-50%)
- Doubles recoverable grade; Smaller environ footprint
- Lowest Quartile Opex Costs US\$2600/t LCE Forecast in Phase 1 Engineering Study (Note: Not Feasibility Study)

Lilac Solutions selected - Innovative approach to popular ion exchange method widely used in industry

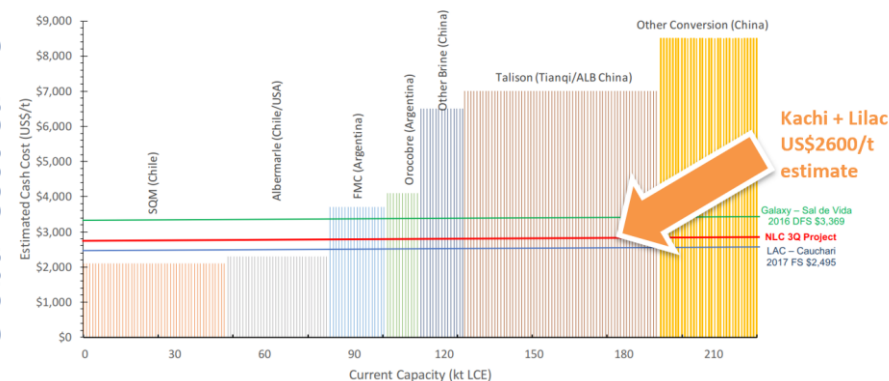
Direct Extraction – Lilac



Conventional Process



Global Cost Curve



Mineral Resource Estimate - Kachi

Table 1 Report Kachi Lithium Project - JORC Code 2012



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Kachi Mineral Resource Estimate - November 2018 (JORC Code 2012 Edition)

RESOURCE ESTIMATE KACHI						
	Indicated		Inferred		Total Resource	
Area km ²	17.10		158.30		175.40	
Aquifer volume km ³	6		41		47	
Brine volume km ³	0.65		3.2		3.8	
Mean drainable porosity % (Specific yield)	10.9		7.5		7.9	
Element	Li	K	Li	K	Li	K
Weighted mean concentration mg/L	289	5,880	209	4,180	211	4380
Resource tonnes	188,000	3,500,000	638,000	12,500,000	826,000	16,000,000
Lithium Carbonate Equivalent tonnes	1,005,000		3,394,000		4,400,000	
Potassium Chloride tonnes	6,705,000		24,000,000		30,700,000	

Lithium is converted to lithium carbonate (Li₂CO₃) with a conversion factor of 5.32

Potassium is converted to potassium chloride (KCl) with a conversion factor of 1.91

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. The information in this announcement is an accurate representation of the available data from initial exploration at the Kachi project.



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↓ SQM Camp – Ganfeng / Lithium Americas –
World Class Resource

