

## LAKE RAISES \$2.4M TO ACCELERATE DRILLING AT CAUCHARI & OLAROZ

- **New funds raised deliver the financial flexibility to aggressively accelerate drilling at Cauchari and continue immediately to the equally prospective Olaroz.**
- **High fluid flows of conductive brines recently intercepted with results due next week at Cauchari Lithium Brine Project - follows results with strong lithium values of 480 mg/L.**
- **The target in the current hole at Cauchari is a ~350-450m deep sand horizon which has recorded higher lithium values and fluid flows in the adjoining project.**

Lake Resources NL (ASX: LKE) is pleased to announce that it has secured commitments for \$2.4 million before costs through the placement of approximately 27 million ordinary shares at \$0.09 per share in a private placement to offshore and local sophisticated and professional investors. Every two new shares have one attaching option exercisable at \$0.10 cents per share expiring in July 2021.

The placement has been conducted using the existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The attaching options will require shareholder approval and it is the company's intention to seek listing of the options, subject to ASX approval.

The Company is delighted with the support from new and existing shareholders and the new funds raised will be used to accelerate drilling at Lake's 100% owned Cauchari Lithium Brine Project in Argentina, and then immediately commence drilling at the equally prospective Olaroz project (Figures 1, 4). Funds will also be used for the PFS and pilot plant at Kachi and for additional working capital.

These new funds give Lake the necessary financial flexibility to aggressively accelerate drilling and keep the driller engaged at both Cauchari and Olaroz. Recently, conductive brines with high fluid flows under pressure were intercepted at a depth of 261m, with results due next week. Results were recently reported with strong lithium values up to 480 mg/L from 186m depth (Refer LKE ASX announcements 28 May and 31 May 2019).

These results echo similar lithium brine horizons in the upper sections of drill holes reported from the adjoining pre-production area of Ganfeng/Lithium Americas (LAC) and Advantage Lithium (AAL)/Orocobre joint venture. Lake is drilling in the same basin with similar brines and better results are anticipated at depth.

The drill hole is targeting a sand horizon between 350-450m which has recorded higher lithium values and fluid flows in the adjoining project. Current drilling aims to unlock value from this rapidly emerging project, immediately adjacent to a world-class brine project in pre-production in the Lithium Triangle, approximately 500m from the Ganfeng/Lithium Americas Cauchari project. Lake is targeting the same sand horizons.

**Commenting on the latest update, Lake's Managing Director Steve Promnitz said:** *"Lake has proven that the same sand horizons in our 100% -owned leases extend from what is the largest defined lithium brine resource on the planet ~350 metres from our drill hole. We look forward to reporting conclusive first assays next week and more information of flow rates. Lake is in great shape and the progress is very encouraging."* *Some offshore investors were not able to participate in the timeline provided but their support is welcomed."*

**LAKE RESOURCES NL**

Level 5, 126 Phillip St, Sydney, NSW 2000, Australia 1  
T: +61 2 9299 9690

[LAKERESOURCES.COM.AU](http://LAKERESOURCES.COM.AU)

**AT THE HEART OF THE  
LITHIUM TRIANGLE**

**For further information, please contact:**

**Steve Promnitz**  
**Managing Director**  
**+61 2 9188 7864**  
[steve@lakeresources.com.au](mailto:steve@lakeresources.com.au)

**Follow Lake Resources on Twitter:**  
[https://twitter.com/Lake\\_Resources](https://twitter.com/Lake_Resources)  
<http://www.lakeresources.com.au>



**Figure 1: Foraco diamond drill rig at Lake's Cauchari brine project**

**LAKE RESOURCES NL**

Level 5, 126 Phillip St, Sydney, NSW 2000, Australia 2  
T: +61 2 9299 9690

[LAKERESOURCES.COM.AU](http://LAKERESOURCES.COM.AU)

**AT THE HEART OF THE  
LITHIUM TRIANGLE**



Figure 2: Location of LKE's drill operations at Cauchari in relation to Advantage Lithium/Orocobre & Gangfeng/Lithium Americas leases. (Note: The marked boundaries are indicative only. Please refer to the detailed map).

