

28 April 2017

Lake Resources N.L.  
ASX:LKE

Shares on Issue:  
214,993,026

Options Listed:  
19,350,000 (10c)

Options Unlisted:  
39,039,250 (5c/10c)  
(26,539,250 vested)

Market Capitalisation:  
\$12 million

Cash (at 31 Mar 17):  
\$1.8 million

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#### HIGHLIGHTS

- Exploration programme advanced over lithium lease applications in Argentina.
- Drilling on Kachi Lithium Brine Project in Catamarca will be next key step.
- Lithium lease holdings significantly expanded to ~170,000 Ha in Argentina, , including areas under option.
- Lake expanded size and optionality for investors with one of the largest listed lithium lease holdings in the sector.
- Major Pegmatite Lithium Project (~72,000 Ha) secured under option in Catamarca over newly recognised 150km belt of pegmatites at low altitude accessible year round.
- Positive results from surface sampling programme up to 322ppm Lithium at Kachi Lithium Brine Project.
- Leases expanded and consolidated at Kachi Project to ~50,000Ha prior to drilling.
- Virtually all mining leases approved for exploration at Kachi Project.
- Leases expanded over prime lithium brine bearing basins (~100,000 Ha) in 3 areas over in NW Argentina among largest players in lithium sector.
- Capital raising completed Feb 2017 to fund planned initial exploration programme in Argentina in 2017.
- Outlook – Focus in June Quarter on drilling, geophysics and initial drill results from the Kachi Lithium Brine Project
- Outlook – Advance leases over Olaroz/Cauchari and complete initial sampling/assessment of the Catamarca Lithium Pegmatites Project

**LAKE RESOURCES N.L.**  
**QUARTERLY REPORT – ENDING 31 MARCH 2017**

## **OPERATIONS**

### **Kachi Lithium Brine Project - Catamarca Province, Argentina**

The exploration programme has advanced with positive results over approved lithium brine mining leases in the Kachi Lithium Brine Project in Catamarca province, Argentina. The leases lie in the Lithium Triangle where the world's largest and lowest cost production of lithium is located.

Elevated lithium results up to 322 mg/L Lithium have been recorded from near-surface auger brine sampling. These results are sufficiently elevated to support the rationale for drilling in the central areas of the salt lakes.

Central parts of the salt lakes, where better results are expected, were not able to be sampled due to unseasonal rainfall in the past month (first recorded rainfall in 5 years in this desert environment).

A ground electrical geophysics study and drilling is planned for the June quarter, with drillhole sites selected. Access and a renovated local camp have been part of the preparations during the March quarter for the coming initial drill programme.

The Kachi Lithium Brine Project is located in Catamarca province, approximately 100km south of FMC's Hombre Muerto Lithium brine production operation and Galaxy's Sal de Vida project and adjacent to Albemarle's Antofalla development project. The Kachi Lithium Brine Project is a consolidated mining lease package of ~52,000 Ha of mining leases owned 100% by Lake, centred around a salt lake within a large basin almost 100km long. This area has been recently recognised as a potential lithium brine bearing basin.

Virtually all leases have been approved for exploration (~90% by number) during the March quarter, an important stage of progress for the Company, as set out in the shareholder approved acquisition of LithNRG Pty Ltd last year.

Further mining leases have been secured (~2,500 Ha) over the Kachi Lithium Brine Project. These were critical areas of mining title to consolidate the area. This is the first time the area has been consolidated under one owner 100% for a total package of ~52,000 Ha of mining leases and lease applications.

A Vertical Electrical Sounding (VES) geophysical survey was completed by NRG Metals Inc recently on adjoining leases which revealed a consistent sub-surface horizon which is conductive and interpreted to represent a thick, brine-rich zone, with plans for drilling soon (NI 43-101 report from Rojas y Asociados Mining Consultants 2016). This suggests a similar target should exist under the leases controlled by Lake

### **Catamarca Lithium Pegmatite Project - Catamarca Province, Argentina**

An option agreement was signed over a large area (~72,000 Ha) of potential lithium bearing pegmatites in Catamarca Province, Argentina. The optioned leases cover a large part of a newly recognised 150km long belt of pegmatite swarms – includes both exploration and mining leases and applications

Lake significantly expanded its size and asset base in Argentina with this option agreement signed with local owners, Petra Energy SA (in formation) over a belt of potential lithium bearing pegmatites and pegmatite swarms in Ancasti, Catamarca province. These areas are at low altitudes with good year-round access.

