Kachi Project: Expl Target 8-17Mt LCE; Leases 69,000 Ha; 6800 sq km drainage

LAKE RESOURCES
ASX: LKE

LAKE RESOURCES
Size and Location
Kachi – Large Target 8-17 Mt LCE
Cauchari – Olaroz Extensions
AGM Update from Benchmark Conference 13 Nov 2018
Disclaimer

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Investment Highlights

Lake Resources (ASX:LKE) - Lithium exploration/development in Argentina - 3 lithium brine & 1 hard rock lithium project
- One of Largest Lease Holdings of Lithium ~ 200,000 Ha, provides scale, optionality

Two Flagship Projects:

Kachi - Large Exploration Target
- 1st resource due in weeks – PFS to follow – Development optionality
- Large basin 20km x 15km x 400-800m deep – Leases cover entire brine basin 69,000 Ha 100% owned
- In southern extension of brine producing area, 80km south of FMC (20 years production)
- New direct extraction method partnership – Reduction in time to production & lower operating costs

Olaroz – Cauchari - Adjoins Orocobre/Advantage Lithium, Ganfeng/Lithium Americas
- Extensions of world class lithium brine resources - Grade, scale - Next to Production / Development
- Drilling underway 450m from major resources; pegged leases 2.5 years ago; results in weeks

Pegmatites – 80,000 Ha – New modern targets in past producing pegmatite belt in Catamarca

Major Transactions in Area
- Cauchari - Next to major acquisition $237M at Cauchari (Ganfeng Aug’18) = 6x LKE market value
- Kachi – South of Galaxy sale of resource – US$280M (POSCO June’18)

Undervalued vs Peers:
- Comparisons with other lithium companies in Argentina – shows deep value in LKE
- Neighbours market value between $1.1 Bn to $3+Bn; Recent research $0.44 price target
Prime Location

Centre for Major Lithium Production And Development

LKE – Large Lease Holdings
Next to Majors
~200,000 Ha
3 Brine Projects, 1 Hardrock
100% owned

Kachi – Resource soon in large 100% owned salt lake

Cauchari – Drilling to commence in same basin

OLAROZ PASO

KACHI

ARGENTINA

OLAROZ PASO

CAUCHARI

KACHI

LEGEND

Flagship Property
Lake Resources

Active Lithium Producer

Advanced Projects
Corporate Snapshot

**LAKE RESOURCES (ASX:LKE)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Current Shares on Issue</td>
<td>360,223,781</td>
</tr>
<tr>
<td>Listed Options (20c) 15 Dec 2018 Expiry</td>
<td>42,816,667</td>
</tr>
<tr>
<td>Unlisted Options (5c) Nov 2018 Expiry</td>
<td>5,042,494</td>
</tr>
<tr>
<td>Unlisted Options (5c) Oct 2019 Expiry</td>
<td>6,250,000</td>
</tr>
<tr>
<td>Unlisted Options (28c) Dec 2020 Expiry</td>
<td>9,500,000</td>
</tr>
</tbody>
</table>

Drawdown facility ($4.5m) at market price – LKE sole election -

**Market Data**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Cap ($A)</td>
<td>@ $0.10 / sh</td>
</tr>
<tr>
<td>A $36 million</td>
<td></td>
</tr>
<tr>
<td>Cash ($A)</td>
<td>30 Sept 2018</td>
</tr>
<tr>
<td>$0.3 million</td>
<td>(+$1.8 m options Oct)</td>
</tr>
<tr>
<td>(+$0.5 m S/T debt)</td>
<td></td>
</tr>
<tr>
<td>Share Price</td>
<td>52 week range</td>
</tr>
<tr>
<td>$0.07 – 0.30/sh</td>
<td></td>
</tr>
<tr>
<td>Share Register</td>
<td>55% Top30, High Net Worth Investors</td>
</tr>
</tbody>
</table>
Experienced Board

STEVE PROMNITZ
Managing Director
Extensive Project Management experience in South America – Geologist and Finance experience

