QUARTERLY REPORT ENDING 31 DECEMBER 2019
LAKE RESOURCES NL ASX:LKE

31 January 2020

Lake Resources N.L.
ASX:LKE
ABN 49 079 471 980

Shares on Issue:
529,532,086

Options Listed:
52,512,693 (10c, Jun'21)

Options Unlisted:
18,300,000 (4.6c, Oct'22)
5,555,000 (8c, Feb'22)
15,000,000 (9c, Jul'21)

Unsecured Notes:
1,850,000 (Oct'20)

Market Capitalisation:
$24.9 million (@4.7c)

Share Price Range:
$0.025 – 0.115 (12mth)

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HIGHLIGHTS

- **Pre-Feasibility Study (PFS) is near completion for the Kachi Lithium Brine Project in Argentina, a major lithium project in the Lithium Triangle.**
- **Large volume high purity lithium carbonate with very low impurities to be produced from Lake's Kachi Lithium Brine Project for off-takers in Asia. Delivery to commence from March 2020.**
- **20,000 litres of brines currently underway to arrive at pilot plant in California soon after the end of January 2020.**
- **Pre-production targeted in early 2020 from pilot plant using Lilac Solutions' direct extraction ion exchange methodology expected to produce at the lower part of industry cost curve.**
- **London based, SD Capital Advisory Limited appointed to secure debt funding of up to US$25 million for DFS, permitting and lithium pre-production from its Kachi Lithium Brine Project in Argentina.**
- **Capital raising underway for purpose of increasing shareholder value with intent to repay convertible notes; update due by 10 February.**

LAKE RESOURCES N.L.
QUARTERLY REPORT ENDING 31 DECEMBER 2019

Lake Resources NL (ASX:LKE) is an exploration and development company, developing its flagship 4.4mt LCE resource Kachi Lithium Brine Project in Argentina, and is moving to pre-production of high purity lithium products in 2020 product from a pilot plant using an efficient, disruptive and low cost direct extraction technology from our partner, Lilac Solutions, in California. The pilot plant is being constructed and tested, prior to transport and operation on site at Lake's Kachi Lithium Brine Project

Battery grade lithium carbonate (99.9% purity) with very low impurities was produced from the pilot plant and announced in January 2020 from lithium bearing brines sourced from the Kachi Project. The very low impurity products exceed current high 99.5% standards demanded by battery/cathode makers. Larger volume samples are expected to be delivered from March/April 2020 to a number of downstream participants for customer qualification purposes for off-takers and potential project partners in South Korea, Japan, and China.

A pre-feasibility study (PFS) is near completion over the Kachi Lithium Brine Project, which hosts a major resource. Data from the pilot plant together with the PFS will be incorporated into detailed studies, leading to the approval process for a large 25,000tpa LCE production plant operating in 2022/23, probably with a phased start at 10,000tpa, with production costs expected in the lower part of the cost curve for the industry.

The Kachi Project is one of three brine projects Lake owns 100% in the heart of the Lithium Triangle in Argentina, with over 200,000 hectares of leases including one hard rock project.

Lake's Cauchari Project in Jujuy Province was drilled for the first time in 2019 and confirmed similar grades and lithium brines extend into Lake's properties from the adjoining Ganfeng/ Lithium Americas Cauchari project which is rapidly progressing to production in late 2020 at 40,000tpa LCE. The pilot plant, once having completed activities at Kachi, could be then used for the Cauchari project, or at Lake's mining titles at the Olaroz project, adjoining Orocobre's production (ASX:ORE).

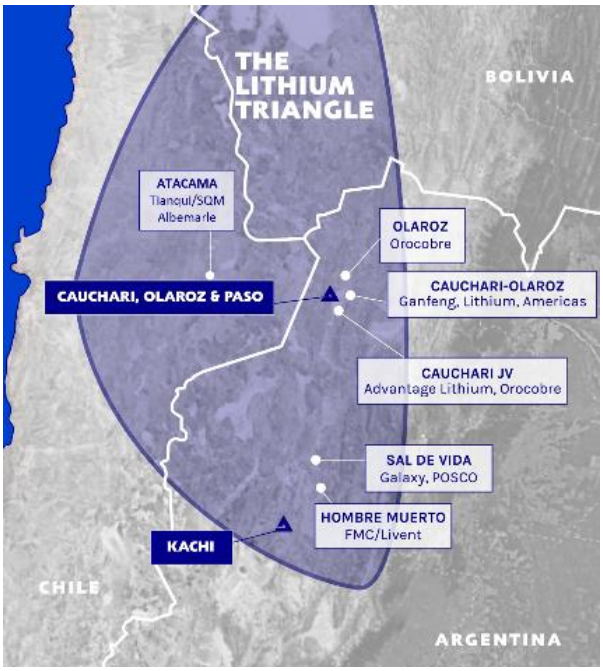

Figure 1: Location of Lake projects in NW Argentina.

