



## LAKE RESOURCES N.L. (ASX:LKE)

ASX Market Announcements Office

14 August 2018

### **LAKE TO DRILL CAUCHARI PROJECT WHICH ADJOINS PROVEN 14.8 MT LCE WORLD CLASS LITHIUM BRINE PROJECT**

- **Targeting same aquifers as SQM/Lithium Americas and Orocobre/Advantage Lithium**
- **Drill locations are likely extensions of 14.8 Mt LCE lithium resource (\*1) with results that include 600mg/L lithium with high flow rates**
- **LKE expects these known high grade lithium brines to extend into its leases**
- **Drilling rig secured – mobilising to site within 4 weeks**
- **Lake holds 100% and secure title on 18,000 Ha Olaroz -Cauchari Lithium Projects**

Argentine-focused lithium exploration and project development company **Lake Resources NL (ASX: LKE)** is pleased to announce that it will shortly commence drilling at its 100%-owned Cauchari Lithium Brine Project which adjoins SQM/Lithium Americas and Orocobre/Advantage Lithium's world-class combined 14.8 Mt LCE lithium brine projects (\*1).

Lake originally secured the 18,000 hectare Olaroz-Cauchari leases in early 2016 and is the only ASX junior exploration company with a large lease area in a proven, world class lithium brine province.

Lake will commence drilling at its Cauchari West project (see figures 1 & 2) with drill locations on the margins of SQM/Lithium Americas project and Orocobre/Advantage Lithium's project where results include 600mg/L lithium with high flow rates and 470mg/L lithium on the immediate lease boundary (\*2). Lake expects these known high grade lithium brines to extend into its leases.

A drilling rig has been secured and barring any unforeseen delays, drilling is targeted to commence at the end of next month. Lake is fortunate to have secured a rig given high exploration activity in the area.

Managing Director Stephen Promnitz said: "Lake's Cauchari lease has all the hallmarks of being another large-scale lithium brine project located in a world-class lithium brine basin. We believe that the same brines as SQM/Lithium Americas and Orocobre/AAL projects extend into our leases."

"Lake applied for these leases in early 2016, before the value of the adjoining brine projects were crystallised. Cauchari West, which has a strike length of 11km, and is nearly 2000 hectares in size, is an outstanding prospect and we are looking forward to commencing drilling.

"Systematically, we are advancing with the development of our large 100%-owned lithium projects and have lots of optionality in the asset base. Exploration at Kachi is ongoing and interest in the project from battery manufacturers and the lithium supply chain is high. The drilling of Cauchari is very likely to be a major value event for Lake and we look forward to keeping shareholders updated on progress."

"Lake's Chairman and Managing Director recently advanced discussions in China and Japan with major players in the growing lithium supply chain for cathodes used in electric vehicle batteries. Unlike some recent commentary regarding oversupply the interest level and demand was high. Strong and ongoing interest continues for both project development funding and offtake from major participants."

Footnotes:

(\*1): Combined resource of lithium carbonate equivalent (LCE) from SQM/Lithium Americas (11.8 Mt LCE) and Orocobre/Advantage Lithium (3.0 Mt LCE) from their respective market releases on the TSX, ASX and NYSE.

(\*2): Drill results released by Orocobre/Advantage Lithium from their respective market releases on the TSX and ASX