A study of past lithium spodumene mining leases, satellite image interpretation together with field visits, led a local technical team to recognise that the spodumene bearing pegmatites in Ancasti were exposed as a large long belt of pegmatites. These areas were applied for as eight “cateos”, with nearly half granted at present. A small number of mining leases are also under application. Lake has conducted initial field visits to assess the project.

Latin Resources (ASX:LRS, “Latin”) holds adjoining leases (~76,000 Ha) in the same pegmatite belt and recently announced the commencement of drilling four targets, with drilling results from 1% to 2.2% LiO<sub>2</sub> in RC drilling and rock samples reported from 4.9% to 7.1% LiO<sub>2</sub> (announced 14 June 2016). LRS and Lake, should it execute the option agreement, will most likely control most of the potential belt of pegmatites.

## **Olaroz/Cauchari & Paso Lithium Brine Projects - Jujuy Province, Argentina**

Lake holds mining lease applications over almost 45,000 hectares in two areas in Jujuy Province, in NW Argentina. Most of the area was reapplied for in November when a moratorium was lifted. The initial applications from March 2016 are under an appeal process which is being considered at present. The application process is anticipated to progress in the coming months. Leases/applications are held 100% through Lake’s local subsidiaries.

The leases cover areas in and around Orocobre Limited, currently in production, and Lithium Americas Corporation, currently developing a project with the major lithium producer SQM, in the Cauchari/Olaroz basin in Jujuy Province, Argentina. Although data is limited within the properties, the tenements may cover potential extensions to the Cauchari/Olaroz projects with potential extensions to aquifers.

Exploration will commence as soon as access is available to the areas. Substantial ground geophysics and drilling has been completed in the surrounding leases at Olaroz/Cauchari.

## **CORPORATE**

### **Cash Position**

Lake holds cash of \$1.82 million as at 31 March 2017 (with no debt), in AUD, USD and Argentine Pesos.

### **Capital Raising**

A capital raising was successfully completed in February 2017 with \$1.2 million raised, before costs, via private placement of approximately 24 million new LKE shares at \$0.05 per share to sophisticated and professional investors with 12 million attached listed options (LKEO1) with an exercise price of \$0.10 and an expiry date of 28 Aug 2018. 2 million LKE shares were issued to service providers. The company paid fees to intermediaries and financial arrangers which included issuing 7.35 million listed options with an exercise price of \$0.10 and an expiry date of 28 Aug 2018.

Funds are being used to advance the exploration programme over lithium brine basins in Argentina, and over the lithium pegmatites project. Funds will also be used for corporate costs and working capital.

Lake has 214,993,026 shares on issue as at 31 Mar 2017. Listed options include 19,350,000 options (LKEO1) with an exercise price of \$0.10 (expiry 28 Aug 2018). Unlisted options include 25,000,000 options with an exercise price of \$0.05 (expiry 4 Apr 2018) and 1,539,250 options with an exercise price of \$0.10 (expiry 14 Jun 2018). Another 12,500,000 unlisted options and 25,000,000 performance rights were included in the transaction with Lith NRG Pty Ltd, with 50% having recently reached the required hurdles for vesting (soon to be issued) and 50% yet to reach the required hurdles for vesting.