OPERATIONS

Kachi Lithium Brine Project - Catamarca Province, Argentina

Summary

Lake Resources' 100%-owned Kachi Lithium Brine Project in Catamarca province, NW Argentina, covers 37 mining leases (70,400 hectares), centred around a previously undrilled salt lake within a large lithium brine-bearing basin. Kachi is one of the few salt lakes in Argentina with substantial identified lithium brines fully controlled by a single owner. The project is located at ~3000 m altitude, south of Livent's Hombre Muerto Lithium brine operation (NYSE:LTHM) which is Argentina's longest operating lithium brine project and Galaxy Resources (GXY.ASX) Limited's Sal de Vida lithium brine project.

Lake is moving to pre-production of high purity lithium products in 2020 product from a pilot plant (under construction) using an efficient, disruptive and low cost direct extraction technology from our partner, Lilac Solutions, in California. The pilot plant, which has been designed by Silicon Valley-backed Lilac Solutions and international engineering company Hatch, will demonstrate a groundbreaking direct extraction ion exchange process on brines produced at Kachi. The first module of the plant has already been completed and tested, and when all modules are tested, the pilot plant will be transported for operation on site at Lake's Kachi Lithium Brine Project

A pre-feasibility study (PFS) is near completion over the Kachi Lithium Brine Project, with a combined resource of 4.4 million tonnes lithium carbonate (LCE) (including a 1.0Mt LCE indicated resource) within consolidated mining leases of 70,000 hectares over almost an entire salt lake within a much larger exploration target (refer ASX announcement 27 November 2018). This positions the project among Top 10 lithium brine resources globally.

The pilot plant has been designed in modules to produce concentrate for either lithium hydroxide or lithium carbonate, or intermediate products of lithium sulphate and/or lithium chloride, at approximately 10 tonnes per year. While lab testing has shown that lithium concentrations of 30-60,000 mg/L lithium can be produced from brines of ~300 mg/L lithium in a few hours using the Lilac process, the design is based on more than 6 months (1,000 cycles) of testwork on Kachi brines which have shown excellent performance with high selectivity and durability. This includes high recoveries (80 to 90%) compared to conventional brine operations in South America with typical lithium recoveries below 50% over 9 to 18 months. Results from lab testing have been incorporated into the PFS. An international engineering firm, Hatch, is providing the engineering for the PFS.

Significantly, Lilac's direct extraction process offers a sustainable solution for Lake Resources. The technology is environmentally friendly, as the salty water (brine) is reinjected into the aquifer once the lithium has been removed. Traditional evaporation ponds are not required. This offers a potential ethical, sustainable solution for an industry at the forefront of the global clean energy revolution. This addresses increasing interest from electric vehicle makers (OEM's) and battery makers to demonstrate they have access to a sustainable scalable supply chain for raw materials.

The Company received a vote of confidence from authorities in Argentina recently, with meetings with provincial governors and regulators reaffirming their support for lithium development and exploration, including Lake's Kachi Lithium Brine Project in Catamarca Province (see announcement 16 Jan 2020). The meetings held with governors and regulators in Jujuy, Catamarca and in Buenos Aires, focused on the need to secure new forms of export income in each of the lithium provinces and under the direction of the new federal

government. This included support for lithium development and exploration, while ensuring environmentally and socially responsible development in line with international best practice. This follows similar comments made in meetings prior to the recent elections. The recent talks included members of Lake's local subsidiary, Morena del Valle S.A, a company established in Catamarca for the Kachi Project which employs primarily local people.

Chemical Component	Actual (wt%)	Target
Lithium (Li)	99.9	99.5 Min
Sodium (Na)	0.024	0.025 Max
Magnesium (Mg)	<0.001	0.008 Max
Calcium (Ca)	0.0046	0.005 Max
Iron (Fe)	<0.001	0.001 Max
Silicon (Si)	<0.001	0.003 Max
Boron (B)	<0.001	0.005 Max

Table 1: Specifications of lithium carbonate product with 99.9% purity. Very low impurities in Iron (Fe) and Boron (B) from the Kachi Lithium Brine Project using Lilac's direct extraction ion exchange process. Sample preparation methodology is included in Appendix 1 (JORC Table 1).

Figure 2: Lithium bearing brines being pumped into containers at the Kachi Lithium Brine Project.

Figure 3: Lithium bearing brines being pumped into containers at the Kachi Lithium Brine Project for trucking to port for dispatch to California.

Figure 4: Lithium carbonate product with 99.9% purity and low impurities from the Kachi Lithium Brine Project using Lilac's direct extraction ion exchange process. Pilot Plant under construction at Lilac's facility in Oakland, California. Lilac materials engineer Garrett Lau (Ph.D. Northwestern University, B.S. Massachusetts Institute of Technology MIT) and process engineer Amos Indranada (B.S. University of California Berkeley) show the controls**.**