Orocobre/ Advantage Lithium
– Large Resource

Lake Resources – Drilling Area

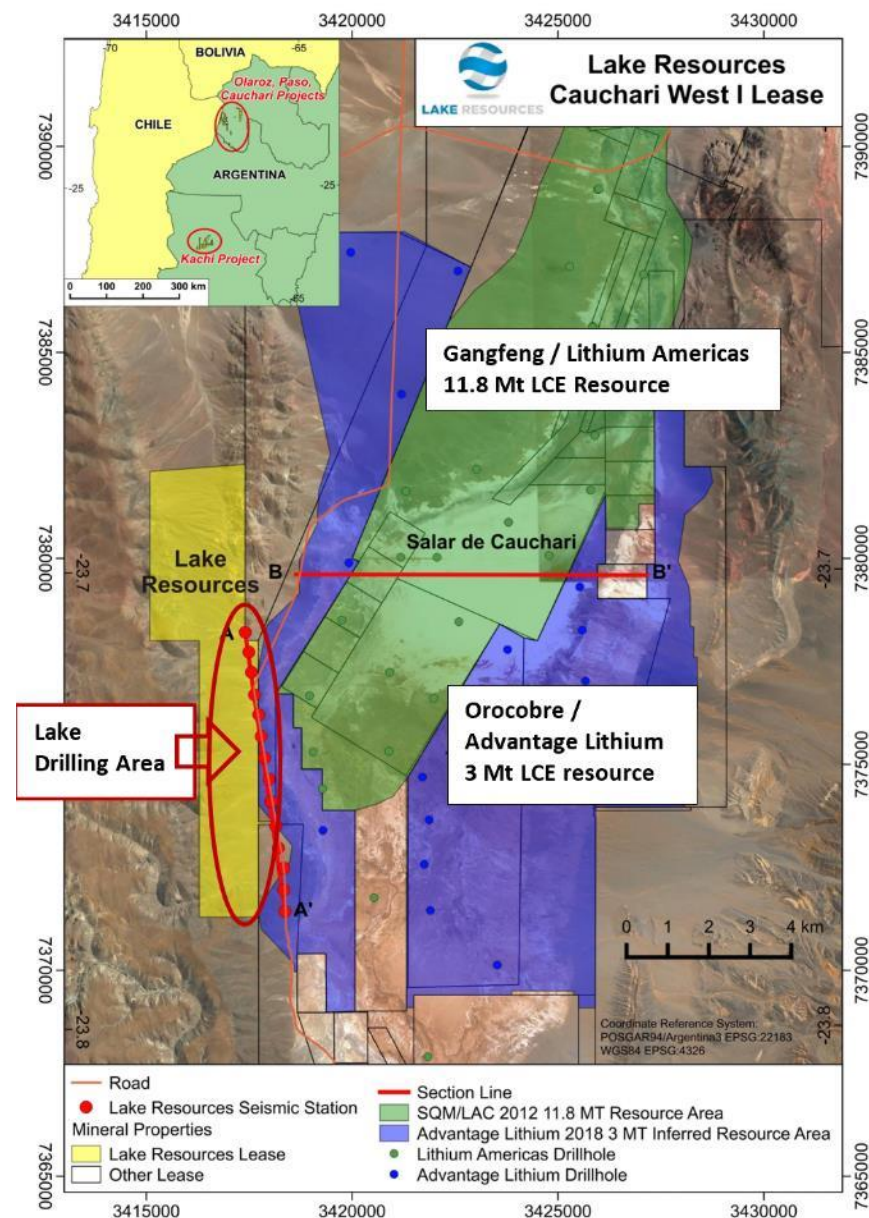
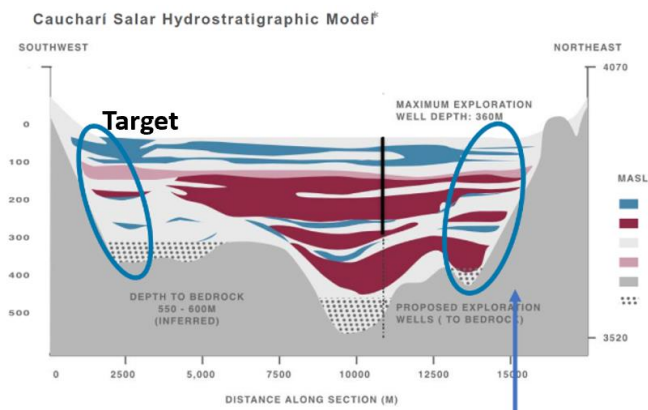
CAUCHARI PROJECT

Extensions to known resources
Initial drill testing underway
Next to major acquisition

Cauchari Brine Project

Likely Extension to Major Resources

- Adjoins (SQM)/Ganfeng/ Lithium Americas and Advantage Lithium/Orocobre Development Projects
- (Ganfeng recently acquired SQM 37% equity \$237m)
- Likely Extension of major resources – 14.8 Mt LCE Lithium
- 420-720 mg/L lithium adjoins drilling area
- Targeting same aquifers; covered targets on margins; New target model 2.5 years ago when leases pegged



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↓ **Orocobre Production Plant**