## Catamarca Pegmatite Option Agreement

Lake has signed an option agreement with Petra Energy S.A. (in formation) 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. The first tranche of 1,000,000 LKE shares to Petra Energy SA was issued as part of an option agreement and the time period for issuing the additional tranche of 3 million shares has been extended.
- 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)

## Outlook

The focus in the coming June quarter will be:

### Kachi Lithium Brine Project

- Commencement of the drilling
- Initial results from drilling
- Completion of geophysics

### Olaroz/Cauchari Lithium Brine Project

- Resolution of lease application process and advancing drill access approvals

### Catamarca Lithium Pegmatites Project

- Further sampling/ assessment and completion of option arrangements

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## Background on Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is undertaking an aggressive exploration programme to explore/develop prime lithium projects in Argentina, owned 100%, among some of the largest players in the lithium sector. Lake holds three key lithium brine projects located in the Lithium Triangle which produces half of the world's lithium. Lake also holds one large package of lithium pegmatite properties which were an unappreciated source of lithium in Argentina until recently. Lake holds one of the largest lithium tenement packages in Argentina (~165,000Ha) secured prior to a significant 'rush' by major companies.

The three key brine projects held by Lake have similar settings to major world class brine projects being developed – Olaroz/Cauchari, Paso and Kachi in the highly prospective Jujuy and Catamarca Provinces. One project is located next to Orocobre's Olaroz lithium production and Lithium Americas Cauchari project, with another south of FMC's lithium operation.

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 the company's growth as these 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 with a US\$205 million debt facility. Advantage Lithium announced a transaction to earn 57% equity in some of Orocobre's leases, including Cauchari, raising C\$20 million in the market. LSC Lithium has also raised \$40 million on a large lease package.



