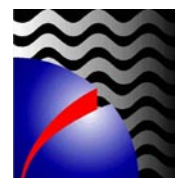


# LAKE RESOURCES NL

## QUARTERLY REPORT APRIL – JUNE 2016



### SUMMARY

Lake Resources is exploring for epithermal gold and porphyry copper-gold deposits in the Chagai region in western Balochistan through a joint venture with Colt Resources Middle East (CRME).

CRME can earn a majority interest in the project through exploration expenditure of US\$1.9 million within 3 years and a further US\$3.1 million within a further period of 3 years.

During the quarter ended 30 Jun 2016, no significant exploration activities were undertaken on the project pending approval of government security clearances for key project personnel – the security clearances were granted in June 2016.

Meanwhile, the company continued to investigate other investment and exploration opportunities.

On 25 May 2016 the company advised in an announcement to ASX Limited, that it had signed a conditional purchase agreement for all the shares in Lith NRG Pty Ltd, a private explorer with lithium-focused exploration applications in Argentina, together with a capital raising to fund exploration. The agreement is conditional on completion of due diligence and approval by shareholders at the upcoming annual general meeting.

### Pakistan

Lake Resources (Lake) has been exploring for porphyry copper-gold and epithermal gold deposits in the Chagai District of Balochistan since 1998. Significant mineral deposits in the region include the Saindak porphyry copper-gold mine (initial mineral resource estimated at 440 million tonnes @0.41% Cu and 0.5 g/t Au) and the undeveloped Reko Diq copper-gold deposits. (mineral resource estimated by Tethyan Copper Company (TCC) (owned 50:50 by Antofagasta Plc and Barrick Gold Corporation) 5.9 billion tonnes @ 0.41% Cu and 0.22 g/t Au).

During 2014-15, the company entered into an Exclusivity Agreement and associated Shareholders Agreement and Share Subscription Agreement with Colt Resources Middle East (CRME) and Aamir Resources Consultants whereby CRME can earn a majority interest in the Chagai Project through exploration expenditure of US\$1.9 million within 3 years and a further US\$3.1 million within a further period of 3 years.

Pursuant to these agreements, Lake Resources surrendered its three exploration licences and new exploration licences covering the same areas as the surrendered licences were granted to the Pakistan-incorporated operating entity, Chagai Resources (Pvt.) Limited for a period of 3 years, effective 12<sup>th</sup> June 2015. Lake Resources' interest in Chagai Resources is held through a wholly owned Pakistan-incorporated subsidiary, Lake Mining Pakistan (Pvt.) Limited.

Chagai Project Location Map



Chagai Resources Balochistan Tenements

Tenement	Amalaf	Dasht-i-Gauran	Koh-i-Sultan
EL Number	(143)/2801-02	(144)/2803-4	(145)/2805-6
Area (sq km)	46.7	29.1	85.1
Lake Interest	(see Exploration section)	(see Exploration section)	(see Exploration section)
Grant Date	12/06/2015	12/06/2015	12/06/2015
Expiry Date	11/06/2018	11/06/2018	11/06/2018

A condition of the new licences is that the Balochistan Government should have up to a 25% interest in the licences – the government previously advised that preparation of a draft agreement was under way.

The **Amalaf** area adjoins the northern boundary of the Saindak copper-gold mine. The exploration target is large tonnage - low grade copper amenable to low-cost open-pit mining and trucking to the adjacent Saindak mine operated by Chinese company Metallurgical Construction Corporation (MCC). In 2005, one of two RC percussion holes drilled by Lake intersected low-grade copper-molybdenum (see previous annual reports for details).

The **Dasht-i-Gauran** area is situated to the west of copper mineralisation reported by TCC from drilling at its Sor Baroot Prospect at the Reko Diq Project, and covers a number of possible alteration zones identified from interpretation of satellite images.

At **Koh-i-Sultan**, exploration targets are world-class copper and gold deposits associated with an extensive system of intensely altered breccia and volcanics on the margin of an extinct volcanic caldera. Lake Resources undertook drilling programs in 2005, 2007-8 and 2012. Geologically significant copper, gold and trace elements were intersected in a number of holes — these results, reported in detail in previous annual reports, support the potential for economic porphyry copper-gold deposits.

During the quarter ended 30 June 2016, work by Chagai Resources continued on preparation for resumption of exploration of the Chagai Project licence areas, No significant exploration activities were undertaken pending approval of government security clearances for key project personnel – the security clearances were granted in June 2016.

## New Projects

During the June quarter, activities by Lake Resources focused on evaluation of new investment opportunities.

On 25 May 2016 the company advised in an announcement to ASX Limited, that it had signed a conditional purchase agreement for all the shares in Lith NRG Pty Ltd, a private explorer with lithium-focused exploration applications in Argentina, together with a capital raising to fund exploration. The agreement is conditional on completion of due diligence and approval by shareholders at the upcoming annual general meeting.

## Cash Position

Net cash on hand was A\$ 74,000 at the end of the June 2016 quarter.

19 July 2016



J.G. Clavarino (M AusIMM)  
Exploration Director

*The information in this report that relates to Exploration Results, is based on information compiled by Jim Clavarino who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Clavarino is Exploration Director of Lake Resources NL and is employed by Argent Resources Pty Ltd. Mr. Clavarino has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Clavarino consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## CONTACT INFORMATION

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## Share Registry

Lake Resources' share registry is managed by **Link Market Services Limited** (formerly ASX Perpetual Registrars), Level 15, 324 Queen Street, Brisbane, Queensland, 4000

Shareholder matters including changes of address should be directed to:

- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235
- General shareholder enquiries, Phone: 1300 554 474 or (02) 8280 7111
- Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)