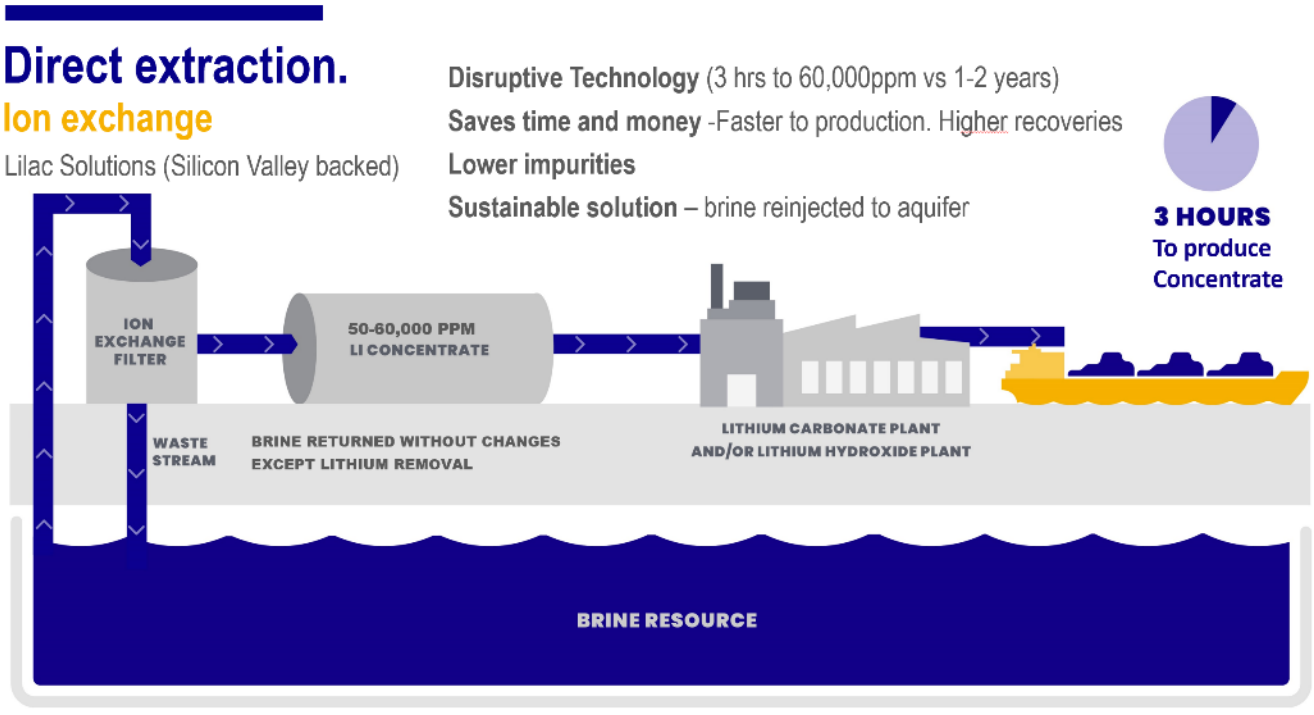

Figure 5. Lilac Solutions direct extraction process for lithium from brines using ion exchange.

Cauchari and Olaroz Lithium Brine Projects - Jujuy Province, Argentina

Lake holds mining leases over ~45,000 hectares in two areas in Jujuy Province in NW Argentina, both 100% owned by Lake. First drilling occurred in early 2019 at Lake's 100% owned Cauchari Lithium Brine Project.

Confirmation of multiple high-grade lithium brines over 506m interval (102m to 608m depth) was demonstrated in results returned in late August 2019. This drilling confirmed similar grades and lithium brines extending into Lake's properties from the adjoining Ganfeng/ Lithium Americas Cauchari project (NYSE:LAC) which is rapidly progressing to production in late 2020 at 40,000tpa LCE. The high-grade results averaged* 493 mg/L lithium over 343m (from 117m to 460m), up to 540 mg/L, with a Li/Mg ratio of 2.9.

The major adjoining Cauchari project of Ganfeng/Lithium Americas has a Measured and Indicated Resource of 17.9Mt LCE at 581 mg/L lithium for a 23MT total resource (Apr 2019 NI 43-101) (3). This resource was doubled in size in April 2019 to become the largest in the world. Lake's results lead to an interpretation of an extension of the adjoining lithium brines in the same basin, only with a marginal difference in grade. Ganfeng paid US$160 million in April to increase its stake to 50% in the Cauchari project of Lithium Americas, after paying US$237 million last August to acquire a position of 34% (including debt). Lake's project also adjoins the Advantage Lithium / Orocobre Cauchari project which has a Measured and Indicated Resource of 4.8Mt LCE at 476 mg/L lithium for a 6.3MT total resource (March 2019 NI 43-101) (4) and has released a PFS (Nov 2019).

At Olaroz, which is north of Cauchari, Lake's leases extend over 30 kilometres east and north of the adjoining Orocobre's Olaroz lithium production leases. Drilling is anticipated when all planned holes are approved.

