



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

19 June 2015

Conditional Surrender of Lake Resources' Balochistan, Pakistan exploration licences and grant of new exploration licences to joint venture operating entity Chagai Resources (Pvte.) Limited

As previously reported, Lake Resources has entered into an Exclusivity Agreement and associated Shareholders Agreement and Share Subscription Agreement with Colt Resources Middle East and Aamir Resources Consultants whereby CRME can earn a majority interest in Lake's three Chagai exploration licenses in Balochistan, Pakistan. Key provisions of these agreements are set out below.

- There are 3 parties, Lake Resources N.L. (Lake) through its Pakistan incorporated subsidiary Lake Mining Pakistan (Pvt.) Limited, Colt Resources Middle East (CRME) through its Pakistan incorporated subsidiary Balochistan Chaghi Mining Resources (Pvt.) Limited (BCMR) and Aamir Resources Consultants (Pvt.) Limited (ARC) a Pakistan-based resources consulting group.
- The operating entity will be a Pakistan incorporated company, Chagai Resources (Pvt.) Limited, into which Lake Resources' exploration licences will be transferred, subject to approval by Government of Balochistan.
- The initial shareholders in Chagai Resources will be BCMR 60%, Lake Mining Pakistan 27.5% and ARC 12.5%.
- BCMR will subscribe a minimum of USD1.9 million to Chagai Resources (Pvt.) Limited (Equity Contribution 1) to be expended on exploration of the licences with 3 years.
- IF BCMR fails to invest Equity Contribution 1 and /or Chagai Resources fails to expend Equity Contribution 1 on exploration of the licence areas within 3 years, then BCMR and ARC will transfer their entire shareholdings in Chagai Resources to Lake Mining Pakistan.
- BCMR will subscribe a further USD3.1 million to Chagai Resources (Pvt.) Limited (Equity Contribution 2) to be expended on exploration of the licence areas with 3 years from the date of completion of Equity Contribution 1, and the resultant shareholdings in Chagai Resources will be BCMR 72.5%, Lake Mining Pakistan 15% , and ARC 12.5%.
- IF BCMR fails to invest Equity Contribution 2 and /or Chagai Resources fails to expend Equity Contribution 2 on exploration of the licence areas within 3 years from the date of completion of Equity Contribution 1, then the shareholdings of Chagai Resources will revert to CRME 51%, Lake Mining Pakistan 40% and ARC 9%.
- For subscriptions and expenditure above USD5 million, Lake Mining Pakistan and ARC will be diluted until their respective equities are 10% and Lake Mining Pakistan's interest will revert to a 10% carried interest repayable from 80% of Lake's share of net profits. ARC, on diluting to 10% will revert to a 5% free carried net profits interest.

Pursuant to these agreements, Lake Resources surrendered its three exploration licences in Balochistan, effective 6 May 2015, conditional upon new exploration licences covering the same areas as the

surrendered licences being granted to the Pakistan-incorporated operating entity, Chagai Resources (Pvte.) Limited.

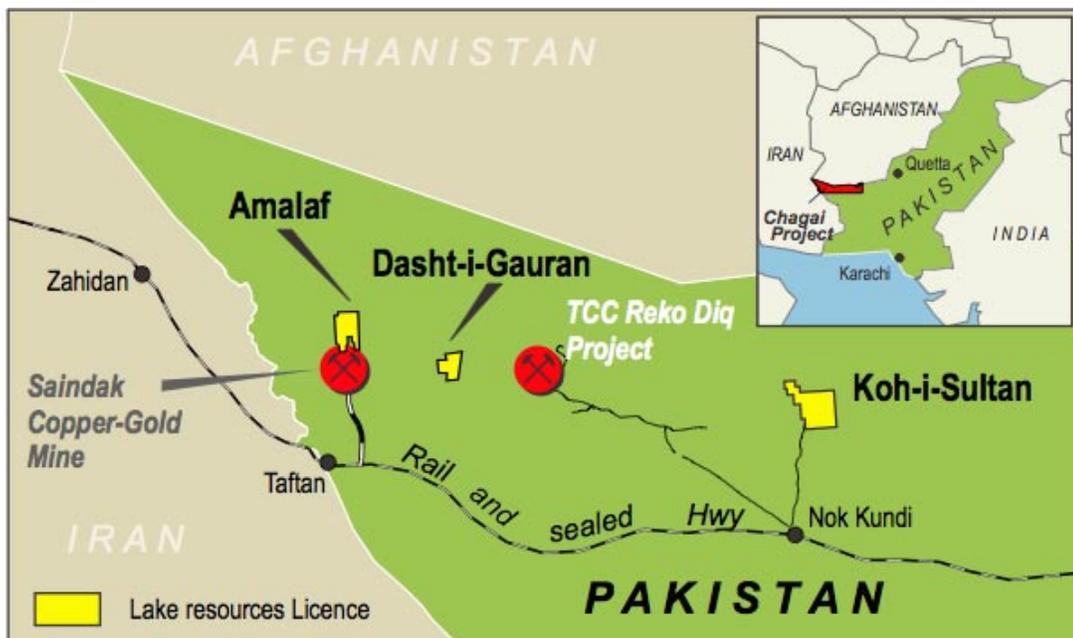
Subsequently, new exploration licences were granted to Chagai Resources for a period of 3 years, effective 12 June 2015. The licence documents specify that the company will “...sign an agreement with Government of Balochistan regarding participation/entry of the Government of Balochistan in the said licence/project with 12.5% share on 100% discount i.e. without any investment or 25% share with investment in accordance with the Latest Policy of the Government.”

The new **Amalaf** licence (EL 143), with an area of 46.75 km², 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 (EL 144), with an area of 29.10 km², 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.

The **Koh-i-Sultan** licence (EL 145), with an area of 85.12 km², is centred on an extensive system of intensely altered breccia and volcanics over an area of more than five square kilometres on the margin of an extinct volcanic caldera. Limited drilling by Lake Resources has encountered significant copper and gold values associated with porphyry copper-type mineralization.

Both Lake Resources and CRME are pleased with the opportunity offered by this agreement and look forward to resumption of exploration activities on the new exploration license areas.



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