LAKE ISSUES SHARES FOR OPTION OVER LARGE LITHIUM PEGMATITE LEASES IN ARGENTINA

- Shares issued for option agreement over a large area (~70,000 Ha) of potential lithium bearing pegmatites in Catamarca Province, Argentina
- Lithium pegmatites recognised in drilling underway in adjoining leases with encouraging results anticipated
- Sampling to commence over the newly recognised 150km long belt of pegmatite swarms
- LKE shareholders gain increased asset optionality with exposure to both prime lithium brine leases and a new lithium pegmatite belt.
- LKE holds one of the largest lithium lease holdings in Argentina, the target of numerous recent transactions
- Active forward works program in Argentina is ongoing
- Continued assessment for complementary assets to strengthen portfolio

Lake Resources N.L. (ASX:LKE, “Lake”) is pleased to announce that it has issued the first tranche of 1,000,000 LKE shares to Petra Energy SA as part of an option agreement, to be fully paid in LKE scrip, over a large block of approximately 72,000 Ha of exploration and some mining leases and applications over potential lithium bearing pegmatites and pegmatite swarms. The lithium pegmatites are part of a newly recognised 150km long belt of pegmatite swarms at low altitudes (300-800m) in Ancasti, Catamarca province, which has good year-round access.

Lake has recently closed an oversubscribed capital raising to ensure the company is well funded to continue an aggressive exploration campaign of drilling and geophysics over lithium brine leases, starting at the Kachi Lithium Brine Project, together with the commencement of sampling over the pegmatites in Catamarca.

Latin Resources (ASX:LRS, “Latin”) holds adjoining leases in the same pegmatite belt and recently announced drilling of spodumene-bearing pegmatites over substantial widths (announced 23 February 2017) together with rock samples reported from 4.9% to 7.1% Li2O (announced 14 June 2016). LRS and LKE, should it execute the option agreement, will most likely control most of the potential belt of pegmatites.

Lake Resources Managing Director, Stephen Promnitz, commented: “We have pleased to have successfully closed a capital raising to be well funded to continue the exploration programme over lithium brines and start on the pegmatites in Argentina. Work is ongoing at the Kachi project, the location of our first major drill program which is scheduled to commence in the coming months.

“Recent corporate transactions in the lithium sector in Argentina show that Lake is on the right track to deliver substantial upside due as the value is unlocked in our strategically located lease holdings. We actively assess opportunities to strengthen and complement our asset base.”
Background on Lithium Pegmatite Belt

Lake and its subsidiaries have maintained an active watch over an area of lithium bearing spodumene pegmatites in the Ancasti Ranges of Catamarca province previously known for small scale lithium production. Initial field visits by Lake personnel have demonstrated outcropping pegmatites over a belt 150km long with coarse grained spodumene crystals 30-70cm long in a number of locations. Although data is limited, an option agreement was considered a prudent way to further assess the potential. Sampling will commence soon to assess initial areas for drilling.

Latin Resources (ASX:LRS) announced on 23 February 2017 that its drill programme underway at present has intersected lithium spodumene in pegmatites over substantial widths. Previously LRS had released results of 4.9% LiO2 to 7.1% LiO2 from samples of spodumene from old mine workings.

Option terms over Lease holding

Lake has signed an option agreement under the following terms:

- 4 million LKE shares for a 4 month option period, with 1 million shares on signing and 3 million shares within 60 days, extendable to 6 months with a payment of a further 1 million LKE shares. (50% voluntarily escrowed for 6 months). Due diligence and initial exploration to be undertaken at LKE cost.
- 15 million LKE shares on execution of the option, paid in two tranches, with 7.5 million shares upon execution and 7.5 million shares once 65% of the areas are granted for exploration (which may be simultaneously). (50% voluntarily escrowed for 6 months)

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Figure 1: Large outcropping pegmatites with spodumene in Ancasti, Catamarca
Figure 2: Location map of Lake Resources lithium brine projects (Olaroz/Cauchari, Paso, Kachi) and lithium pegmatite projects in NW Argentina

Figure 3: Leases under option (red) over pegmatites with leases held by Latin Resources (green) and the trend of the pegmatites over 150km in Catamarca province, NW Argentina
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, 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 lithium tenement packages in Argentina, controlled 100% by Lake. Recently an option agreement was entered into over lithium pegmatites covering a belt of 75,000 Ha in Catamarca, next to Latin Resources, which increased the lease holdings and applications to ~165,000 Ha if the option is exercised.

Lake has three key lithium brine projects and one lithium pegmatite project that have similar settings to major world class projects being developed – Olaroz/Cauchari, Paso and Kachi in the highly prospective Jujuy and Catamarca Provinces. The Kachi Lithium Brine Project is located in Catamarca province, approximately 100km south of FMC’s Hombre Muerto Lithium brine production operation. The Kachi Project overlies an area of almost 50,000 Ha of leases and lease applications, centred around a salt lake within a large basin almost 100km long with initial results up to 322 mg/L Li at surface and more results expected, followed by geophysics and drilling. 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 36% equity investment of US$286 million, from Gangfeng, an important Chinese producer, and Bangchak Petroleum. 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 50-75% equity in Orocobre’s Cauchari leases for approximately US$37 million in shares, raising US$20 million in the market.