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LAKE INCREASES PILOT PLANT SAMPLES FOR POTENTIAL KACHI PARTNERS

- **Lake sending additional brine from its Kachi Lithium Brine Project, Argentina, to California, USA, to produce larger samples from the pilot plant using Lilac’s lithium direct extraction process.**
- **Targeting first quarter 2020 for pre-production of initial lithium products for customer qualification purposes for off-takers and potential project partners.**

Lithium explorer and developer **Lake Resources NL (ASX: LKE)** announced today plans to send more lithium samples to potential project partners and off-takers amid growing interest in its Kachi Lithium Brine Project in Argentina.

20,000 litres of lithium brine is being dispatched from the Kachi project to the pilot plant being built in California, USA, by Lilac Solutions, based on its potentially industry-disrupting direct extraction ion exchange process.

Designed by Silicon Valley-backed Lilac Solutions and international engineering company Hatch, the pilot plant aims to produce a high quality, low impurity product at low cost that is expected to attract premium pricing.

Lake is targeting pre-production in the first quarter 2020 from the pilot plant, with the first module completed.

Meanwhile, a pre-feasibility study is nearing completion for Kachi, which ranks amongst the top 10 global lithium brine resources with a maiden resource estimate of 4.4 million tonnes lithium carbonate equivalent (refer ASX announcement 27 November 2018).

Lake’s Managing Director Steve Promnitz said: *“We are pleased that the plant is producing samples and are keen to dispatch these to potential off-takers as quickly as possible to enable their evaluation of the effectiveness of the Lilac technology.”*

“We plan to produce the samples in California first to ensure the first modules are operating effectively prior to moving them to site. Lake is confident the Lilac process can deliver consistently high quality, low impurity products that suit the downstream market, with a quick, efficient and scalable extraction method that is also environmentally sustainable.”

“Next year is set to mark a number of new milestones for Lake as we advance our key projects. With a strengthened Board and support from investors, we are confident of delivering increased value for shareholders in an environment where delivering quality lithium products will be crucial to success.”

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**AT THE HEART OF THE
LITHIUM TRIANGLE**

About Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its three lithium brine projects and 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 at the lowest cost. Lake holds one of the largest lithium tenement packages in Argentina (~200,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provide the potential to provide consistent security of supply, scalable as required, which is demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 70,000 ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project in Catamarca Province. Drilling at Kachi has confirmed a large lithium brine bearing basin over 20km long, 15km wide and 400m to 800m deep. Drilling over Kachi (currently 16 drill holes, 3100m) has produced a maiden indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt and Inferred 3.4Mt) (refer ASX announcement 27 November 2018).

A direct extraction technique is being tested in partnership with Lilac Solutions, which has shown 80-90% recoveries and lithium brine concentrations 30-60,000 mg/L lithium. Phase 1 Engineering Study results have shown operating costs forecast in the lowest cost quartile (refer ASX announcement 10 December 2018). This process is will be trialed on site with a pilot plant in tandem with conventional methods as part of the PFS underway, ready by year end. Discussions are advanced with downstream entities, mainly battery makers, to jointly develop the project.

The Olaroz-Cauchari and Paso brine projects are located adjacent to major world class brine projects either in production or being developed in the highly prospective Jujuy Province. The Olaroz-Cauchari project is located in the same basin as Orocobre's Olaroz lithium production and adjoins the Ganfeng Lithium/Lithium Americas Cauchari project, with high grade lithium (600 mg/L) with high flow rates drilled immediately across the lease boundary.

The Cauchari project has shown lithium brines over 506m interval with high grades averaging 493 mg/L lithium (117-460m) and high flow rates, with up to 540 mg/L lithium. These results are similar to lithium brines in adjoining pre-production areas under development and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 28 May, 12 June 2019).

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, followed by a further US\$160 million to increase Ganfeng's equity position to 50% on 1 April 2019, together with a resource that had doubled to be the largest on the planet. Ganfeng then announced a 10 year lithium supply agreement with Volkswagen on 5 April 2019. Nearby projects of Lithium X were 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-Dec 2018. LSC Lithium was acquired in Jan-Mar 2019 for C\$111 million by a mid-tier oil & gas company with a resource size half of Kachi. These transactions imply an acquisition cost of US\$55-110 million per 1 million tonnes of lithium carbonate equivalent (LCE) in resources.

For more information on Lake, please visit <http://www.lakeresources.com.au/home/>