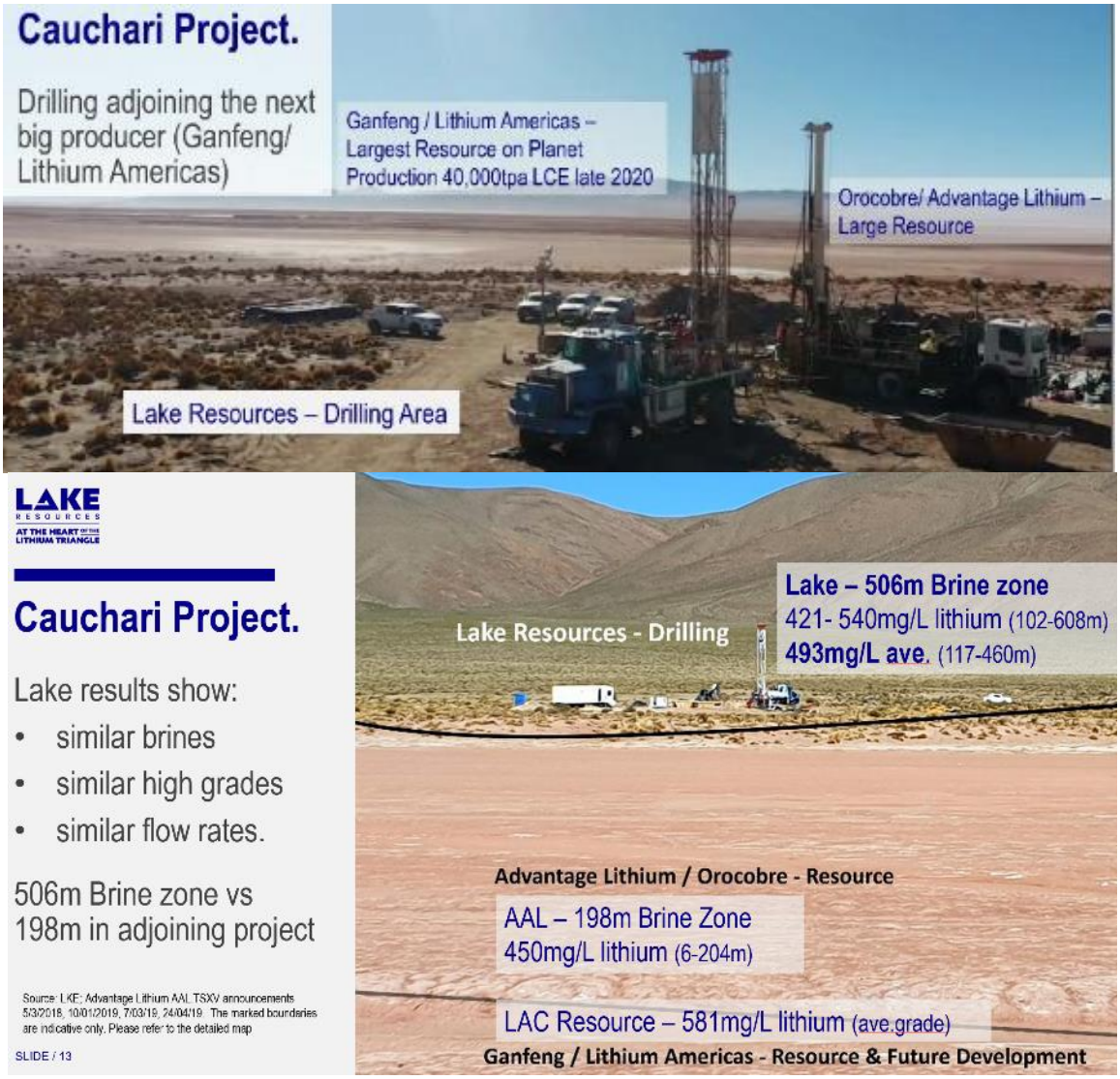

Figure 6: LKE's drill operations at Cauchari in relation to Advantage Lithium/Orocobre & Ganfeng/Lithium Americas leases. (Note: The marked boundaries are indicative only. Please refer to the detailed map).

CORPORATE

Cash Position

Lake held cash of $0.2 million as at 31 December 2019 (in AUD, USD and Argentine Pesos).

An equity capital raising by way of private placement is currently underway, and a Share Purchase Plan (SPP) is also being formulated on similar terms as the placement [see ASX announcement 24 January 2020]. Discussions are underway to secure debt funding of up to US$25 million for pre-production, definitive feasibility studies (DFS) and initial production of lithium products [announced 9 October 2019].

Financing

The timeframe for the proposed capital raising (private placement) has been extended [see ASX announcement 24 January 2020]. Lake Resources is in the process of finalising commitments from investors for the proposed placement under the new timeframe and seeking to finalise arrangements with the convertible securities holder. The Company anticipates updating the market with secured commitments and have the voluntary suspension lifted on or about 10 February 2020. A short form cleansing prospectus is required and will be lodged at the same time to permit the free trading of shares issued in connection with the proposed capital raising.

The shares of Lake Resources will remain in voluntary suspension from trading until such time as the Company is able to lodge a cleansing prospectus and provide a further update to the market regarding the capital raising, which is anticipated to be by 10 February 2020.

The Company is committed to negotiating an early close out of the convertible securities facility provided by SBI Investments (PR), LLC, as announced 20 January 2020. The two-tranche convertible securities funding facility, with key terms announced on 28 February 2019 and extended in October 2019, was to provide bridging capital for project development and exploration activities for the Company. Lake has progressed the projects to a stage where the production of a high purity of lithium product has been demonstrated.

Should terms satisfactory to Lake be able to be agreed, then Lake considers that it will complete a capital raising in order to fund part or all of any cash component to be paid. Lake is hopeful a formal agreement with SBI will be reached shortly and further updates will be provided in due course.

A Share Purchase Plan (SPP) is also being formulated to provide existing shareholders an equal opportunity to invest alongside sophisticated and professional investors on similar terms as the placement. Further details in this regard will be announced in due course.