**For further information please contact:**

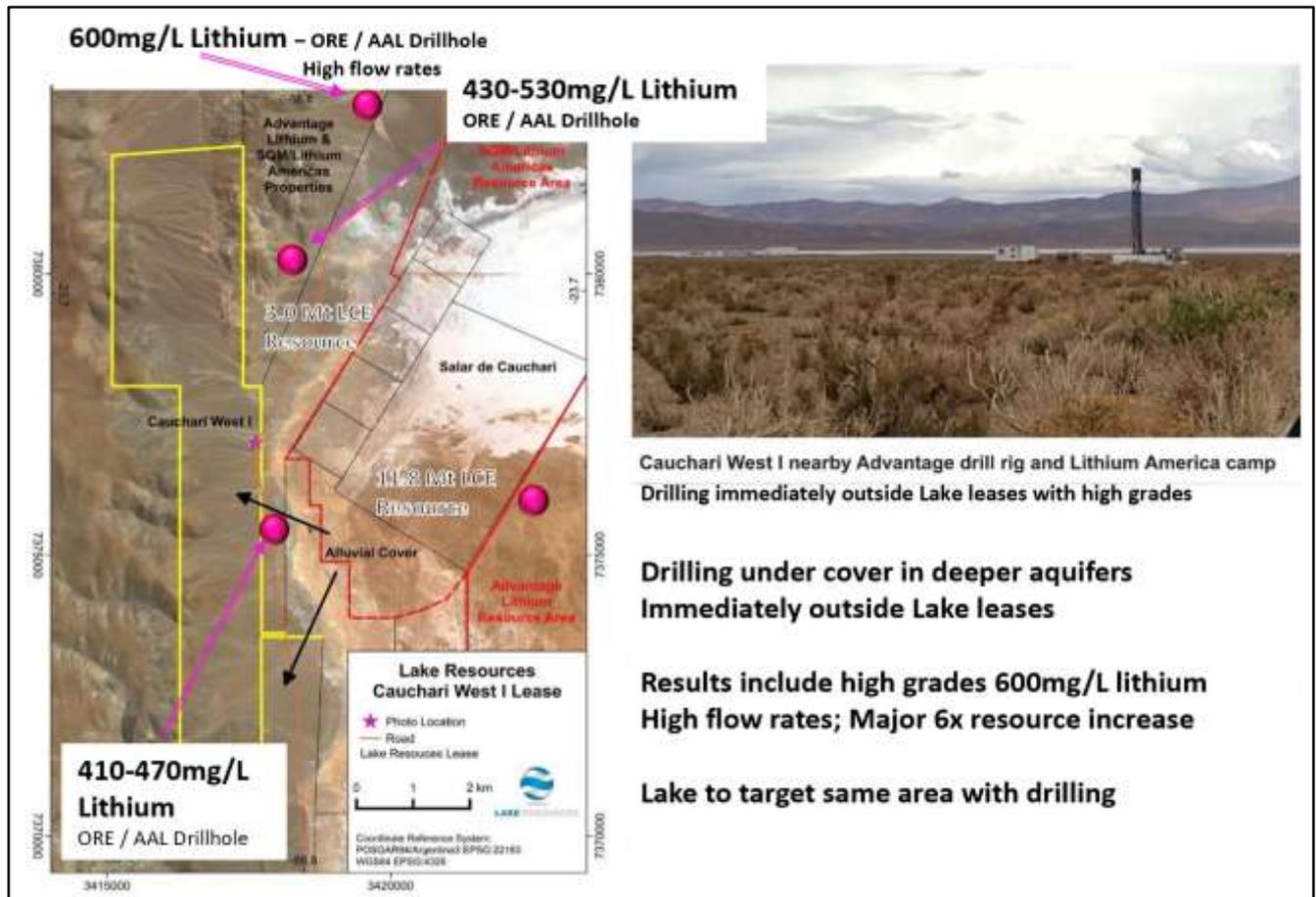
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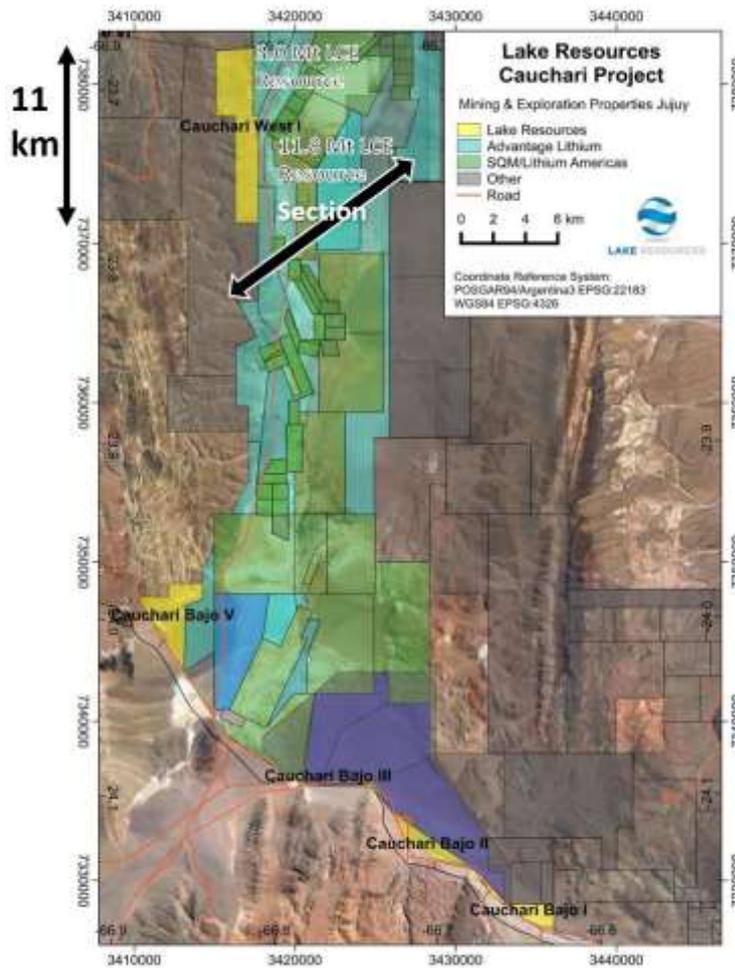
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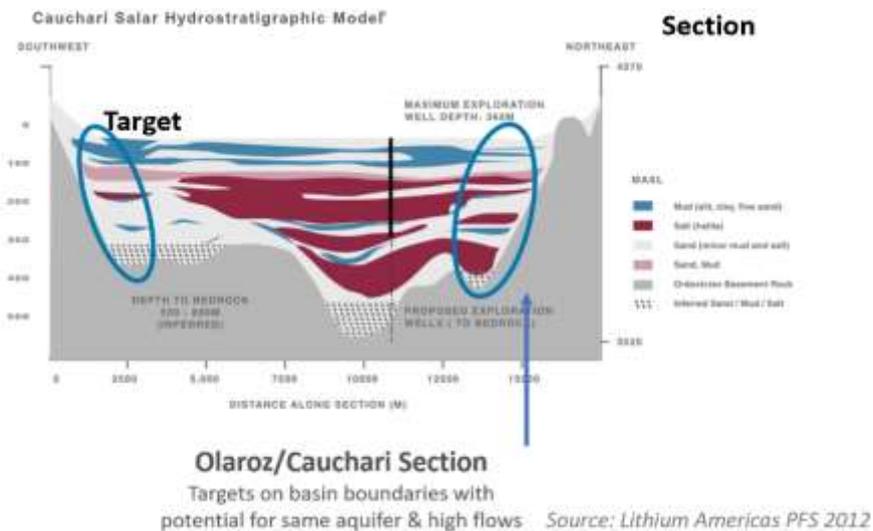
**Figure 1. Cauchari Lithium Brine Project showing adjoining SQM / Lithium Americas resource and Orocobre / Advantage Lithium resource and drilling locations with summary results (Source: ORE/AAL releases 29 June 2018)**