**Figure 1: Images from the Kachi Lithium Brine Project**

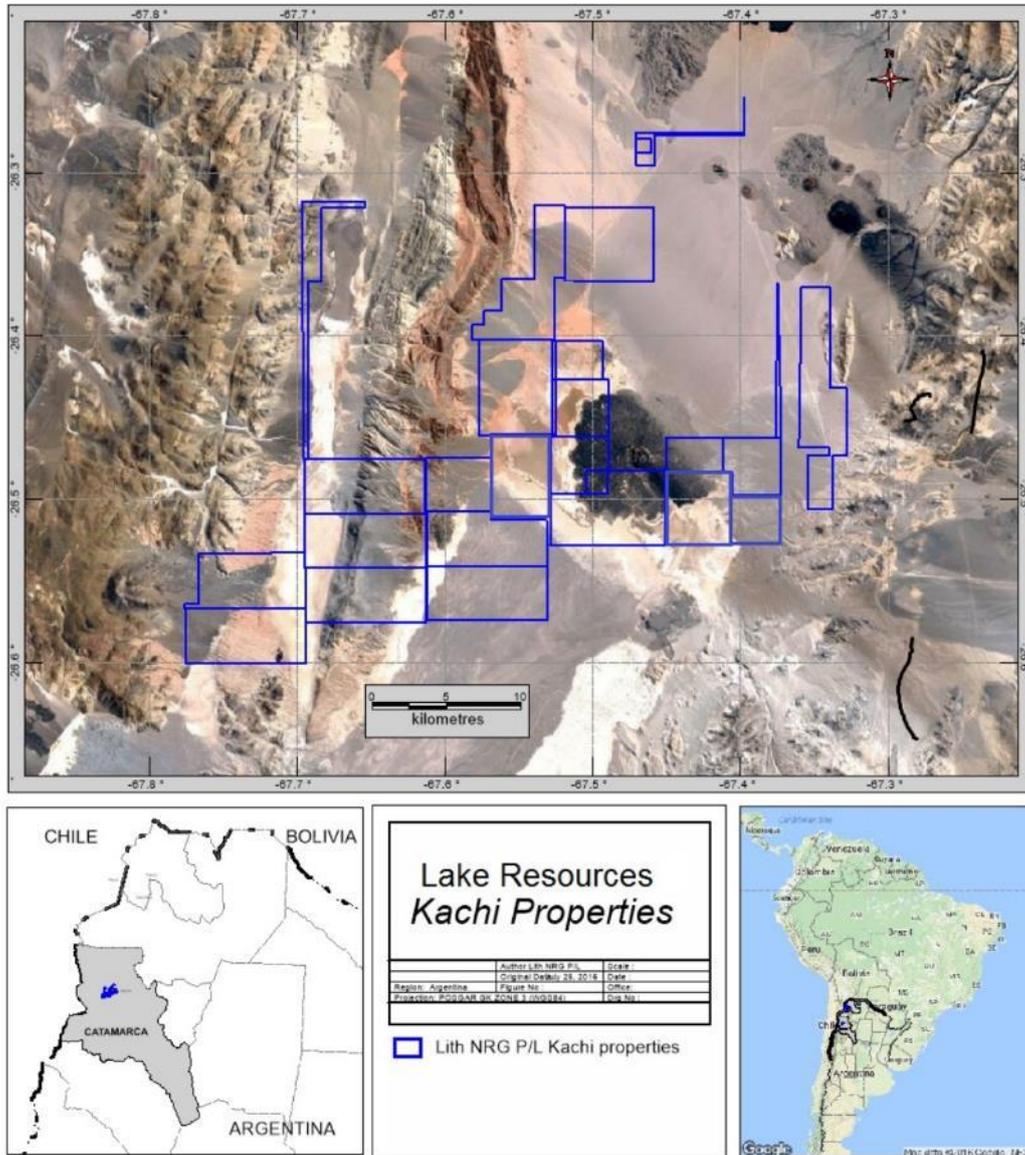


Figure 2: Kachi Lithium Brine Project mining leases showing recently consolidated 52,000 ha lease holding



Figure 3: Location map of Lake Resources lithium brine projects in NW Argentina



Figure 4: Large outcropping lithium pegmatites in Ancasti area - Catamarca Lithium Pegmatites Project

### Competent Person’s Statement – Kachi Lithium Brine Project

The information contained in this ASX release relating to Exploration Results has been compiled by Mr Andrew Fulton. Mr Fulton is a Hydrogeologist and a Member of the Australian Institute of Geoscientists and the Association of Hydrogeologists. Mr Fulton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Andrew Fulton is an employee of Groundwater Exploration Services Pty Ltd and an independent consultant to Lake Resources NL. Mr Fulton consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from initial exploration at the Kachi project.

Table 1 Report: Kachi Lithium Brine Project

Criteria	Section 1 - Sampling Techniques and Data
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>• Brine samples were taken from groundwater with a bailing device from a hand dug pit that was deepened using a soil auger at depths of 0.2m to 1.7m. The bailer is lowered to the base of the hole and the brine sample collected and brought to surface.</li> <li>• The brine sample was collected in a clean plastic bottle (1 litre) and filled to the top to minimize air space within the bottle. A duplicate was collected at the same time for storage and submission of duplicates to the laboratory. Each bottle was taped and marked with the sample number.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• Soil, salt and cuttings from each auger pit was examined for geologic logging by a geologist and a photo taken for reference.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• Brine samples were collected by bailing brine, which collects at the base of the hole. Bailing homogenizes samples and no sub-sampling is undertaken in the field.</li> <li>• The brine sample was collected in one-litre sample bottles, rinsed and filled with brine. Each bottle was taped and marked with the sample number.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• The SGS laboratory in Buenos Aires, Argentina was used for these analyses of brine samples as a comparison to the primary laboratory of Alex Stewart Argentina/Norlab SA in Palpala, Jujuy, Argentina, used to conduct the assaying of the prior brine samples collected. SGS also analyzed blind control samples and duplicates in the analysis chain. Both the SGS laboratory and the Alex Stewart/Norlab SA laboratory are ISO 9001 and ISO 14001 certified, and both have significant experience in the chemical analysis of brines and inorganic salts. The Alex Stewart Argentina S.A. laboratory in Mendoza, Argentina, has significant experience in this field and has been operating for a considerable period. The reader is cautioned that no certified standard samples were included with this small batch (as certified standards were not available at this time), but will be included in all future batches of analyses. However field duplicates and blank samples were included with the primary samples analyzed.</li> <li>• The quality control and analytical procedures used at the SGS laboratories and Alex Stewart/Norlab SA laboratory are considered to be of high quality and comparable to those employed by ISO certified laboratories specializing in analysis of brines and inorganic salts.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• Certified standards were not included with the samples. However field duplicates and blanks were included to monitor potential contamination of samples and the repeatability of analyses. A detailed QA/QC program is planned as part of the future sampling programme and would be in a future drilling program. Accuracy, the closeness of measurements to the “true” or accepted value, will be monitored by the insertion of certified laboratory standards, or reference samples, and by check analysis at an independent (or umpire) laboratory.</li> <li>• Duplicate samples in the analysis chain were submitted to SGS laboratories and Alex Stewart/Norlab SA as unique samples (blind duplicates) during the process</li> <li>• Stable blank samples (distilled water) were used to evaluate potential sample contamination and will be inserted in future to measure any potential cross contamination</li> <li>• Samples were analysed for conductivity using a hand held Hanna pH/EC multiprobe. Higher conductivity samples were sent to the lab for analysis, together with some low conductivity samples as a check.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• The auger hole sample sites were located with a hand held GPS.</li> <li>• The location is in POSGAR Faja 2 and Faja 3 (UTM 19) or in WGS84 UTM.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Brine samples were collected at approximately 500m points on 1000m spaced lines north-south.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• The salt lake (<i>salar</i>) deposits that contain lithium-bearing brines generally have sub-horizontal beds and lenses that may contain sand, gravel, salt, silt and clay. The near-surface auger samples test the near-surface groundwater. Future planned vertical drill holes would be essentially perpendicular to these units, intersecting their true thickness</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• Samples transported to the SGS laboratory or the Alex Stewart/Norlab SA laboratory for chemical analysis were transported in sealed 1-litre rigid plastic bottles with sample numbers clearly identified. Samples were transported by a trusted member of the team.</li> <li>• The samples were moved from the auger sample site to secure storage at the hotel on a daily basis. All brine sample bottles are marked with a unique label not related to the location.</li> </ul>
<i>Review (and Audit)</i>	<ul style="list-style-type: none"> <li>• No audit of data has been conducted to date.</li> </ul>