An unsecured $0.3 million facility is being finalised to deal with any potential timing issues.

The London headquartered financial advisor, SD Capital Advisory Limited, was appointed to secure debt funding of up to US$25 million for pre-production, definitive feasibility studies (DFS), permitting and pre-production of lithium products from the first stage of a commercial plant from the Kachi Lithium Brine and Cauchari Lithium Brine Projects in Argentina (see announcement 9 October 2019). SD Capital Advisory Limited has focused on obtaining debt finance for the development of the Kachi lithium brine project given the anticipated release Pre-Feasibility Study (PFS) in coming weeks. Lake is assessing a range of funding solutions

through debt or investment directly at the project level in order to minimise any potential dilution to Lake's equity investors.

Board and Management

In December 2019, Lake announced the appointment to the Board of Dr Robert Trzebski, an international mining executive with substantial operational, commercial and technical experience in global mining markets including Argentina. He brings extensive global contacts and a network of operations and technology providers that can potentially assist Lake with project development.

Dr. Trzebski is currently Chief Operating Officer of Austmine Ltd and holds a degree in Geology, PhD in Geophysics, Masters in Project Management and has over 30 years professional experience in project management and mining services.

He holds considerable operating and commercial experience in Argentina and Chile, as a Non-Executive Director of Austral Gold since 2007, listed on the ASX and TSX-V and is Chairman of the Audit and Risk Committee. His role with Austmine has allowed him to develop considerable contacts across the operating and technology space of the global resources industry. Dr. Trzebski is also a fellow of the Australian Institute of Mining and Metallurgy and is fluent in Spanish, French and German as well as English.

In late October 2019, Lake announced the appointment of an experienced Chief Financial Officer (CFO), Garry Gill to help ensure successful financial management.

Mr Gill serves also as joint Company Secretary, supported by Sinead Teague at Automic, who will continue as joint Company Secretary. A chartered accountant with more than 30 years' experience in all facets of corporate, financial and administrative functions, Mr Gill has served in a range of positions including as CFO, company secretary and other senior executive positions for a number of listed and unlisted public companies. These have included serving as finance director and company secretary of Jupiters Limited, CFO/Corporate Services Manager of South Bank Corporation in Brisbane, before forming a consultancy service for small cap ASX companies over the last decade. He has delivered improved strategic analysis and financial management, streamlined budgets, refinancing, and stakeholder management of small/mid cap resource companies.

AGM, Share Registry, Secondary Listing

The Lake Resources NL Annual Report to Shareholders was released to the market on 25 October 2019 and is available on the company website https://lakeresources.com.au/investors/overview/.
The latest presentation was released to the ASX on 20 Jan 2020 and is available at the same website location.

The Annual General Meeting of the Shareholders was held at 11:00am AEDT on 26 November 2019 at Automic Group. All resolutions were passed, which included the adoption of the remuneration report, ratification of prior issue of shares, the re-election of Dr Nick Lindsay and the adoption of a new constitution. The new constitution is available in an ASX announcement 26 November 2019.

Lake Resources gained a secondary compliance listing on the OTC QB market with the ticker code LLKKF in December 2019. Compliance requirements are essentially the same as the requirements on the ASX and disclosure are automatically uploaded onto the OTC platform. The company is working to establish a DTC to allow real time electronic trading.

Previously, Lake had advised that the provider for shareholder registry services had changed from Link Market Services Limited to Automic Pty Ltd (23 September 2019).
Share Registry contact details are : Automic, Level 5, 126 PHILLIP STREET, SYDNEY NSW 2000 :
(Postal Address: Automic, GPO Box 5193, Sydney NSW 2001

Shareholders can easily and efficiently manage their holdings via Automic's secure and highly accessible online investor portal https://investor.automic.com.au

Capital Structure
Lake has 529,532,086 shares on issue as at 24 January 2020.
Listed Options include 52,512,693 options with an exercise price of $0.10 (expiry June 2021). Unlisted options include 18,300,000 options with an exercise price of $0.046 (expiry October 2022), 5,555,000 options with an exercise price of $0.08 (expiry Feb 2022), 15,000,000 options with an exercise price of $0.00 (expiry July 2021) and 9,500,000 unlisted options with an exercise price of $0.28 (expiry 31 December 2020). 15,000,000 performance shares with various hurdles were approved at the shareholder meeting in August 2019.
Unsecured Notes include 1,850,000 unsecured notes (expiry Oct 2020). The Company is committed to negotiating an early close out of the convertible securities facility as announced 20 January 2020.

For further information, please contact:
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Footnotes:

(*1): Kachi Mineral Resource Statement in ASX market release titled "Large Maiden 4.4mt LCE Resource Estimate for Kachi Project" on 27 November 2018.

(*2): Phase 1 Engineering Study in ASX market release titled "Lilac Extraction Process Shows Potential For High Lithium Recoveries At Lowest Quartile Costs At Kachi" on 10 December 2018.

