



Lake Resources N.L.
A.B.N. 49 079 471 980

12 May 2014

Lake Resources enters into an exclusivity agreement for Chagai Hills exploration licenses in Balochistan, Pakistan

Lake Resources NL (Lake) is pleased to announce that it has entered an Exclusivity Agreement with Colt Resources Middle East (CRME) which sets out the basis for an exclusivity period of 120 days. During this period the parties will finalize a Transaction whereby CRME can earn a majority interest in Lake's three Chagai exploration licenses in Balochistan, Pakistan.

The **Amalaf** licence area adjoins the northern boundary of the Saindak copper-goldmine. The exploration target is large tonnage low grade copper amenable to low-cost open-pit mining.

The **Dasht-i-Gauran** licence area is situated to the west of copper mineralisation reported by Tethyan Copper Company (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 the **Koh-i-Sultan** licence area, Lake is exploring for gold and copper associated with 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. Limited drilling by Lake has encountered significant copper and gold values associated with Porphyry copper-type mineralization.

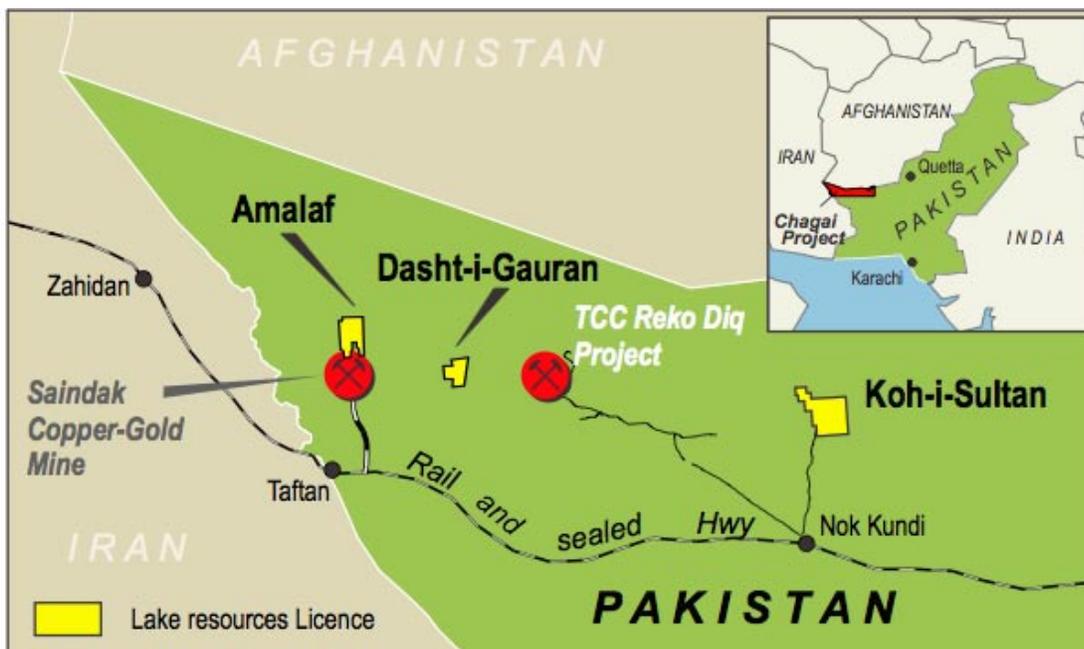
The Transaction is to be governed by the terms of a Share Subscription Agreement and a Shareholders Agreement.

1. There are 3 parties, Lake Resources NL (Lake), Colt Resources Middle East (CRME) and Aamir Resources Consultants (Aamir) . .
2. The corporate entity for the Transaction will be a Pakistan incorporated company (OpCo) into which Lake's exploration licenses will be transferred.
3. CRME will subscribe a minimum of USD1.9 million for 60% of OpCo with the funds to be invested in exploration of the licenses within 3 years. The balance of OpCo shareholding will be divided between Lake 27.5% and Aamir 12.5%.
4. CRME will subsequently subscribe a minimum aggregate of USD5 million in OpCo within 6 years, which will also be invested in exploration of the licenses at which point the shareholders will be CRME 60%, Lake 15%, Government of Balochistan 12.5% and Aamir 12.5%.
5. For any subscriptions and expenditure above USD5 million , Lake and Aamir will be diluted until Lake reaches 10% which will then revert to a 10% carried interest with Lake's share of the investment repayable from 80% of Lake's share of net profits. Aamir, on diluting to 10% will revert to a 5% free carried net profits interest.

6. In the event CRME invests the minimum of USD 1.9 million within 3 years and then decides not to invest an aggregate of \$5 million within 6 years, then the shareholding of OpCo will revert to CRME 51%, Lake 40% and Aamir 9%.

Both Lake Resources and CRME are excited about the opportunity offered by this agreement and look forward to concluding the Share Subscription and Shareholders Agreement soon in order to be able to continue to develop the significant resource potential of the licensed areas. Jim Clavarino, Exploration Director of Lake Resources stated that "I am very pleased to have concluded this initial agreement with Colt and feel they are the right partner to continue the significant work already carried out by our company in Balochistan". Richard Quesnel, President and CEO of CRME stated "By partnering with Lake Resources, the local community and the Government of Balochistan we believe that we can become an engine that could potentially develop what could be a world class asset in the Chagai Hills copper/gold district. CRME is focused on securing and developing mining opportunities in the Greater Middle East region."

Please refer to the map for further information about the location of the exploration areas:



<http://www.lakeresources.com.au>

J.G. Clavarino (M AusIMM)

Exploration Director