Criteria	Section 2 - Mineral Tenement and Land Tenure Status
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>The Kachi Lithium Brine project is located approximately 100km south-southwest of FMC's Hombre Muerto lithium operation and 45km south of Antofagasta de la Sierra in Catamarca province of north western Argentina at an elevation of approximately 3,000m asl.</li> <li>The project comprises approximately 52,300 Ha in twenty seven mineral leases (minas) of which twenty three leases (46,000 Ha) are granted for initial exploration and four leases are applications pending granting.</li> <li>The tenements are believed to be in good standing, with payments made to relevant government departments.</li> </ul>
<i>Exploration by other parties</i>	<ul style="list-style-type: none"> <li>Marifil Mines Ltd conducted sparse near-surface pit sampling of groundwater at depths less than 1m during 2009.</li> <li>Samples were taken from each hole and analysed at Alex Stewart laboratories in Mendoza Argentina.</li> <li>Results were reported in an NI 43-101 report by J. Ebisch in December 2009 for Marifil Mines Ltd.</li> <li>NRG Metals Inc has recently commenced exploration in adjacent leases under option. A Vertical Electrical Sounding (VES) geophysical survey was completed by NRG Metals Inc recently on adjoining leases which revealed a consistent sub-surface horizon which is conductive and interpreted to represent a thick, brine-rich zone, with plans for drilling soon. Geophysical data was collected by ConHidro SRL of Salta and Catamarca, Argentina and interpreted by Sergio Lopez &amp; Associates, Salta.</li> <li>Results were reported in an NI 43-101 report by Rojas y Asociados Mining Consultants dated December 2016 for NRG Metals Inc.</li> <li>No other exploration results were able to be located</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>The known sediments within the <i>salar</i> consist of salt/halite and some clay. The sediments below 2 m are not known, but may include, sands, gravels, silts and clays accumulated in the <i>salar</i> from terrestrial sedimentation and evaporation of brines .</li> <li>Brines within the salt lake are formed by solar concentration, with brines hosted within sedimentary units, which are unknown beyond 2 m depth.</li> <li>Geology was recorded during the auger drilling of all the holes</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The company will undertake ground geophysics and consider drilling on the tenements once the next auger sampling programme has been completed and results assessed.</li> </ul>