Orocobre - Resource

Lake Resources – Drilling Area

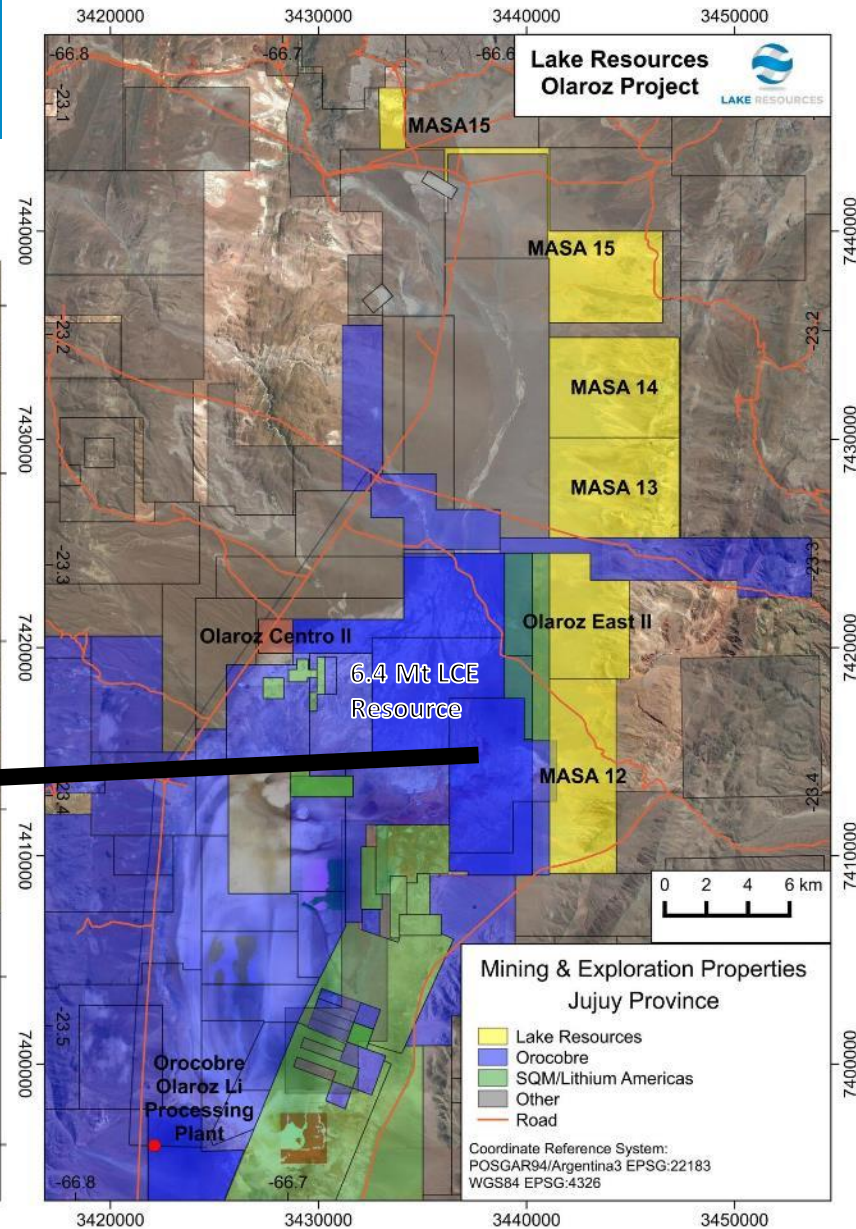
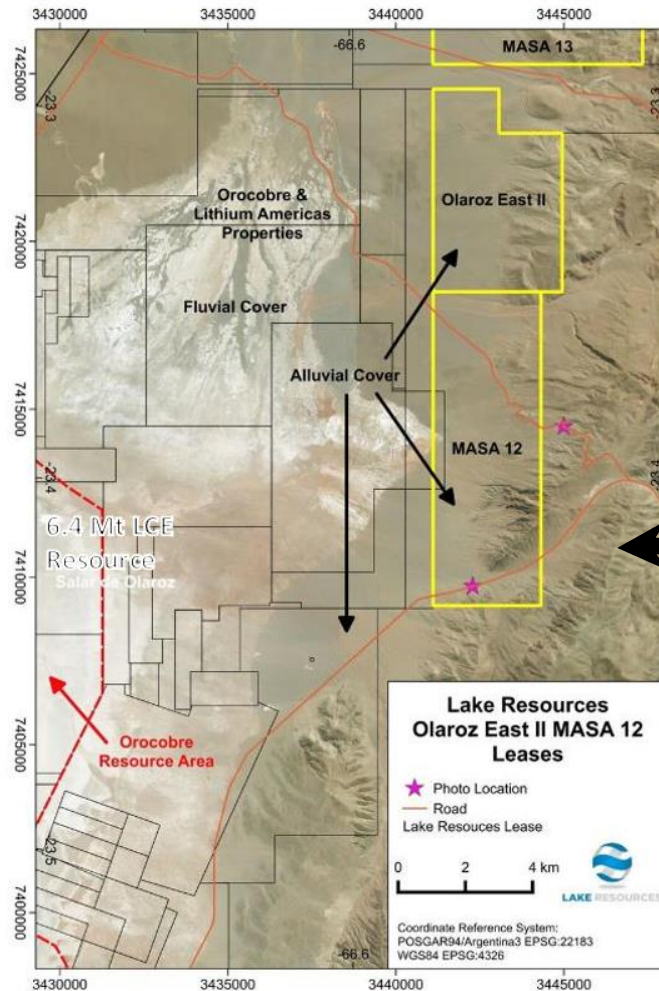
OLAROZ PROJECT

