



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

ASX Market Announcements Office

4 October 2018

### DRILL RIG MOBILISES TO CAUCHARI

- **Drill rig mobilising to LKE's Cauchari Lithium Brine Project – drilling commences next week.**
- **Lake is drilling four holes over 1500 metres – first results expected end of October**
- **Drilling anticipated to show a likely extension of the high-grade lithium brine sequence from adjoining world-class lithium resources of Ganfeng Lithium /Lithium Americas and Orocobre / Advantage Lithium.**
- **Cross-sections shows initial targeted high grade lithium brine horizon of four hole programme.**

Argentine-focused lithium exploration and project development company **Lake Resources NL (ASX: LKE)** is mobilising a diamond drill rig to LKE's 100% owned Cauchari Lithium Brine Project.

Drilling is anticipated to show a likely extension to the high grade lithium brines of Ganfeng Lithium / Lithium Americas in adjacent properties (Figures 1,2). The cross-section shows the high grade lithium brine horizon targeted in first hole of a four hole programme (Figure 3). The drill rig is now mobilising to site and Lake has contracted a high quality and experienced drilling team. Drilling is on-track to commence next week.

Third party drill results on the adjoining project include 600-705mg/L lithium with high flow rates close to the lease boundary (\*<sub>1</sub>). 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 originally secured the 18,000 hectare Olaroz-Cauchari leases in early 2016 and is the only ASX junior exploration/development company with a large lease portfolio within this proven lithium brine province.

**Managing Director Steve Promnitz said from Argentina:** "We will be drilling approximately 400-500 metres away from a proven lithium resource with nearby high grade results which we aim to repeat. We anticipate drilling 4 holes totalling 1500 metres and the program is expected to take 4 months. First results are likely at the end of October.

"We are also most encouraged by Ganfeng Lithium's recent large long term contracts to deliver lithium to one of the largest lithium battery makers, LG Chem, and agreements with Tesla and BMW. This lithium will presumably be partly sourced in the future from the adjoining Cauchari project when it reaches production in a little over two years.

"We look forward to reporting a steady stream of news as drilling progresses. The Cauchari drilling marks a key milestone for Lake and we are pleased to be starting drilling at what is very highly prospective ground. "