Source: Jujuy Registra Grafica Feb 18, Orocobre, Lithium Americas

Lithium Brine Project adjoins SQM/Lithium Americas and Advantage Lithium/Orocobre Development Projects

Targeting same aquifers; covered targets on margins



**Olaroz/Cauchari Section**  
Targets on basin boundaries with potential for same aquifer & high flows Source: Lithium Americas PFS 2012

**Figure 2. Cauchari Lithium Brine Project showing adjoining SQM / Lithium Americas resource and Orocobre / Advantage Lithium resource; Model approach to drill basin margins (Source: ORE/AAL releases; LAC releases)**

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

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its 3 lithium brine projects and 1 hard rock project in Argentina, all owned 100%. The leases are in a prime location among the lithium sector's largest players within the Lithium Triangle where half of the world's lithium is produced. Lake holds one of the largest lithium tenement packages in Argentina (~180,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provides the potential to provide security of supply demanded by battery makers and electric vehicle manufacturers.

The three key brine projects, Kachi, Olaroz/Cauchari, and Paso, are located adjacent to major world class brine projects either in production or being developed in the highly prospective Jujuy and Catamarca Provinces. The Olaroz-Cauchari project is located in the same basin as Orocobre's Olaroz lithium production and adjoins SQM/Lithium Americas Cauchari project, where high grade lithium (600 mg/L) with high flow rates have been drilled immediately across the lease boundary.

The Kachi project covers 50,000 Ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project. Drilling at Kachi has confirmed a large lithium brine bearing basin over 22km long and over 400m deep. Drilling over Kachi is aimed to produce a resource statement in 2018, anticipated in Oct 2018.

Drilling will commence in coming months at Olaroz-Cauchari now that tenure has been confirmed in a landmark agreement in March 2018. This will provide several catalysts for the company's growth. Scope exists to unlock considerable value through partnerships and corporate deals in the near-term.

Significant corporate transactions continue in adjacent leases with development of SQM/Lithium Americas Olaroz/Cauchari project with an equity/debt investment over \$300 million and Advantage Lithium's equity transaction in some of Orocobre's leases. LSC Lithium has also raised over \$60 million on a large lease package in similar areas as Lake's properties. Nearby projects of Lithium X were recently acquired via a takeover offer of C\$265 million completed March 2018. The northern half of Galaxy's Sal de Vida resource was purchased for US\$280 million by POSCO in June 2018

The demand for lithium continues to be strong for lithium ion batteries in electric vehicles, according to recent data from the leading independent battery minerals consultant - Benchmark Mineral Intelligence. Supply continues to be constrained suggesting good opportunities for upstream lithium companies for many years.