30km long belt among the Majors
Next to Production
Drilling after Cauchari

Olaroz Brine Project

30 km Likely Extension

- Adjoins Orocobre Production
- Target same aquifer
- Under alluvial cover
- Drill targets on basin margin after concept proved at Cauchari drilling



30 km



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PEGMATITES

Past Production – Small scale
New models for large deposits
Catamarca

Target: Large Scale Deposits – New Exploration Models



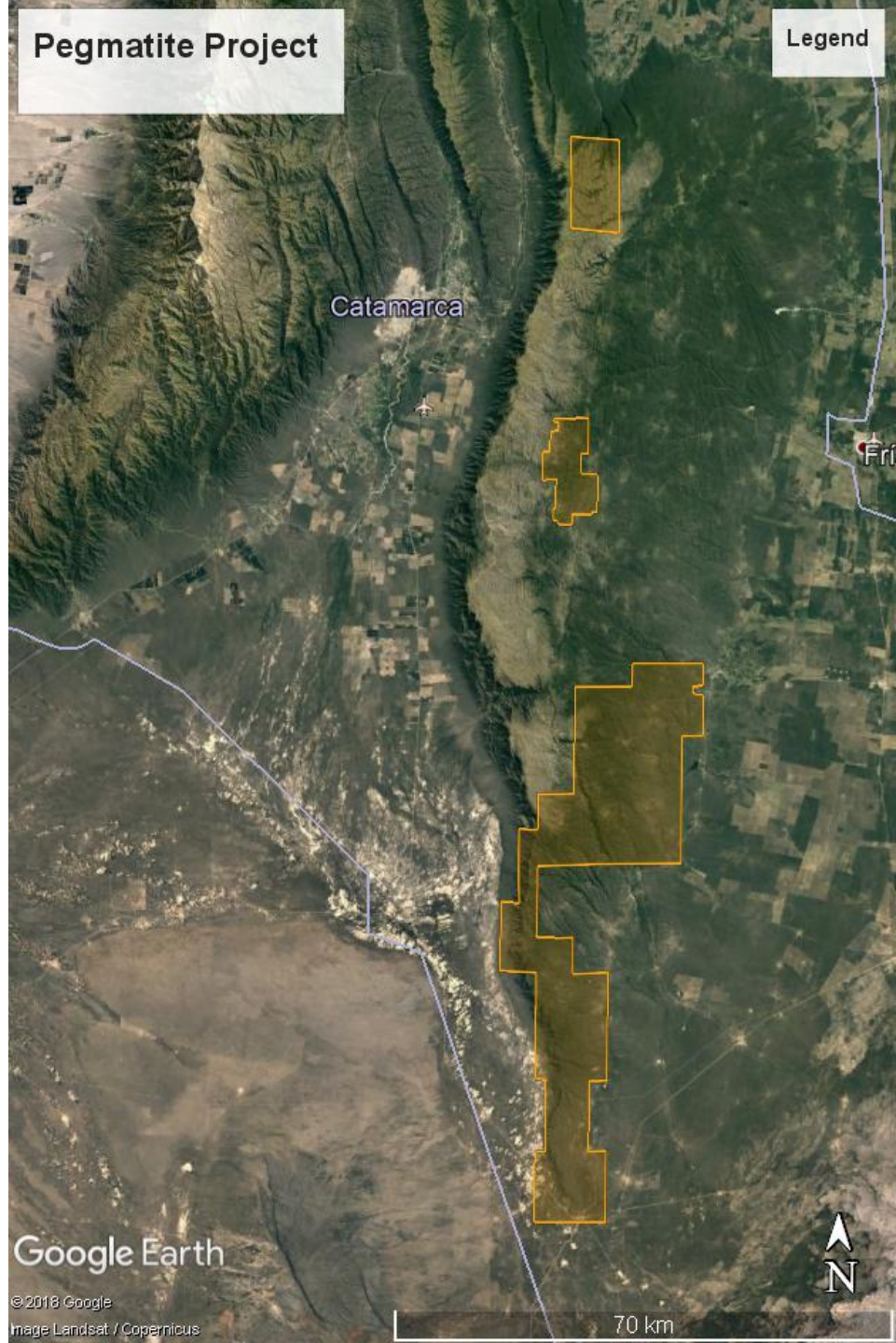
**Target: Lithium Mineralization as Spodumene
In Large Pegmatite Swarms.**

