



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

ASX Market Announcements Office

6 September 2018

### DRILLING TO COMMENCE EARLY OCTOBER AT LAKE'S CAUCHARI LITHIUM PROJECT

- **Drilling is anticipated to show a likely extension of the high grade lithium brine sequence from adjoining world-class lithium resources based on recent seismic lines.**
- **Drill locations chosen – up to four holes to be drilled.**

Argentine-focused lithium exploration and project development company **Lake Resources NL (ASX: LKE)** is pleased to confirm that following recent positive discussions with relevant authorities in Argentina this week, drill hole locations have now been determined for the upcoming drill program at the 100%-owned Cauchari Lithium Brine Project, (Figure 1, 2).

The initial plan is to drill three holes, with a possible fourth hole, to depths of 400 metres. Drilling is anticipated to show a likely extension to the high grade lithium brines in adjacent properties (Figures 1,2), and work is likely to commence in early October, barring any unforeseen delays.

Third party drill results on the adjoining project include 600mg/L lithium with high flow rates and 470mg/L close to the lease boundary (\*2). Based on recent seismic lines, Lake expects these high grade lithium brines to extend into its leases and brine bearing sediments are estimated to extend to 300-400 metres deep, based on the interpretation of the seismic line completed by Lake.

Lake's Cauchari Lithium Brine Project adjoins the proven Cauchari lithium brine projects of SQM/Lithium Americas (soon to be Gangfeng/Lithium Americas), with an indicated resource of 8.7 Mt lithium carbonate equivalent (LCE) and an additional measured resource of 3 Mt LCE, and the Cauchari resource of Orocobre/Advantage Lithium with an inferred resource of 3.0 Mt LCE (\*1), which is in the process of being upgraded to measured and indicated classification. 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 portfolio in this world class lithium brine province.

#### **Comments**

Managing Director Steve Promnitz said: "Discussions with relevant authorities in Argentina this week support the commencement of drilling early next month.

"This is a material development for Lake given the Cauchari leases show an extension from the adjoining proven lithium brine project which aims to be in production in two years. We will be drilling approximately 400-500 metres away from nearby high grade results which we aim to repeat. Lake is the only junior exploration company with such highly prospective and large exploration projects in Olaroz-Cauchari, and successful drilling will add materially to the value of our assets here.

"We are also working hard to deliver a maiden resource estimate for Kachi very soon. Interest in this project from offtake partners is very high.

"We also note recent reports by the Argentine Government with respect to temporary changes to export taxes, and we confirm that they have no impact on Lake. It is business as usual for us in Argentina with all projects advancing to plan."

**For further information please contact:**

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Footnotes:

(\*1): The Cauchari project resource estimates of lithium carbonate equivalent (LCE) are from SQM/Lithium Americas (11.8 Mt LCE) and Orocobre/Advantage Lithium (3.0 Mt LCE). Lithium Americas Corp (LAC:TSX) updated their Cauchari indicated resource estimate of 8.7 Mt of Lithium Carbonate Equivalent (LCE) at an average grade of 570 mg/L lithium with an additional measured resource of 3 Mt LCE at 630 mg/L lithium in a release dated 18 June 2012 and 24 July 2012 prepared by their Qualified Persons Mark King, Roger Kelley and Daron Abbey, as defined in the NI 43-101 technical report. Orocobre/Advantage Lithium announced their updated Cauchari inferred resource estimate of 3 Mt of Lithium Carbonate Equivalent (LCE) at an average grade of 450 mg/L lithium, dated 29 June 2018 on the TSX (AAL:TSX-V) and dated 2 July 2018 on the ASX (ASX:ORE), prepared by Mr Frits Reidel, a "Qualified Person" as defined in the NI 43-101 technical report.

(\*2): Drill results released by Orocobre (ASX:ORE) from their market releases on the ASX on 18 April 2018 and 29 June 2018.