## SCHEDULE OF TENEMENTS (Appendix 5B)

TOTAL NUMBER TENEMENTS: **58**

TOTAL AREA TENEMENTS: **100,721 Ha**

REF	TENEMENT NAME	NUMBER	AREA Ha	INTEREST %	PROVINCE	STATUS
<b>OLAROZ - CAUCHARI AREA</b>						
	Cauchari Bajo I	2156-P-2016	375	100	Jujuy	Application
	Cauchari Bajo II	2157-P-2016	363	100	Jujuy	Application
	Cauchari Bajo III	2158-P-2016	125	100	Jujuy	Application
	Cauchari Bajo IV	2155-P-2016	30	100	Jujuy	Application
	Cauchari Bajo V	2154-P-2016	952	100	Jujuy	Application
	Cauchari Bajo VI	2159-P-2016	32	100	Jujuy	Application
	Cauchari Centro I	2150-P-2016	32	100	Jujuy	Application
	Cauchari Centro II	2151-P-2016	10	100	Jujuy	Application
	Cauchari Centro III	2152-P-2016	10	100	Jujuy	Application
	Cauchari Centro IV	2153-P-2016	10	100	Jujuy	Application
	Cauchari West I	2160-P-2016	1938	100	Jujuy	Application
	Cauchari West II	2161-P-2016	10	100	Jujuy	Application
	Olaroz Centro I	2163-D-2016	35	100	Jujuy	Application
	Olaroz Centro II	2164-D-2016	268	100	Jujuy	Application
	Olaroz Centro III	2165-D-2016	25	100	Jujuy	Application
	Olaroz Centro IV	2166-D-2016	32	100	Jujuy	Application
	Olaroz East I	2167-D-2016	3344	100	Jujuy	Application
	Olaroz East II	2168-D-2016	2072	100	Jujuy	Application
	Olaroz East III	2169-D-2016	3033	100	Jujuy	Application
	Olaroz East IV	2170-D-2016	3034	100	Jujuy	Application
	Olaroz East V	2171-D-2016	3007	100	Jujuy	Application
<b>PASO AREA</b>						
	Paso I	2135-P-2016	3482	100	Jujuy	Application
	Paso II	2136-P-2016	3196	100	Jujuy	Application
	Paso III	2137-P-2016	2950	100	Jujuy	Application
	Paso IV	2138-P-2016	2985	100	Jujuy	Application
	Paso V	2139-P-2016	3195	100	Jujuy	Application
	Paso VI	2140-P-2016	2210	100	Jujuy	Application
	Paso VII	2141-P-2016	3227	100	Jujuy	Application
	Paso VIII	2142-P-2016	3070	100	Jujuy	Application
	Paso IX	2143-P-2016	3321	100	Jujuy	Application
	Paso X	2144-P-2016	1913	100	Jujuy	Application

REF	TENEMENT NAME	NUMBER	AREA Ha	INTEREST %	PROVINCE	STATUS
	<b>KACHI AREA</b>					
	Kachi Inca	13-D-2016	1273	100	Catamarca	Granted
	Kachi Inca I	16-D-2016	2880	100	Catamarca	Application
	Kachi Inca II	17-D-2016	2823	100	Catamarca	Granted
	Kachi Inca III	47-M-2016	3354	100	Catamarca	Granted
	Kachi Inca IV	46-M-2016	186	100	Catamarca	Application
	Kachi Inca V	45-M-2016	310	100	Catamarca	Application
	Kachi Inca VI	44-M-2016	110	100	Catamarca	Granted
	Dona Amparo I	22-D-2016	3000	100	Catamarca	Granted
	Dona Carmen	24-D-2016	873	100	Catamarca	Granted
	Debbie I	21-D-2016	1501	100	Catamarca	Granted
	Divina Victoria I	25-D-2016	1265	100	Catamarca	Granted
	Daniel Armando	23-D-2016	2115	100	Catamarca	Granted
	Daniel Armando II	97-M-2016	1387	100	Catamarca	Granted
	Maria Luz	34-M-2017	2573	100	Catamarca	Application
	Maria II	14-D-2016	888	100	Catamarca	Granted
	Maria III	15-D-2016	1395	100	Catamarca	Granted
	Morena 1	72-M-2016	3024	100	Catamarca	Granted
	Morena 2	73-M-2016	2989	100	Catamarca	Granted
	Morena 3	74-M-2016	3007	100	Catamarca	Granted
	Morena 6	75-M-2016	1606	100	Catamarca	Granted
	Morena 7	76-M-2016	2805	100	Catamarca	Granted
	Morena 8	77-M-2016	2961	100	Catamarca	Granted
	Morena 12	78-M-2016	2704	100	Catamarca	Granted
	Morena 13	79-M-2016	3024	100	Catamarca	Granted
	Pampa I	129-S- 2013	2312	100	Catamarca	Granted
	Pampa II	128-S- 2013	1119	100	Catamarca	Granted
	Pampa III	130-S- 2013	477	100	Catamarca	Granted
58			100721	100		