150km long belt of Pegmatites

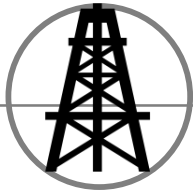
Large Area ~80,000 hectares

- Recent field work created new exploration models
- Potential for the belt to host large scale deposits
- Coarse grained spodumene crystals (30-70cm)
- Adjacent drill results 1.2 – 2.2% Li₂O
- Field based XRF analysis - generate new targets – pegmatite swarms.
- Drill locations defined by results.
- In discussions with parties for partnership deals.

150 km



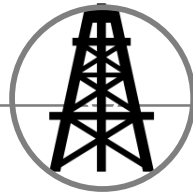
Path to LKE Uplift



Resource Kachi

Kachi Resource

- Kachi – Large Top 10 Resource
- One of last 100% owned brine projects
- Potential to double/treble Resource
- Direct extraction engineering report shows low opex costs
- Analyst reports indicate value >US\$200M



Drilling Cauchari

Olaroz-Cauchari Drilling

- Drilling Cauchari – Extensions to high grade results / development
- Drilling Olaroz – to extend resource from production area

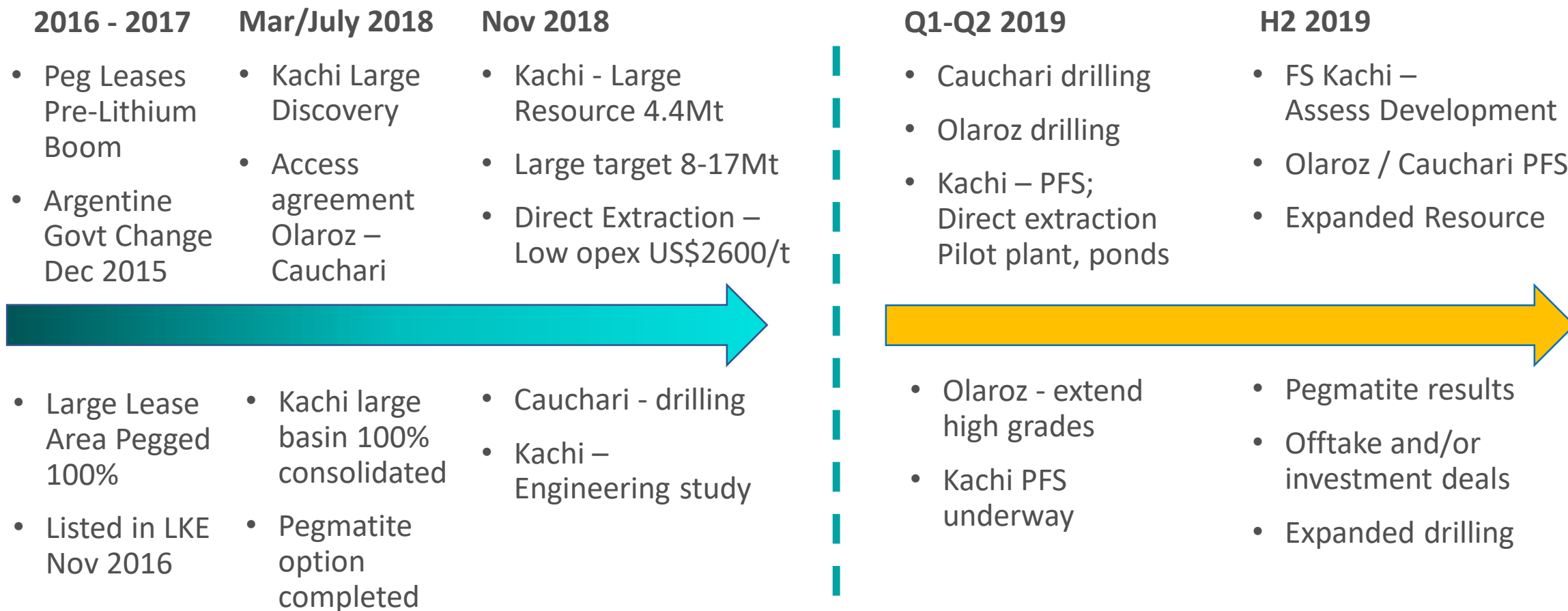


PFS Partners

PFS – Development Options Strategic Partner Potential

- Seeking downstream strategic agreements
- Kachi PFS with Conventional and Direct extraction methods
- Globally low opex costs shown