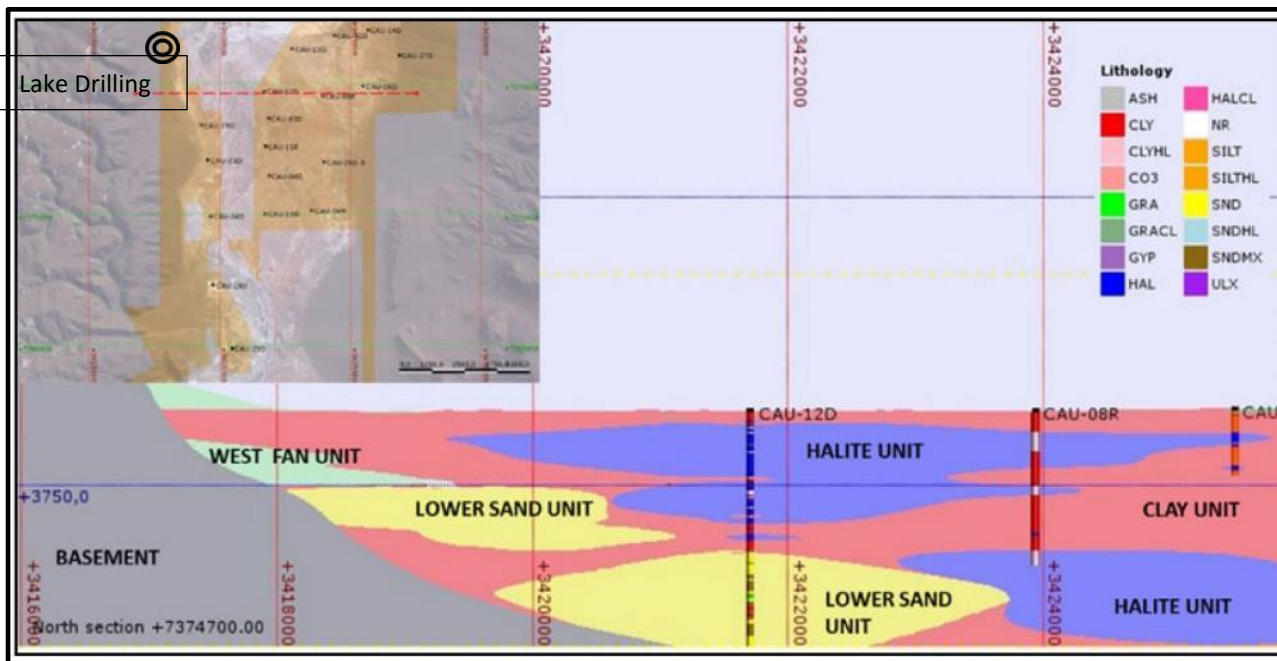


Figure 3: Cauchari Lithium Project, with adjoining Ganfeng / Lithium Americas project and Orocobre / Advantage Lithium project showing interpreted West Fan Unit and the targeted Lower Sand Unit (Orocobre announcement and Advantage Lithium announcement 24/04/19 – Figure 7.10 from NI43-101 report). Lake interprets the western boundary (left hand side) to be steep and faulted rather than dipping 45 degrees as in this diagram.

**LAKE RESOURCES NL**

Level 5, 126 Phillip St, Sydney, NSW 2000, Australia 3  
T: +61 2 9299 9690

[LAKERESOURCES.COM.AU](http://LAKERESOURCES.COM.AU)