(*3): Cauchari-Olaroz Updated Mineral Resource Estimate of Lithium Americas/Ganfeng joint venture in a NI 43-101 Technical Report filed 1 April 2019 on the TSX-V, prepared by Ernest Burga (P.Eng), David Burga (P.Geo), Wayne Genck (P.Eng) and Daniel Weber (P.G., RM-SME) each of whom is a qualified person for the purposes of NI 43-101, available publicly on SEDAR.

(*4): Cauchari-Olaroz Project Updated Mineral Resource Estimate of Advantage Lithium/Orocobre Cauchari joint venture in a NI 43-101 Technical Report filed 31 March 2019 on the TSX-V, prepared by David Burga (P.Geo), Ernest Burga (P.Eng), Wayne Genck (P.Eng) and Daniel Weber (P.G., RM-SME) each of whom is a qualified person for the purposes of NI 43-101, available publicly on SEDAR.

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/Livent'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. Battery grade lithium carbonate has been produced from Kachi brine samples with very low impurities (Fe, B, with <0.001 wt%). Phase 1 Engineering Study results have shown operating costs forecast in the lowest cost quartile (refer ASX announcement 10 December 2018). Test results have been incorporated into a Pre-Feasibility Study (PFS) aimed to be released soon. The Lilac process is being trialed with a pilot

plant in California which will then be transported to site to produce larger battery grade lithium samples. Discussions are advanced with downstream entities, mainly battery/cathode makers, as well as financiers, 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/

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. The information in this announcement is an accurate representation of the available data from the Kachi project.

APPENDIX 1 - JORC Code, 2012 Edition

JORC Table 1 Report: Kachi Lithium Brine Project

Criteria	Section 1 - Sampling Techniques and Data
Sampling techniques	• Bulk samples of brine samples for pilot plant test work were pumped from two holes (a diamond drill hole and a rotary drill hole) after purging the hole for 2 hours to obtain representative samples of the formation fluid. Samples of 10,000 litres were collected from each hole over a 12-hour period. • The brine sample was collected in clean plastic containers (1000 litre) and filled to the top to minimize air space. A sample and duplicate was collected at the same time in clean plastic 1 litre bottles for storage and submission of duplicates to the laboratory. Each bottle was taped and marked with the sample number. • Drill core in the hole was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance. • Drill core was undertaken to obtain representative samples of the sediments that host brine.
Drilling techniques	• Diamond drilling with an internal (triple) tube produced cores with variable core recovery. • Rotary drilling has used 8.5" or 10" tricone bits and has produced drill chips.
Drill sample recovery	• Diamond drill core was recovered in 1.5m length intervals in the drilling triple (split) tubes. Chip samples were collected for each metre drilled and stored in segmented boxes for rotary drill holes. • Original brine samples were collected during drilling at discrete depths during the drilling using a double packer over a 1 m interval

Logging	• Sand, clay, silt, salt and cemented rock types was recovered in a triple tube diamond core drill tube, or as chip samples from rotary drill holes, and examined for geologic logging by a geologist and a photo taken for reference. • Diamond holes are logged by a senior geologist who also supervised taking of samples for laboratory porosity analysis as well as additional physical property testing. • Logging is both qualitative and quantitative in nature.
Sub-sampling techniques and sample preparation	• Brine samples for pilot plant test work were collected by pumping over a 12-hour period, after purging the hole initially for 2 hours. • The brine sample for pilot plant test work was collected in clean plastic containers (1000 litre) together with one-litre sample bottles, taped and marked with the sample number. • Lithium carbonate samples produced by Lilac Solutions were prepared by initially filtering the brine sample before being mixed with the IX beads and allowed to stand for a period of time, prior to being washed with HCl acid to produce a LiCl solution, and finally NaCO3 added to produce lithium carbonate. Aspects of the process are subject to confidentiality due to trade secrets.
Quality of assay data and laboratory tests	• The Alex Stewart Argentina/Norlab SA in Palpala, Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected as part of the sampling program. The SGS laboratory in Buenos Aires has also been used for both primary and check samples. They also analyzed blind control samples and duplicates in the analysis chain. The Alex Stewart/Norlab SA laboratory and the SGS laboratory are ISO 9001 and ISO 14001 certified, and are specialized in the chemical analysis of brines and inorganic salts, with experience in this field. This includes the oversight of the experienced Alex Stewart Argentina S.A. laboratory in Mendoza, Argentina, which has been operating for a considerable period. • The quality control and analytical procedures used at the Alex Stewart/Norlab SA laboratory or SGS laboratory are considered to be of high quality and comparable to those employed by ISO certified laboratories specializing in analysis of brines and inorganic salts. • Lithium carbonate samples produced by Lilac Solutions were assayed using ICP by Lilac Solutions and supported by an independent laboratory.
Verification of sampling and assaying	• Field duplicates, standards and blanks of the brine samples are used to monitor potential contamination of samples and the repeatability of analyses. Accuracy, the closeness of measurements to the "true" or accepted value, are monitored by the insertion of standards, or reference samples, and by check analysis at an independent (or umpire) laboratory. • Duplicate samples in the analysis chain were submitted to Alex Stewart/Norlab SA or SGS laboratories as unique samples (blind duplicates) during the process • Brine samples were analysed for conductivity using a hand-held Hanna pH/EC multiprobe and density using a densitometer, together with temperature. • Duplicates of the lithium carbonate samples were delivered to an independent laboratory in California
Location of data points	• The diamond drill hole sample sites and rotary drill hole sites were located with a hand-held GPS. • The properties are located at the junction of the Argentine POSGAR grid system Zone 2 and Zone 3 (UTM 19) and in WGS84 Zone 19 south.
Data spacing and distribution	• Brine samples were collected from either 30m or 40m intervals from within brine producing aquifers, from drill holes with slotted casing.
Orientation of data in relation to geological structure	• The salt lake (*salar*) deposits that contain lithium-bearing brines generally have sub-horizontal beds and lenses that contain sand, gravel, salt, silt and clay.
Sample security	• Samples were transported to the Alex Stewart/Norlab SA laboratory or SGS laboratory for chemical analysis in sealed 1-litre rigid plastic bottles with sample numbers clearly identified. Samples were transported by a trusted member of the team. • Brine samples for pilot plant test work were transported in sealed 1000 litre containers by truck under the company's control and supervision until loaded into sealed containers only opened for customs control at port. • Lithium carbonate samples produced by Lilac Solutions were solely under the control and supervision of Lilac Solutions
Review (and Audit)	• The CP has been onsite periodically during the programme to review drilling practice, geological logging, sampling methodologies for water quality analysis and, physical property testing from drill core, QA/QC control measures and data management. The practices being undertaken were ascertained to be appropriate. The CP was not onsite for the collection of the brine samples for pilot plant test work. No audit of the Lilac Solutions process has occurred to date due to confidentiality and trade secrets.