(\*3): from Reidel & Ehren, 2018, dated 29 June 2018 on the TSX (AAL:TSX-V) and dated 2 July 2018 on the ASX (ASX:ORE)

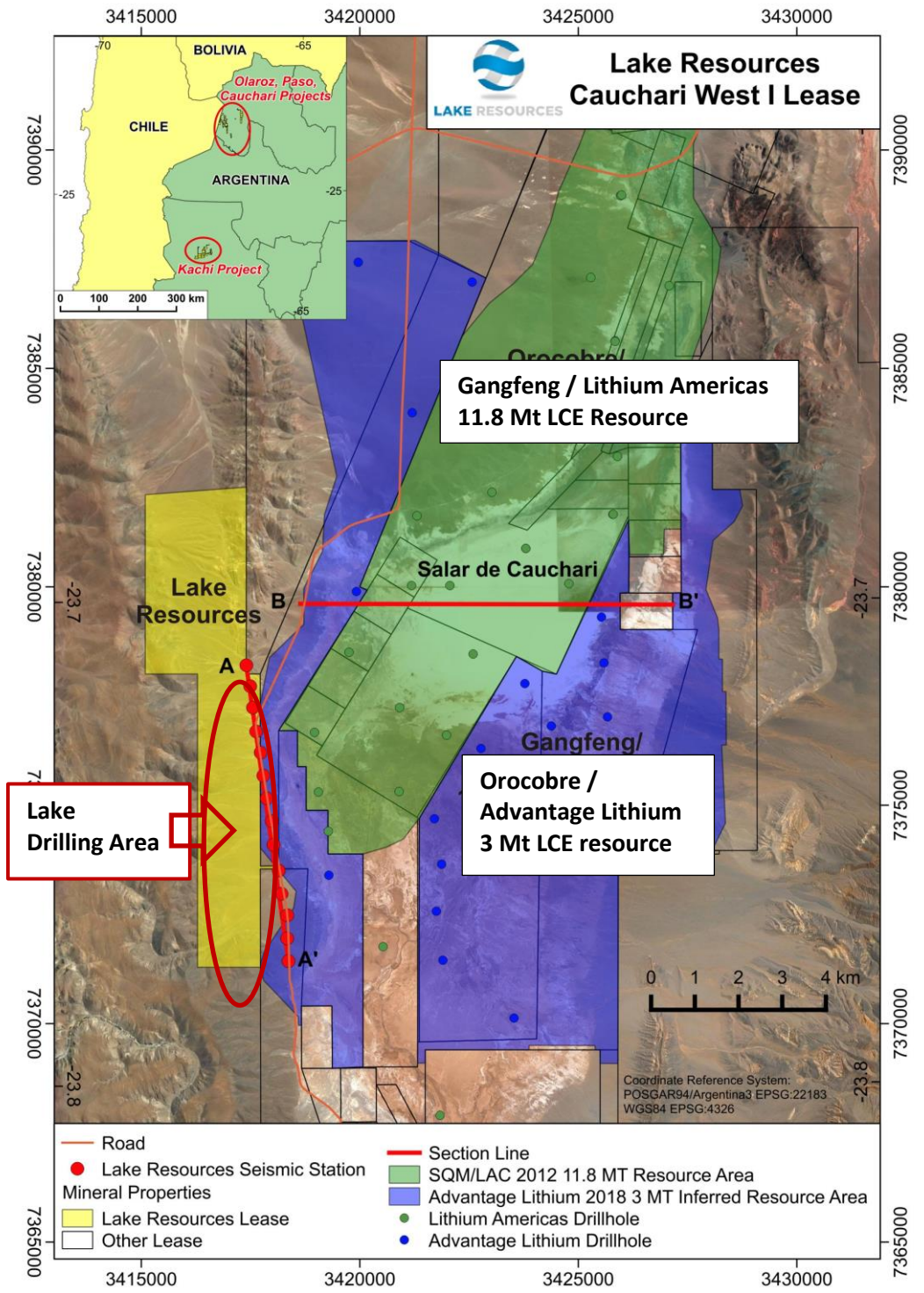
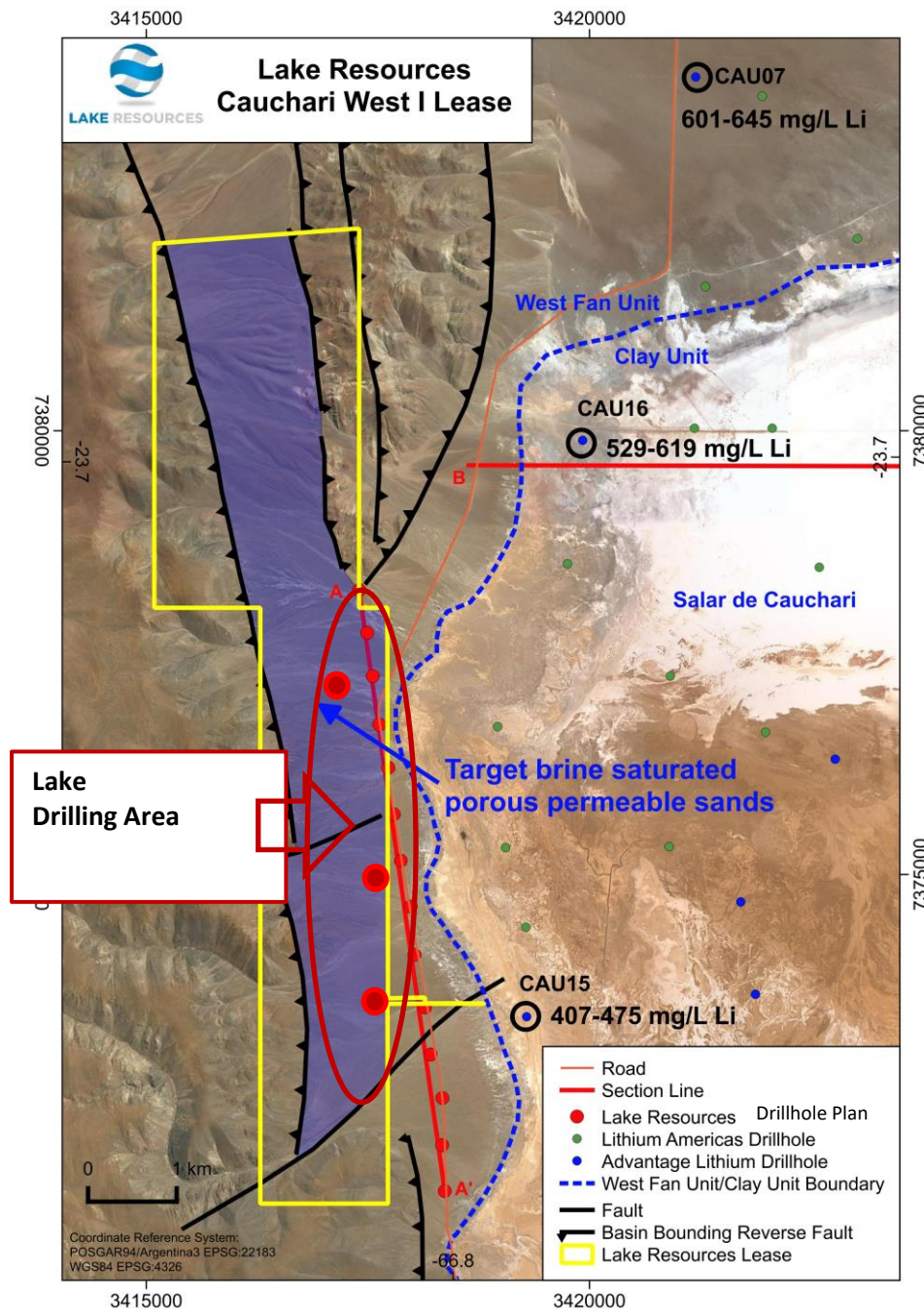


Figure 1. Cauchari Lithium Project, with adjoining SQM / Lithium Americas resource and Orocobre / Advantage Lithium resource with summary drill results, together with Lake Resources passive seismic stations, and the location of the two section lines (in Figures 2,3), and passive seismic survey stations and profile line, (Orocobre announcements 7/11/2017, 4/12/2017, 18/01/2018, Advantage Lithium announcement 5/3/2018).



**Figure 2. Cauchari Lithium Project, showing planned drill hole locations to intersect the extension of the sand unit inferred to extend into Lake's leases from adjoining Orocobre / Advantage Lithium resource and SQM / Lithium Americas resource (soon to be Gangfeng / Lithium Americas) with brine bearing sediments to around 400m depth (Source: Advantage Lithium NI 43-101 (\*2))**

#### Competent Person's Statement – Cauchari 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 Cauchari project.

### **About 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, with high grade lithium (600 mg/L) with high flow rates 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 on 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.