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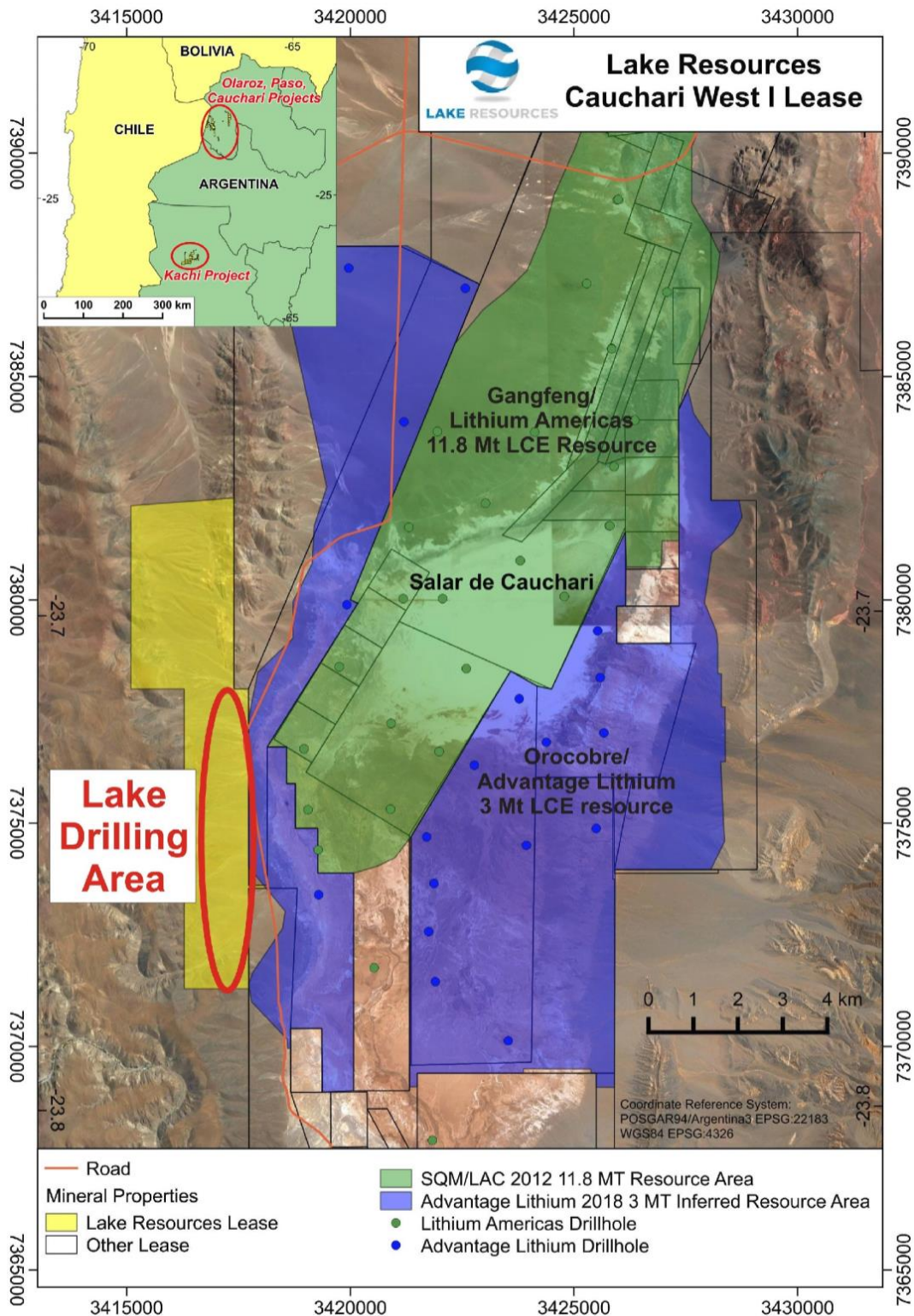


Figure 1. Cauchari Lithium Project, with adjoining SQM / Lithium Americas resource and Orocobre / Advantage Lithium resource with summary drill results (Orocobre announcements 7/11/2017, 4, /12/2017, 18/01/2018, Advantage Lithium announcement 5/3/2018).