Criteria	Section 2 - Mineral Tenement and Land Tenure Status
Mineral tenement and land tenure status	• The Kachi Lithium Brine project is located approximately 100km south-southwest of FMC's Hombre Muerto lithium operation and 45km south of Antofagasta de la Sierra in Catamarca province of north western Argentina at an elevation of approximately 3,000m asl. • The project comprises approximately 70,462 Ha in 37 mineral leases (minas) of which five leases (9,445 Ha) are granted for drilling, 22 leases are granted for initial exploration (51,560 Ha) and 10 leases (9457 Ha) are applications pending granting. • The tenements are believed to be in good standing, with statutory payments completed to relevant government departments.
Exploration by other parties	• Marifil Mines Ltd conducted sparse surface pit sampling of groundwater at depths less than 1m in 2009. • Samples were taken from each hole and analysed at Alex Stewart laboratories in Mendoza Argentina. • Results were reported in an NI 43-101 report by J. Ebisch in December 2009 for Marifil Mines Ltd. • NRG Metals Inc conducted exploration in adjacent leases under option. Two diamond drill holes intersected lithium bearing brines. The initial drillhole intersected brines from 172-198m and below with best results to date of 15m at 229 mg/L Lithium, reported in December 2017. The second hole, drilled to 400 metres in mid-2018, became blocked at 100 metres and could not be sampled. A VES ground geophysical survey was completed prior to drilling. A NI 43-101 report was released in February 2017. • No other exploration results were able to be located
Geology	• The known sediments within the *salar* consist of salt/halite, clay, sand and silt horizons, accumulated in the *salar* from terrestrial sedimentation and evaporation of brines. • Brines within the Salt Lake are formed by solar concentration, interpreted to be combined with warm geothermal fluids, with brines hosted within sedimentary units. • Geology was recorded during the diamond drilling and from chip samples in rotary drill holes.
Drill hole Information	• Lithological data was collected from the holes as they were drilled and drill cores or chip samples were retrieved. Detailed geological logging of cores is ongoing. • All drill holes are vertical, (dip -90, azimuth 0 degrees).
Data aggregation methods	• Assay averages have been provided where multiple sampling occurs in the same sampling interval.
Relationship between mineralisation widths and intercept lengths	• Mineralisation interpreted to be horizontally lying and drilling perpendicular to this.
Diagrams	• A drill hole location plan has been provided previously showing the locations of the drill platforms.
Balanced reporting	• Brine assay results are available from 13 drill holes from the drilling to date.
Other substantive exploration data	• All material information has been reported and released by the Company with the resource stated in key announcements 27 Nov 2018 and 10 Dec 2018. • There is no other substantive exploration data available regarding the project.
Further work	• Further brine samples for pilot plant test work may be collected prior to transporting the pilot plant to site where further holes will be pumped for test work. A Pre-Feasibility Study (PFS) is nearing completion.
Criteria	**Section 3 Estimation and Reporting of Mineral Resources**
Database integrity	• Data was transferred directly from laboratory spreadsheets to the database. Data was checked for transcription errors once in the database, to ensure coordinates, assay values and lithological codes were correct • Data was plotted to check the spatial location and relationship to adjoining sample points • Duplicates and Standards have been used in the assay process. • Brine assays and porosity test work have been analysed and compared with other publicly available information for reasonableness. • Comparisons of original and current datasets were made to ensure no lack of integrity.
Site visits	• The Competent Person visited the site multiple times during the drilling and sampling program.
Geological interpretation	• The geological model is continuing to develop. There is a high level of confidence in the interpretation of for the Project to date. There are relatively consistent geological units with relatively uniform, clastic sediments. Any alternative interpretations are restricted to smaller scale