STU CROW
Chairman Non-Exec
More than 25 years of experience (numerous public companies) and in financial services

NICK LINDSAY
Non-Exec Director
25+ years of experience in Argentina/Chile/Peru (PhD in Metallurgy & Materials Engineering); Taken companies from inception to development to acquisition on projects in South America

ANDREW BURSILL
CFO/Company Secretary
Accounting/governance experience. Director, CFO and Coy-Sec of a number of ASX companies

Experienced Local Team

Geologists; Hydrogeologists; Assistants
Legal & Accounting
Hydrogeologists ex-Orocobre; ex-NeoLithium
Extensive exploration experience in Argentina
Existing long term relationships with team members
Companies with Adjoining Leases

Neighbour’s Mkt Value 400% to 4000% larger than LKE

Example:
Lithium Americas (LAC:TSX/NYSE)
Was C$45m mkt cap 2.5 yrs ago; now $500m

LKE Research:
Price Targets $0.44 (Aug 2018 – Fundamental)

Neighbours – Olaroz / Cauchari

LAC 1000% Growth 2.5 yrs

Neighbours - Kachi

400% to 4000% larger than LKE

Example:
Lithium Americas (LAC:TSX/NYSE)
Was C$45m mkt cap 2.5 yrs ago; now $500m

LKE Research:
Price Targets $0.44 (Aug 2018 – Fundamental)

Source: Bloomberg; Stockness
Time Line – LKE Uplift

2016 - 2017
- Peg Leases Pre-Lithium Boom
- Argentine Govt Change Dec 2015
- Large Lease Area Pegged
- Listed in LKE Nov 2016

Mar/July 2018
- Kachi Large Discovery
- Landmark agreement to access Olaroz –Cauchari
- Kachi large basin 100% owned

Oct/Nov 2018
- Cauchari drilling
- Kachi – large expl target
- Kachi- Lilac Process

Nov 2018
- Kachi resource
- Cauchari results
- Lilac opex capex costs

Q1 2019
- Olaroz drilling
- Kachi - Pilot Plant; ponds; PFS
- Partner deals / Offtake
- PFS Kachi 2019
- Kachi – Accelerated development

Q4 2018- H1 2019
- Cauchari - extend high grades
- Kachi - Expl Target 8-17 Mt LCE. Lilac - Direct extraction; high recoveries
- Resource small part of large target
- Cauchari extension at grade
- Olaroz - extend high grades
- Kachi PFS underway
- Lilac pilot plant
- Kachi Studies – New extraction
- Offtake and/or investment deals
- Expanded drilling
Argentina - A Period of Adjustment Spells Opportunity

New conservative Macri government since Dec 2015
Supportive federal/provincial govts (Catamarca, Jujuy)
Recent peso devaluation improves short term returns
New taxes are temporary measures – don’t affect Lake – better than royalties in Chile
IMF supportive; large facility to consolidate economy
G20 meetings late 2018 in Argentina
Lithium sector in Argentina is 'Business as Usual' - Fastest growth in new supply potential Brines always at lowest part of cost curve

Message: “Time to Invest when others are Distracted” Anon
KACHI PROJECT

Large scale; Low impurities
Similar to projects in development
Initial resource soon
Kachi Project: Expl Target 8-17Mt LCE; Leases 69,000 Ha; 6800 sq km drainage

Kachi – Large Target

Large Project

New discovery

Exploration Target: 8-17 Mt Lithium Carb Eq

Leases: Large area
Located in lowest part of Large drainage:
6,800 sq km (2500 sq mile)
Kachi – New Discovery

Large Project – Scale

Large salt lake 20 x 15km
Previously untested
69,000Ha mining leases – 100% Lake
Resource area – small part of exploration target potential

Results:
Good chemistry, low impurities
~320mg/L lithium (250-320mg/L)
Low Li/Mg ratio 3.7-4.5
Brines from surface to 400-800m depth
High permeabilities – sand filled basin
Potential Expansion

