LAKE RESOURCES NL

QUARTERLY REPORT APRIL–JUNE 2012

SUMMARY

During the quarter ended 30th June 2012, a seventeen hole reverse circulation (RC) drilling program totaling 2,070m was completed at the Koh-i-Sultan Project in Balochistan, Pakistan.

Pakistan

Lake Resources (Lake) is exploring for porphyry copper-gold and epithermal gold deposits in the Chagai District of Balochistan (see p.2 for details). Significant mineral deposits in the region include the Saindak porphyry copper-gold mine and the Reko Diq copper-gold project of Antofagasta Plc and Barrick Gold Corporation.

Lake Resources holds three Exploration Licences (ELs) granted by the Government of Balochistan in September 2009. These ELs replaced previous ELs held by Lake that expired in March 2009. Details are set out in Table 1 and Figure 1 below.

Table 1: Balochistan Tenements

Tenement	Amalaf	Dasht-i-Gauran	Koh-i-Sultan
EL Number	(71)/5468-78	(72)/5492-5503	(73)/5479-91
Area (sq km)	94.42	58.76	171.40
Lake Interest	(see Note 1)	(see Note 1)	(see Note 1)
Grant Date	10/09/2009	10/09/2009	10/09/2009
Expiry Date	9/09/2012	9/09/2012	9/09/2012

Note 1: A condition of the new licences is that the Balochistan Government should have up to a 25% interest in the licences – the government advises that preparation of a draft agreement is under way.

During the June quarter, applications for renewal of the ELs over reduced areas for a further period of 3 years were lodged with Government of Balochistan as per Balochistan Mineral Rules.

Figure 1: Location and tenement map.

The **Amalaf** area adjoins the northern boundary of the Saindak copper-gold mine. The exploration target is large tonnage - low grade copper amenable to low-cost open-pit mining and trucking to the Saindak mine. In late 2005, one of two holes drilled by Lake to test part of this target intersected significant low-grade copper-molybdenum over the length of the hole with minor gold (12 -120m, 108 m @ 0.17%Cu & 94 ppm Mo).

The **Dasht-i-Gauran** area is situated to the west of copper mineralisation reported by TCC from drilling at its Sor Baroot Prospect at the Reko Diq Project, and covers a number of possible alteration zones identified from interpretation of satellite images.

At **Koh-i-Sultan**, Lake is exploring an extensive system of intensely altered breccia and volcanics covering an area of more than five square kilometres on the margin of an extinct volcanic caldera (See Fig. 2). Strong gold mineralisation was intersected in percussion drillhole LRM-01 on the western margin of the system in late 2005.

A five-hole diamond drilling program totaling 2284 m was completed in August 2008 (See Figs. 2 & 3 for drillhole locations). That program resulted in two new discoveries:

- porphyry-type copper-gold mineralisation in drillhole LRMDDH-002 (392 – 520 m, 128 m @ 0.14%Cu and 0.19 ppm Au) and
- a very large, variably-altered and mineralised breccia complex, intersected in all five drillholes, over a width of more than 700 m and a north-south extent of more than 400 m. Geologically significant gold values were intersected in the breccia in four of the five drillholes. It is believed that the southern extension of this breccia also hosts the gold mineralisation intersected in drillhole LRM-001.