Key Milestones



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Corporate Snapshot

LAKE RESOURCES (ASX:LKE)

Total Current Shares on Issue**366,141,783**

Unlisted Options (5c) Oct 2019 Expiry

5,052,083

Unlisted Options (28c) Dec 2020 Expiry

9,500,000

Notes Unsecured Jun 2020 Expiry (Conversion from Jun 2019)

9,900,000

Unlisted Options (20c) June 2019 Expiry (to be approved)

(4,950,000)

Drawdown facility (\$4.5m) at market price

– LKE sole election -

Market Data (as of January 16, 2019)

Market Cap (\$A) @ \$0.068 share price (5 day)**A \$24.9 million****Cash (\$A)****30 Sept 2018****\$0.3 million
(+\$1.8 m from options)
(+\$1m from Notes)****Share Price****52 week range****\$0.06 – 0.275****Share Register****55% Top 30 Holders,
High Net Worth Investors**

New Large Resource Deep Value vs Peers Price Targets \$0.40 – 0.73*

Lake Resources Chart



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Large Top 10 Resource, Strategic Location,
Low Opex Potential, Undervalued vs Peers



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JORC Code 2012; Table 1 Report Kachi Lithium Project

Criteria	Section 1 - Sampling Techniques and Data
Sampling techniques	<ul style="list-style-type: none">Brine samples were taken from the diamond drill hole with a bottom of hole spear point during advance and using a straddle packer device 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 are used as well. The fluid used for drilling is brine sourced from the drill hole and the return from drillhole passes back into the excavator dug pit lined to avoid leakage.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.Drill core in the hole was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance.Drill core was undertaken to obtain representative samples of the sediments that host brine.
Drilling techniques	<ul style="list-style-type: none">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.Rotary drilling has used 8.5" or 10" tricone bits and has produced drill chips.Brine has been used as drilling fluid for lubrication during drilling.
Drill sample recovery	<ul style="list-style-type: none">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. Chip samples are collected for each metre drilled and stored in segmented plastic boxes for rotary drill holes.Brine samples were collected at discrete depths during the drilling 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).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.
Logging	<ul style="list-style-type: none">Sand, clay, silt, salt and cemented rock types was 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.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.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.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none">Brine samples were collected by packer and spear sampling methods, over a metre. Low pressure airlift tests are used as well to purge test interval and gauge potential yields.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.
Quality of assay data and laboratory tests	<ul style="list-style-type: none">The Alex Stewart Argentina/Nor lab SA 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 has also been used for both primary and check samples. They also analyzed blind control samples and duplicates in the analysis chain. The Alex Stewart/Norlab SA 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.The quality control and analytical procedures used at the Alex Stewart/Norlab SA 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.
Verification of sampling and assaying	<ul style="list-style-type: none">Field duplicates, standards and blanks will be 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.Duplicate samples in the analysis chain were submitted to Alex Stewart/Norlab SA or SGS laboratories as unique samples (blind duplicates) during the processStable blank samples (distilled water) were used to evaluate potential sample contamination and will be inserted in future to measure any potential cross contaminationSamples were analysed for conductivity using a hand-held Hanna pH/EC multiprobe.Regular calibration using standard buffers is being undertaken.