Geophysics – Passive Seismic
Shows large deep basin
Shows brines from surface
to 400-800m depth
Potential for expansion to size and depth
to south and west
Covered by expanded lease holdings
Kachi – Development Options

Direct Extraction Partnership
Rapid, Low Cost Method

Kachi PFS: Conventional & new Direct Extraction methods - Study in tandem
Pilot plants planned Q1 2019

Increases grade to > 3,000 mg/L lithium
Clean product for lithium hydroxide or carbonate
Reduces lead time to production significantly
Increase recoveries to 80-90% (from 40-50%)
Smaller environmental footprint

Lilac Solutions selected - Innovative approach to popular ion exchange method widely used in industry
CAUCHARI PROJECT
Extensions to known resources
Initial drill testing underway
Next to major acquisition
Cauchari Brine Project

Likely Extension to Major Resources

Adjoins (SQM)/Ganfeng/ Lithium Americas and Advantage Lithium/Orocobre Development Projects (Ganfeng recently acquired SQM 37% equity $237m)

Likely Extension of major resources – 14.8 Mt LCE Lithium 420-720 mg/L lithium adjoins drilling area

Targeting same aquifers; covered targets on margins;

New target model 2.5 years ago when leases pegged

Source: Jujuy Registro Grafico Feb 18, Orocobre, Lithium Americas PFS 2012
OLAROZ PROJECT
30km long belt among the Majors
Next to Production
Drilling after Cauchari
Olaroz Brine Project

30 km Likely Extension

Adjoins Orocobre Production

Target same aquifer Under alluvial cover

Drill targets on basin margin after concept proved at Cauchari drilling

Source: Jujuy Registro Grafico Feb 18, Orocobre releases
PEGMATITITES

Past Production – Small scale
New models for large deposits
Catamarca
Target: Large Scale Deposits – New Exploration Models

Target: Lithium Mineralisation as Spodumene In Large Pegmatite Swarms.

150km long belt of Pegmatites

Large Area ~80,000 hectares

Recent field work created new exploration models Potential for the belt to host large scale deposits Coarse grained spodumene crystals (30-70cm)

Field based XRF analysis to vector in on potential new targets – pegmatite swarms. Drill locations defined by results. In discussions with parties for partnership deals.
Path to LKE Uplift

News Flow – Full Pipeline

Resource Kachi

Kachi Resource
Kachi – Large discovery
Resource estimate late 2018

One of last 100% owned
salt lakes in Argentina

Lilac - Direct extraction engineering
report; opex/capex

Drilling Cauchari

Olaroz-Cauchari Drilling
Drilling Cauchari – Extensions to
high grade results / development

Followed by Drilling
Olaroz – next to production area

Partner PFS

Partner/Offtake Potential
PFS Funding
Actively seeking downstream
strategic agreements
And PFS Funding
Appendix 1 JORC Code 2012 – Table 1 Report Kachi Lithium Project

### Drilling techniques
- **Diamond drilling with an internal triple tube** was used for drilling. The drilling produced cores with variable core recovery. The core loss was assessed with uncorrected material. In particular, sandy intervals. Recovery of these non-ferrous sediments is more difficult with diamond drilling, as this material can be washed from the core barrel during drilling.

### Drilling sample recovery
- **Diamond core** was collected in 1.5 m lengths in the triple tube (split type). Appropriate address was used to drill to su tate for maximum recovery. The core recovery was determined from the core barrel and compared to the length of the core to calculate recovery. Chip samples are collected for each metre drilled; normal A4 sized split core; split core is less than 90%.

### Sample preparation
- Samples were collected by picker and spade sampling methods, over a metre. Low pressure air jets are used to ease out the sediments from inter and cross cutters and of the sample.

### Quality control of the laboratory work
- The Kachi Lithium Brine Project is located approximately 100km south-southwest of Rincon de Mora on the Atlantic coast in the Province of Chubut, Argentina. 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.

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