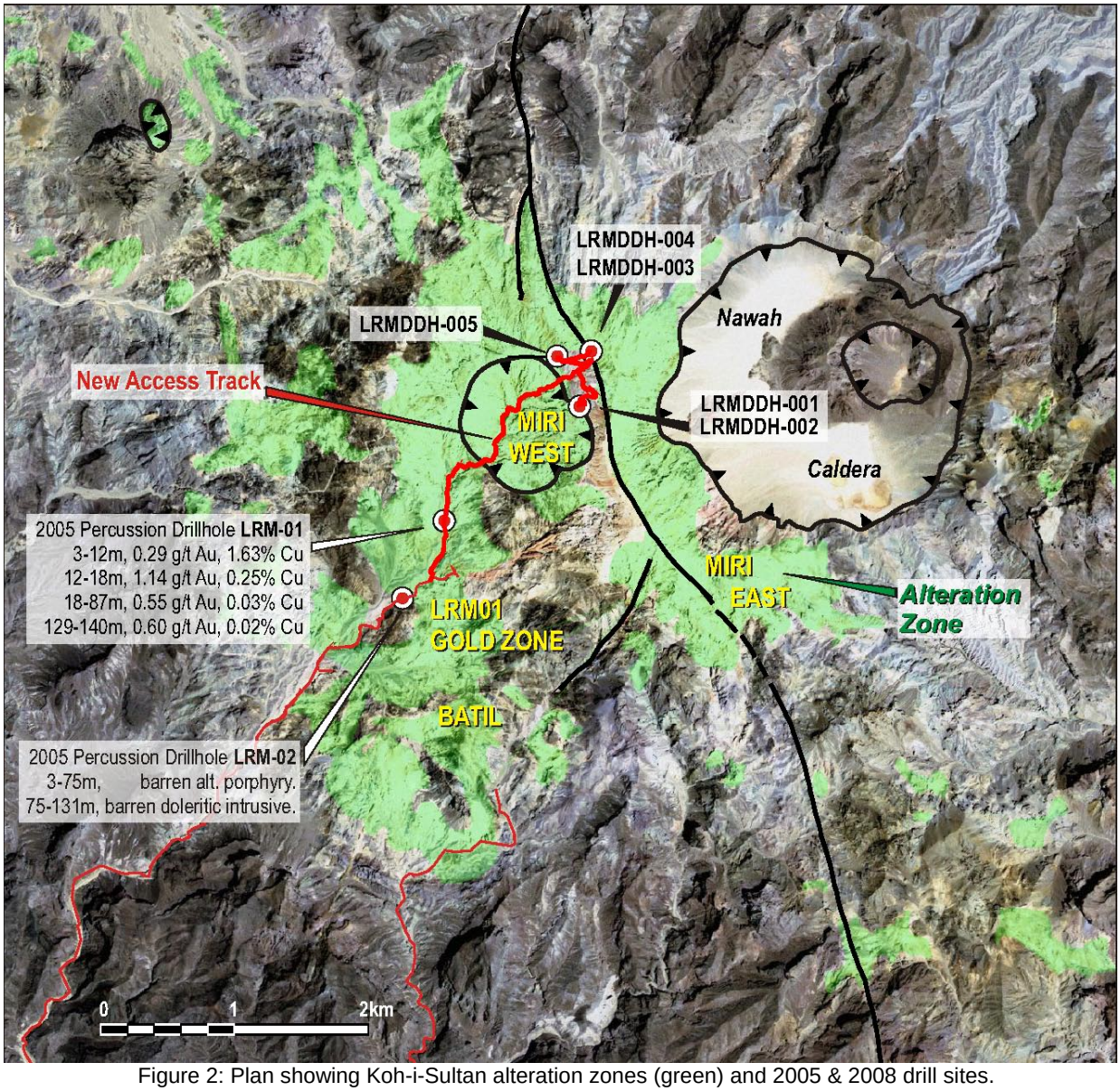

Figure 2: Plan showing Koh-i-Sultan alteration zones (green) and 2005 & 2008 drill sites.

Exploration

During the quarter ended 30th June 2012, a seventeen-hole reverse circulation (RC) drilling program totaling 2,070 metres was completed at the Koh-i-Sultan project. The drilling, which was originally scheduled for 2011, was delayed due to the unavailability of suitable drilling equipment in Pakistan and the equipment had to be specially shipped from Australia by Interdrill Pty Ltd. The holes are located within an area approximately 1,000 metres east-west by 1,500 metres north-south, along Miri Nala, southwest of Nawah Caldera (See Figure 3).

Figure 3: Koh-i-Sultan drillhole collar locations and drill traces – 2005 (LRM-01 – 02), 2008 (LRMDDH-001 – 005) & 2012 (LRMRC-003 – 019).

Drillhole location and orientation details are set out in Table 2 below

Table 2: 2012 Reverse Circulation Percussion Drillholes

Hole No.	North (m)	East (m)	R.L. (m)	Azimuth (degrees)	Angle (degrees)	Total depth (m)	Reason for termination
LRMRC-003	3,220,787	479,689	1,748	090°	-60°	112	Intersected H_2S gas
LRMRC-004	3,220,968	479,623	1,751	090°	-60°	73	Lost air
LRMRC-005	3,220,970	479,615	1,760	271°	-60°	148	Risk of H_2S gas
LRMRC-006	3,221,003	479,765	1,786	092°	-60°	80	Unpromising rocks
LRMRC-007	3,221,009	479,762	1,786	273°	-60°	157	
LRMRC-008	3,221,447	479,645	1,782	091°	-60°	139	
LRMRC-009	3,221,441	479,649	1,797	272°	-60°	133	Risk of H_2S gas
LRMRC-010	3,221,624	479,800	1,819	088°	-60°	139	Intersected H_2S gas
LRMRC-011	3,221,779	479,971	1,852	270°	-60°	160	
LRMRC-012	3,221,769	479,970	1,852	090°	-60°	139	Intersected H_2S gas
LRMRC-013	3,222,006	480,116	1,896	269°	-60°	98	Risk of H_2S gas
LRMRC-014	3,222,006	480,124	1,896	090°	-60°	100	Intersected H_2S gas
LRMRC-015	3,222,171	480,316	1,940	089°	-60°	211	
LRMRC-016	3,222,171	480,312	1,940	270°	-60°	151	
LRMRC-017	3,222,260	480,558	2,005	271°	-60°	64	Intersected water
LRMRC-018	3,221,172	479,588	1,755	275°	-60°	79	Risk of H_2S gas
LRMRC-019	3,221,175	479,597	1,755	095°	-60°	78	Risk of H_2S gas