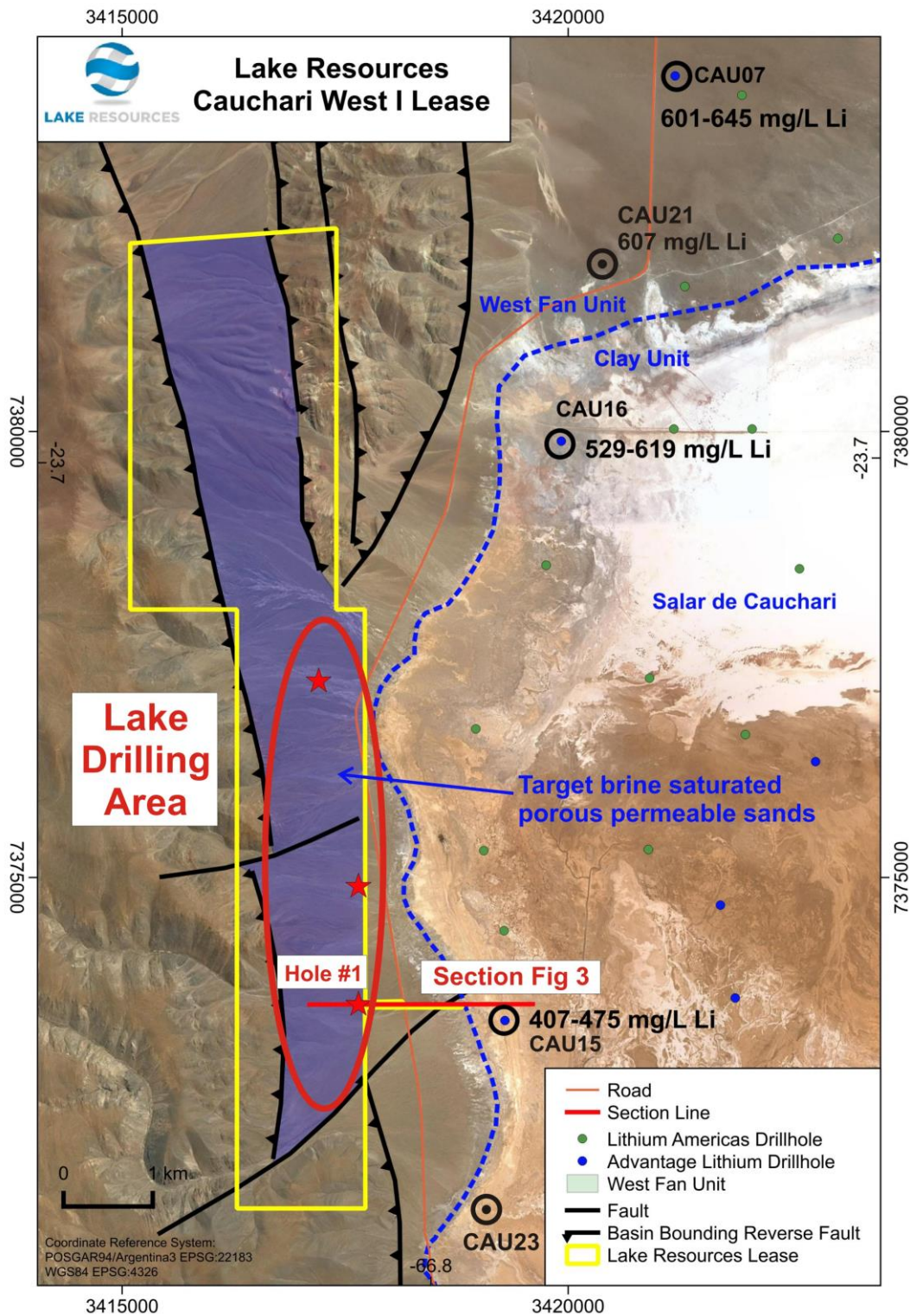
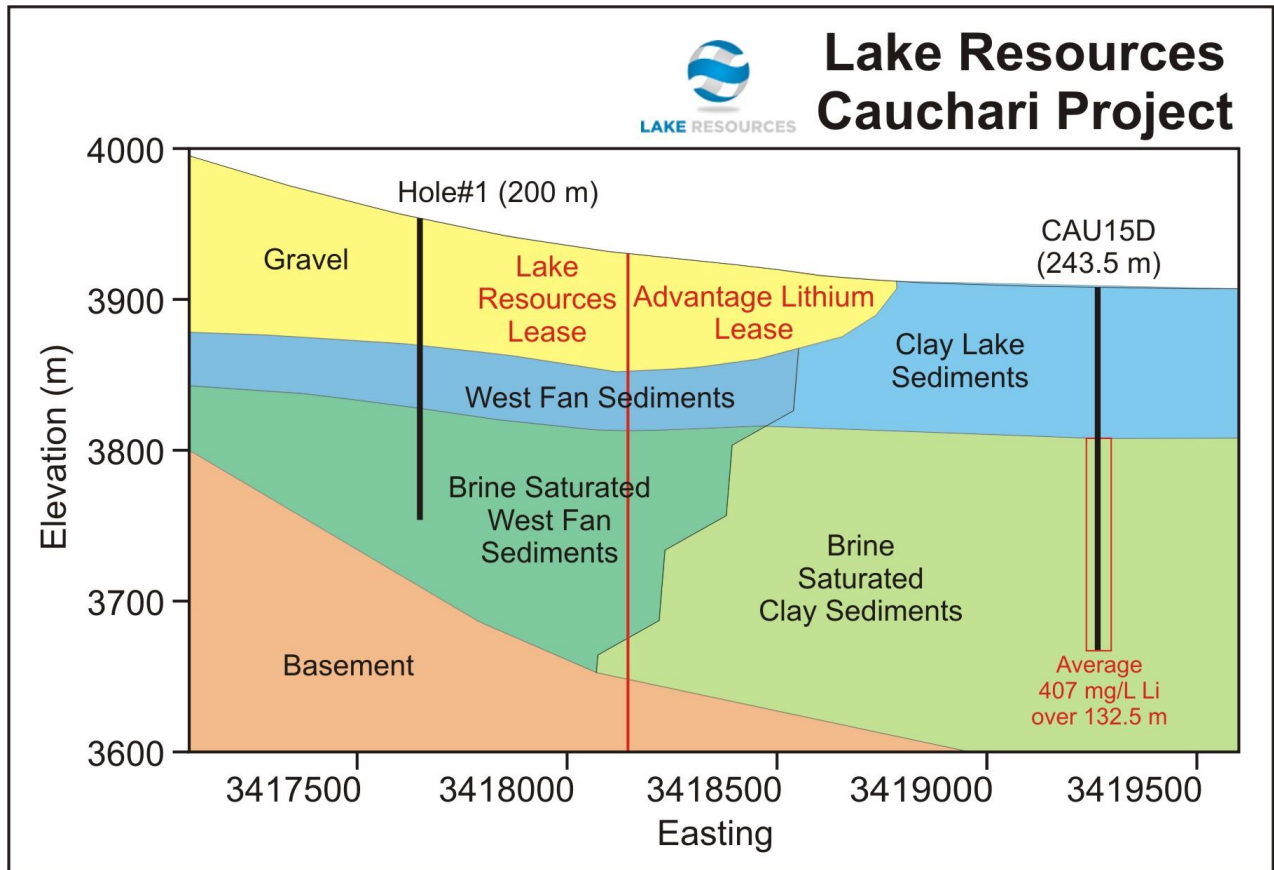