<b>CATAMARCA PEGMATITES</b>		<b>OPTION</b>				
	Petra I, II, III, IV	Cateos	40000	option	Catamarca	Granted
	Petra V, VI, VII, VIII	Cateos	3000	option	Catamarca	Application
	Aguada I, II, III, IV	Minas	9500	option	Catamarca	Application

REF	TENEMENT NAME	NUMBER	AREA Ha	INTEREST %	PROVINCE	STATUS
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OLAROZ - CAUCHARI & PASO REAPPLICATION AREA						
	MASA 1	2223-M-2016	375	100	Jujuy	Application
	MASA 2	2224-M-2016	363	100	Jujuy	Application
	MASA 3	2225-M-2016	125	100	Jujuy	Application
	MASA 4	2226-M-2016	952	100	Jujuy	Application
	MASA 5	2227-M-2016	1937	100	Jujuy	Application
	MASA 6	2228-M-2016	268	100	Jujuy	Application
	MASA 7	2229-M-2016	2072	100	Jujuy	Application
	MASA 8	2230-M-2016	2950	100	Jujuy	Application
	MASA 9	2231-M-2016	2985	100	Jujuy	Application
	MASA 10	2232-M-2016	2210	100	Jujuy	Application
	MASA 11	2233-M-2016	1913	100	Jujuy	Application
	MASA 12	2234-M-2016	3000	100	Jujuy	Application
	MASA 13	2235-M-2016	3000	100	Jujuy	Application
	MASA 14	2236-M-2016	3000	100	Jujuy	Application
	MASA 15	2237-M-2016	3000	100	Jujuy	Application
	MASA 16	2238-M-2016	3000	100	Jujuy	Application
	MASA 17	2239-M-2016	3000	100	Jujuy	Application
	MASA 18	2240-M-2016	3000	100	Jujuy	Application
	MASA 19	2241-M-2016	3000	100	Jujuy	Application
	MASA 20	2242-M-2016	3000	100	Jujuy	Application
	MASA 21	2243-M-2016	3000	100	Jujuy	Application
	MASA 22	2244-M-2016	2548	100	Jujuy	Application
	MASA 23	2245-M-2016	2406	100	Jujuy	Application
	23 Lease Applications		51104 Ha	100% LKE		

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

LAKE RESOURCES N.L.

### ABN

49 079 471 980

### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(234)	(264)
(b) development		
(c) production		
(d) staff costs	(43)	(72)
(e) administration and corporate costs	(178)	(231)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(455)</b>	<b>(567)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		(70)
(c) investments		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>		<b>(70)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	1,218	2,768
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(103)	(135)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		(250)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,115</b>	<b>2,383</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,160	74
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(455)	(567)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		(70)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,115	2,383
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,820</b>	<b>1,820</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,820	1,160
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,820</b>	<b>1,160</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	43
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Facility of \$250k in Lith NRG Pty Ltd was repaid after completion of transaction between LKE and Lith NRG Pty Ltd

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(370)
9.2 Development	
9.3 Production	
9.4 Staff costs	(38)
9.5 Administration and corporate costs	(32)
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>(440)</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
Director

Date: .....28 April 2017.....

Print name: ...Steve Promnitz.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.