Location of data points	<ul style="list-style-type: none">The diamond drill hole sample sites and rotary drill hole sites were located with a hand-held GPS.The properties are located at the junction of the Argentine POSGAR grid system Zone 2 and Zone 3 (UTM 19) and in WGS84 Zone 19 south.
Data spacing and distribution	<ul style="list-style-type: none">Brine samples were collected over 1m intervals every 6 m intervals within brine producing aquifers, where this was possible.
Orientation of data in relation to geological structure	<ul style="list-style-type: none">The salt lake (<i>salar</i>) deposits that contain lithium-bearing brines generally have sub-horizontal beds and lenses that contain sand, gravel, salt, silt and clay. The vertical diamond drill holes will provide a better understanding of the stratigraphy and the nature of the sub-surface brine bearing aquifers
Sample security	<ul style="list-style-type: none">Samples were transported to the Alex Stewart/Norlab SA laboratory or SGS laboratory for chemical analysis in sealed 1-litre rigid plastic bottles with sample numbers clearly identified. Samples were transported by a trusted member of the team.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.
Review (and Audit)	<ul style="list-style-type: none">No audit of data has been conducted to date. However, the CP has been onsite periodically during the programme. The review included drilling practice, geological logging, sampling methodologies for water quality analysis and, physical property testing from drill core, QA/QC control measures and data management. The practices being undertaken were ascertained to be appropriate.
Criteria	Section 2 - Mineral Tenement and Land Tenure Status
Mineral tenement and land tenure status	<ul style="list-style-type: none">The Kachi Lithium Brine project is located approximately 100km south-southwest of FMC's Hombre Muerto Lithium operation and 45km south of Antofagasta de la Sierra in Catamarca province of north western Argentina at an elevation of approximately 3,000m asl.The project comprises approximately 69,047 Ha in thirty six mineral leases (minas) of which five leases (9,445 Ha) are granted for drilling, twenty two leases are granted for initial exploration (51,560 Ha) and nine leases (8042 Ha) are applications pending granting.The tenements are believed to be in good standing, with statutory payments completed to relevant government departments.
Exploration by other parties	<ul style="list-style-type: none">Marifil Mines Ltd conducted sparse near-surface pit sampling of groundwater at depths less than 1m during 2009.Samples were taken from each hole and analysed at Alex Stewart laboratories in Mendoza Argentina.Results were reported in an NI 43-101 report by J. Ebisch in December 2009 for Marifil Mines Ltd.NRG Metals Inc commenced exploration in adjacent leases under option. Two diamond drillholes intersected lithium bearing brines. The initial drillhole intersected brines from 172-198m and below with best results to date of 15m at 229 mg/L Lithium, reported in December 2017. The second hole, drilled to 400 metres in mid 2018, became blocked at 100 metres and could not be sampled. A VES ground geophysical survey was completed prior to drilling. A NI 43-101 report was released in February 2017.No other exploration results were able to be located
Geology	<ul style="list-style-type: none">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.Brines within the Salt Lake are formed by solar concentration, interpreted to be combined with warm geothermal fluids, with brines hosted within sedimentary units.Geology was recorded during the diamond drilling and from chip samples in rotary drill holes.
Drill hole Information	<ul style="list-style-type: none">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.All drill holes are vertical, (dip -90, azimuth 0 degrees).Assay averages have been provided where multiple sampling occurs in the same sampling interval.
Data aggregation methods	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">Mineralisation interpreted to be horizontally lying and drilling perpendicular to this.
Diagrams	<ul style="list-style-type: none">A drill hole location plan is provided showing the locations of the drill platforms. Individual drill locations are provided in Table 1.
Balanced reporting	<ul style="list-style-type: none">Brine assay results are available from 13 drill holes from the drilling to date, reported here. Information will be provided as it becomes available.
Other substantive exploration data	<ul style="list-style-type: none">There is no other substantive exploration data available regarding the project.
Further work	<ul style="list-style-type: none">The company is undertaking a 1000m maiden diamond drilling programme and 2000m maiden rotary water well drilling programme which may be expanded based on results.