Figure 2. Cauchari Lithium Project, showing initial drill hole location and interpreted cross section planned to intersect the extension of the sand unit inferred to extend into Lake's leases from adjoining Orocobre / Advantage Lithium resource and Ganfeng Lithium / Lithium Americas resource (previously SQM / Lithium Americas) with brine bearing sediments to around 400m depth (Source: Advantage Lithium NI 43-101 (\*1))



**Figure 3. Cross section with targeted high grade brine horizon and third party drill results.**

Footnotes:

(\*1): Drill results released by Orocobre (ASX:ORE) from their market releases on the ASX on 18 April 2018, 29 June 2018 and 19 Sept 2018.

### 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 provide the potential to provide security of supply demanded by battery makers and electric vehicle manufacturers.

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. A direct extraction technique is planned to be trialled on site in tandem with conventional methods as part of a PFS to follow the resource statement. Scope exists to unlock considerable value through partnerships and corporate deals in the near-term.

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 Ganfeng Lithium/Lithium Americas Cauchari project, with high grade lithium (600 mg/L) with high flow rates drilled immediately across the lease boundary.

A drill rig has been mobilised to Cauchari with results anticipated to extend the proven resources in adjoining properties into LKE's area with results anticipated from late October into December 2018. This will be followed by drilling extensions to the Olaroz area in LKE's 100% owned Olaroz leases.

Significant corporate transactions continue in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project with Ganfeng announcing a US\$237 million for 37% of the Cauchari project previously held by SQM. 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.