**AT THE HEART OF THE  
LITHIUM TRIANGLE**



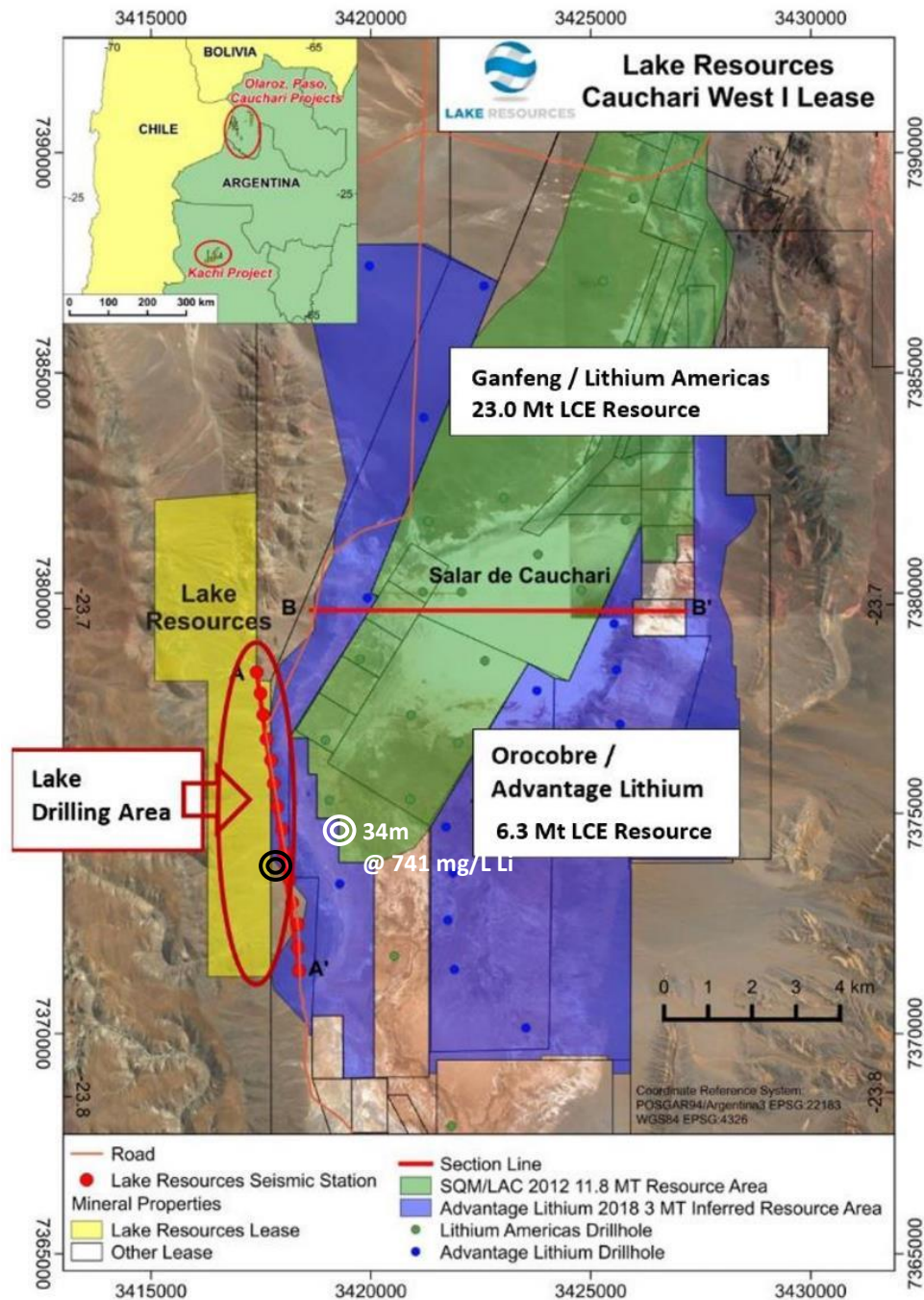


Figure 4: Cauchari Lithium Project, with adjoining Ganfeng / Lithium Americas combined resource and Orocobre / Advantage Lithium combined resource with (Orocobre announcements 7/11/2017, 4/12/2017, 18/01/2018, 15/03/19; Advantage Lithium announcement 5/3/2018, 10/01/2019, 7/03/19, 24/04/19). (Third Party Resource details summarised in LKE's ASX announcement dated 6 Sept 2018)

## 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. 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 demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 69,000 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) within a 8-17 Mt LCE exploration target grading in the range of 310 mg/L to 210 mg/L lithium <sup>1</sup>(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 in excess of 25000 mg/L lithium. Phase 1 Engineering Study results have shown operating costs forecast at US\$2600/t LCE in the lowest cost quartile <sup>2</sup>. This process 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 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 Ganfeng Lithium/Lithium Americas Cauchari project, with high grade lithium (600 mg/L) with high flow rates drilled immediately across the lease boundary.

An additional new rig is being deployed to increase the depth capacity and speed of the drill rig currently at Cauchari. High fluid pressures, while encouraging, have meant that conditions are challenging. Results are expected to extend the proven resources in adjoining properties into LKE's area. 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, 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/>

## Competent Person's Statement – Kachi 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.