OPTION EXERCISED ON +70,000 HA PEGMATITE LITHIUM PROJECT IN CATAMARCA

- Pegmatites in Catamarca a likely host for significant lithium mineralisation as spodumene.
- Decision made to exercise option and acquire project 100% of 70,000 hectare project.
- Recent field programme suggests a number of potential targets in a 150km mineralised belt.
- District in Catamarca has seen previous small scale production. Lake is using modern techniques to locate potential new large scale deposits.

Argentine-focused lithium exploration and project development company Lake Resources NL (ASX: LKE) has taken the decision to exercise the option over a large belt of outcropping pegmatites in the Ancasti area of Catamarca province, Argentina (see figures 1, 2 and 3).

A recent field programme has reinforced the view that the 150 kilometre-long belt favourably hosts significant lithium mineralisation as spodumene in large pegmatite swarms.

Lake signed an agreement with Argentine company, Petra Energy SA, in early 2017 over an area of exploration lease applications exceeding 70,000 hectares within a belt of outcropping pegmatites over 150 kilometres long.

A total of 19 million ordinary LKE shares will be issued to the vendors to acquire 100% of the local company and the project, of which 50% of the shares will be escrowed for 6 months. Previously only 1 million shares were issued, on signing of the option agreement in 2017, with the remainder to be issued in the coming days.

Recent field work in the Ancasti area has resulted in new exploration models being developed which clearly show potential for the belt to host large scale deposits. Previously, coarse grained spodumene crystals 30-70cm long had been identified in a number of locations. Further exploration activities will be conducted once the transaction is completed. Field based XRF analysis to vector in on potential new targets will be undertaken first, followed by trenching and auger sampling. Drill locations will then be defined by these results.

Managing Director Steve Promnitz said: “The pegmatite project in Catamarca is an enormous target with lots of exploration upside. We secured the project because the geology is very compelling and there is a history of production in the area. We have had considerable interest from third parties, both foreign and local Argentine companies, wanting to jointly explore Catamarca and we’ll assess these carefully.”

“Our in-country exploration team expects to commence work very soon on sampling and this will not inhibit progress being made at Kachi and Cauchari which are both on track and progressing to plan.”

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Figure 1. Catamarca Pegmatite Project Area in relation to other Lake Resources projects in Argentina.

Figure 2. Catamarca Pegmatite Project Area – An example of outcropping pegmatites.
Figure 3. Catamarca Pegmatite Project Area with lease applications in red.

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 provide 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.