



LAKE RESOURCES N.L.

ABN 49 079 471 980

ASX Market Announcements Office
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LAKE CORPORATE & OPERATIONAL UPDATE SAMPLING COMPLETED AT KACHI LITHIUM BRINE PROJECT CORRECTION TO ALLOTMENT OF SHARES

Lake Resources N.L.(ASX:LKE, “Lake” or “LKE”) is pleased to advise that the sampling programme has been completed at the Kachi Lithium Brine Project in Catamarca province, Argentina. Preparations for the ground geophysics study are underway, which is planned to be followed by an initial drilling programme.

Sampling Completed - Kachi Lithium Brine Project

Lake’s team in Argentina has completed the near-surface systematic brine sampling programme over the salt lakes covering approximately 20,000 Ha within the current Lake leases of almost 50,000 Ha in the Kachi Lithium Brine Project in Catamarca province. Forty samples have been prioritised for analysis. Initial results from a test programme are expected soon, with results from this detailed programme to follow. The expected timeline for the exploration programme is on track.

This area is under active exploration at present with preparations underway for the ground electrical geophysics study, followed by drilling.

Correction to Allotment of Shares

As previously announced, LKE issued 50,000,000 ordinary shares on 14 November 2016 at \$0.02 per share in a shareholder approved placement (“Placement”) as part of the transaction for the acquisition of Lith NRG Pty Ltd. As part of the Company’s regular Corporate Governance review process under the new Board and management, it had come to the Company’s attention that three parties who participated in the Placement (“Parties”) for a total of 5,500,000 shares (“Securities”), either are, or possibly could be considered, associates to one or more directors of the Company. If in fact the Parties were associates of one or more directors of the LKE, then the issue of shares to the Parties would be in contravention of ASX Listing Rule 10.11.

The Company sought the advice of ASX in relation to this matter. In its response, based on the information provided, ASX confirmed the issue of shares under the Placement was in contravention of ASX Listing Rule 10.11 and required that the Company:

1. Procure that the Securities are to be sold by 5pm AEDT on Tuesday, 31 January 2017, with any loss arising from the sale compared with the issue price of those shares to be borne by the holder, and any profit from the sale of those shares above the price paid for their issue, to be donated to a registered charity; and
2. The Company make an announcement, in a form acceptable to ASX, disclosing the issue of the Securities in breach of Listing Rule 10.11 and completion of the steps above in relation to those breaches.

LKE has been advised by representatives of each of the Parties that the Securities have been sold. Further, LKE is in the process of confirming that any profits from the sale of the Securities have been donated to a registered charity in accordance with ASX’s directions.

For further information please contact:

Andrew Bursill
Company Secretary
+61 2 9299 9690

Steve Promnitz
Managing Director
+61 2 9188 7864

Background on Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration company undertaking an aggressive programme to explore prime lithium basins in Argentina, among some of the largest players in the lithium sector. Mining leases and applications are located in the Lithium Triangle which accounts for 49% of current lithium production.

Lake recently completed the acquisition of an early mover in Argentina, Lith NRG Pty Ltd, who had secured an extensive strategic package of ~90,000 Ha, prior to a significant 'rush' to secure projects by major companies in the sector. This is one of the largest tenement packages in Argentina, controlled 100% by Lake.

Lake has three key areas that have similar settings to major world class projects being developed – Olaroz/Cauchari, Paso and Kachi in the highly prospective Jujuy and Catamarca Provinces. Upcoming exploration in lithium brine basins, one which is adjacent to some of the leading lithium producers/developers, including Orocobre and SQM, may provide several catalysts for growth as the areas are assessed for major discoveries. Significant corporate transactions continue in adjacent leases with development of Lithium Americas Olaroz/Cauchari project with a 28% equity investment of C\$106 million, from Gangfeng, an important Chinese producer, and BCP Innovation. Both Chinese investors will also provide US\$205 million debt facility with offtake commitments, sufficient to develop Lithium Americas share in the Stage 1 production from Olaroz/Cauchari. Advantage Lithium announced a transaction to earn 65-75% equity in some of Orocobre's leases, raising C\$40 million in the market.