Criteria	Section 3 Estimation and Reporting of Mineral Resources
Database integrity	<ul style="list-style-type: none">Data was transferred directly from laboratory spreadsheets to the database.Data was checked for transcription errors once in the database, to ensure coordinates, assay values and lithological codes were correctData was plotted to check the spatial location and relationship to adjoining sample pointsDuplicates and Standards have been used in the assay process.Brine assays and porosity test work have been analysed and compared with other publicly available information for reasonableness.Comparisons of original and current datasets were made to ensure no lack of integrity.
Site visits	<ul style="list-style-type: none">The Competent Person visited the site multiple times during the drilling and sampling program.Some improvements to procedures were made during visits by the Competent Person
Geological interpretation	<ul style="list-style-type: none">The geological model is continuing to develop. There is a high level of confidence in the interpretation of for the Project to date. There are relatively consistent geological units with relatively uniform, clastic sediments.Any alternative interpretations are restricted to smaller scale variations in sedimentology, related to changes in grain size and fine material in units.Data used in the interpretation includes rotary and diamond drilling methods.Drilling depths and geology encountered has been used to conceptualize hydro-stratigraphy.Sedimentary processes affect the continuity of geology, whereas the concentration of lithium and potassium and other elements in the brine is related to water inflows, evaporation and brine evolution in the salt lake.
Dimensions	<ul style="list-style-type: none">The lateral extent of the resource has been defined by the boundary of the Company's properties. The brine mineralisation consequently covers 142 km2.The top of the model coincides with the topography obtained from the Shuttle Radar Topography Mission (SRTM). The original elevations were locally adjusted for each borehole collar with the most accurate coordinates available. The base of the resource is limited to a 400 m depth. The basement rocks underlying the salt lake sediments have been intersected in drilling.The resource is defined to a depth of 400 m below surface, with the exploration target immediately extending beyond the areal extend of the resource.
Estimation and modelling techniques	<ul style="list-style-type: none">No grade cutting or capping was applied to the model.No assumptions were made about correlation between variables. Lithium and potassium were estimated independently.The geological interpretation was used to define each geological unit and the property limit was used to enclose the reported resources. The lithium and
Moisture	<ul style="list-style-type: none">Moisture content of the cores was not Measured (porosity and density measurements were made), but as brine will be extracted by pumping not mining this is not relevant for the resource estimation.Tonnages are estimated as metallic lithium and potassium dissolved in brine.
Cut-off parameters	<ul style="list-style-type: none">No cut-off grade has been applied.
Mining factors or assumptions	<ul style="list-style-type: none">The resource has been quoted in terms of brine volume, concentration of dissolved elements, contained lithium and potassium and their products lithium carbonate and potassium chloride.No mining or recovery factors have been applied (although the use of the specific yield = drainable porosity is used to reflect the reasonable prospects for economic extraction with the proposed mining methodology).Dilution of brine concentrations may occur over time and typically there are lithium and potassium losses in both the ponds and processing plant in brine mining operations. However, potential dilution will be estimated in the groundwater model simulating brine extraction.The conceptual mining method is recovering brine from the salt lake via a network of wells, the established practice on existing lithium and potash brine projects.Detailed hydrologic studies of the lake are being undertaken (groundwater modelling) to define the extractable resources and potential extraction rates
Metallurgical factors or assumptions	<ul style="list-style-type: none">Lithium and potassium would be produced via conventional brine processing techniques and evaporation ponds to concentrate the brine prior to processingProcess test – work (which can be considered equivalent to metallurgical test work) is being carried out on the brine following initial test work.
Environmental factors or assumptions	<ul style="list-style-type: none">Impacts of a lithium and potash operation at the Kachi project would include; surface disturbance from the creation of extraction/processing facilities and associated infrastructure, accumulation of various salt tailings impoundments and extraction from brine and fresh water aquifers regionally.
Bulk density	<ul style="list-style-type: none">Density measurements were taken as part of the drill core assessment. This included determining dry density and particle density as well as field measurements of brine density. Note that no mining is to be
	<ul style="list-style-type: none">carried out as brine is to be extracted by pumping and consequently sediments are not mined but the lithium and potassium is extracted by pumping.However, no bulk density was applied to the estimates because resources are defined by volume, rather than by tonnage.
Classification	<ul style="list-style-type: none">The resource has been classified into the two possible resource categories based on confidence in the estimation.The Measured resource reflects the predominance of sonic drilling, with porosity samples from drill cores and well constrained vertical brine sampling in the holesThe Indicated resource reflects the higher confidence in the brine sampling in the rotary drilling and lower quality geological control from the drill cuttingsThe Inferred resource underlying the Measured resource in the Litio properties reflects the limited drilling to this depth together with the likely geological continuity suggested by drilling on the adjacent Cocina property and the geophysics through the propertyIn the view of the Competent Person the resource classification is believed to adequately reflect the available data and is consistent with the suggestions of Houston et. al., 2011This Mineral Resource was estimated by the Competent Person.
Audits or reviews	
Discussion of relative accuracy/confidence	<ul style="list-style-type: none">An independent estimate of the resource was completed using a nearest neighbour estimate and the comparison of the results with the ordinary kriging estimate is below 0.3% for measured resources and below 3% for indicated resources which is considered to be acceptable.Univariate statistics for global estimation bias, visual inspection against samples on plans and sections, swath plots in the north, south and vertical directions to detect any spatial bias shows a good agreement between the samples and the ordinary kriging estimates.References:<ul style="list-style-type: none">Houston, J., Butcher, A., Ebbeg, P., Evans, K., and Godfrey, L. The Evaluation of Brine Prospects and the Requirement for Modifications to Filing Standards. Economic Geology. V 106, p 12251239.CIM Best Practice Guidelines for Resource and Reserve Estimation for Lithium Brines.