Notes: Location measured by GPS – estimated accuracy ± 5 m horizontal, ± 20m vertical.
Co-ordinates are UTM, WGS84, Zone 41N, Azimuth is magnetic (magnetic variation 1.8° East),
R.L is height above mean sea level

The drilling equipment comprised a crawler-mounted multi-purpose (diamond coring and percussion) drill and a crawler-mounted air compressor (900 cfm @ 350 psi) (See Fig. 4)

Figure 4: Drill Site LRMRC-003
Crawler-mounted compressor on left, multi-purpose drill centre and cyclone sample collector front-centre.

A number of the RC drillholes were terminated before reaching planned depth when they encountered potentially lethal concentrations of pressurized H_2S gas (see Table 2 above). H_2S gas is a naturally-occurring, colourless gas with a “rotten-egg” smell at low concentrations. At higher concentrations, exposure to the gas can result in loss of consciousness and death within a short time. Several other holes were also terminated early when they encountered hot water which was considered to be indicative of the likelihood of encountering H_2S if drilling continued.

Samples were collected continuously via a cyclone splitter (see fig. 4 above) for 2 metre intervals – 2 sample splits of approximately 1-2 kg in cloth bags and the remaining bulk in large UV-resistant plastic bags. One set of the 1 kg samples was packed in sealed plastic drums and air-freighted to ALS Laboratories in Brisbane for geochemical analysis. The duplicate 1-2 kg samples have been stored at the Nok Kundi exploration base for future reference. The bulk samples in plastic bags have been retained at the drill sites.

To date, alternate samples (i.e. every second sample) from all drillholes have been subjected to multi-element analysis - 49 elements including silver base metals and a range or rare earths and trace elements by ICPAES and ICMP analysis, and gold by fire assay with AAS finish. The remaining alternate samples from selected zones will be analysed during the next quarter for the same suite of elements, to provide complete geochemical data for zones of interest.

Based on results to date, it is possible to draw some preliminary conclusions.

With the exception of holes LRMRC 004 and 006, the majority of the holes intersected variably altered volcanics and breccia(?) containing geochemically anomalous levels of trace elements and metals consistent with alteration marginal to porphyry copper mineralization that was intersected in 2008 diamond drillhole LRMDDH-005 (See Fig. 3).

At the southern end of the area drilled, in the vicinity of the 2005 gold-mineralised drillhole LRM-01, significant gold was intersected four drillholes:

LRMRC-003	66 - 88 m	anomalous gold up to 0.16 g/t in altered volcanics.
LRMRC-005	90 - 130 m	anomalous gold ranging 0.05 to 0.14 g/t with one sample 0.63 g/t.
LRMRC-018	02 – 12 m	anomalous gold ranging 2.67 to 3.57 g/t averaging 3.16 g/t (+0.45% copper).
LRMRC-019	02 – 20 m	anomalous gold ranging 1.05 to 2.19 g/t averaging 1.73 g/t (+0.20% copper).
" "	58 – 68 m	anomalous gold ranging 2.74 to 11.8 g/t averaging 5.24 g/t.

A more detailed evaluation of the results of the drilling will be undertaken following the completion of analyses for the remaining alternate samples referred to above during the next quarter.

Cash Position

At the end of the June 2012 quarter, net cash on hand totaled A$520,000.

17 July 2012

J.G. Clavarino (M AusIMM, MMICA)
Exploration Director

The information in this report that relates to Exploration Results, is based on information compiled by Jim Clavarino who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Clavarino is Exploration Director of Lake Resources NL and is employed by Argent Resources Pty Ltd. Mr. Clavarino has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Clavarino consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Share Registry

Lake Resources' share registry is managed by **Link Market Services Limited** (formerly ASX Perpetual Registrars), Level 15, 324 Queen Street, Brisbane, Queensland, 4000

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