	variations in sedimentology, related to changes in grain size and fine material in units. • Data used in the interpretation includes rotary and diamond drilling methods. • Drilling depths and geology encountered has been used to conceptualize hydro-stratigraphy. • Sedimentary processes affect the continuity of geology, whereas the concentration of lithium and potassium and other elements in the brine is related to water inflows, evaporation and brine evolution in the salt lake.
Dimensions	• The lateral extent of the resource has been defined by the boundary of the Company's properties. The brine mineralisation consequently covers 142 km^2. The base of the resource is limited to a 400 m depth. The basement rocks underlying the salt lake sediments have been intersected in drilling. • The resource is defined to a depth of 400 m below surface, with the exploration target immediately extending beyond the areal extend of the resource.
Estimation and modelling techniques	• No grade cutting or capping was applied to the resource model. • No assumptions were made about correlation between variables. Lithium and potassium were estimated independently. • The high recoveries (80-90% of lithium from brine) and production of high purity lithium carbonate (99.9 wt%) has not been integrated into the model at this stage.
Moisture	• Moisture content of the cores was not Measured (porosity and density measurements were made), but as brine will be extracted by pumping not mining this is not relevant for the resource estimation. • Tonnages in the resource are estimated as metallic lithium and potassium dissolved in brine.
Cut-off parameters	• No cut-off grade has been applied.
Mining factors or assumptions	• The resource has been quoted in terms of brine volume, concentration of dissolved elements, contained lithium and potassium and their products lithium carbonate and potassium chloride. • No mining or recovery factors have been applied (although the use of the specific yield = drainable porosity is used to reflect the reasonable prospects for economic extraction with the proposed mining methodology). • The high recoveries (80-90% of lithium from brine) and production of high purity lithium carbonate (99.9 wt%) has not been integrated into the model at this stage. • Dilution of brine concentrations may occur over time and typically there are lithium and potassium losses in both the ponds and processing plant in brine mining operations. However, potential dilution will be estimated in the groundwater model simulating brine extraction. • The conceptual mining method is recovering brine from the salt lake via a network of wells, the established practice on existing lithium and potash brine projects. • Detailed hydrologic studies of the lake are being undertaken (groundwater modelling) to define the extractable resources and potential extraction rates
Metallurgical factors or assumptions	• In the current model, Lithium and potassium would be produced via conventional brine processing techniques and evaporation ponds to concentrate the brine prior to processing. • The model will be reassessed with the results of test work from Lilac Solutions using an ion exchange direct extraction method from benchtop lab testing and later from pilot plant testing. • Process test work (which can be considered equivalent to metallurgical test work) continues to be conducted on the brine using Lilac Solutions ion exchange direct extraction method. • The high recoveries (80-90% of lithium from brine) and production of high purity lithium carbonate (99.9 wt%) has not been integrated into the model at this stage.
Environmental factors or assumptions	• Impacts of a lithium and potash operation at the Kachi project would include; surface disturbance from the creation of extraction/processing facilities and associated infrastructure, accumulation of various salt tailings impoundments and extraction from brine and fresh water aquifers regionally. • The Lilac Solutions ion exchange direct extraction method uses reinjection of brines once the lithium has been removed without changing the chemistry of the fluids.
Bulk density	• Density measurements were taken as part of the drill core assessment. This included determining dry density and particle density as well as field measurements of brine density. Note that no mining is to be carried out as brine is to be extracted by pumping and consequently sediments are not mined but the lithium and potassium is extracted by pumping. • However, no bulk density was applied to the estimates because resources are defined by volume, rather than by tonnage.
Classification	• The resource has been classified into the two possible resource categories based on confidence in the estimation. • The Measured resource reflects the predominance of diamond drilling, with porosity samples from drill cores and well constrained vertical brine sampling in the holes • The Indicated resource reflects the higher confidence in the brine sampling in the rotary drilling and lower quality geological control from the drill cuttings

	• The Inferred resource underlying the Measured resource reflects the limited drilling to this depth together with the likely geological continuity suggested by the geophysics through the property • In the view of the Competent Person the resource classification is believed to adequately reflect the available data and is consistent with the suggestions of Houston et. al., 2011
Audits or reviews	• This Mineral Resource was estimated by the Competent Person.
Discussion of relative accuracy/ confidence	• An independent estimate of the resource was completed using a nearest neighbour estimate and the comparison of the results with the ordinary kriging estimate is below 0.3% for measured resources and below 3% for indicated resources which is considered to be acceptable. • Univariate statistics for global estimation bias, visual inspection against samples on plans and sections, swath plots in the north, south and vertical directions to detect any spatial bias shows a good agreement between the samples and the ordinary kriging estimates. • References: CIM Best Practice Guidelines for Resource and Reserve Estimation for Lithium Brines. Houston, J., Butcher, A., Ehren, P., Evans, K., and Godfrey, L. The Evaluation of Brine Prospects and the Requirement for Modifications to Filing Standards. Economic Geology. V 106, p 12251239.

Table 2 Report: Cauchari Lithium Brine Project

Criteria	Section 1 - Sampling Techniques and Data
Sampling techniques	• Brine samples were taken from the diamond drill hole with a bailer during advance and when the hole was completed, or paused at 460m, a single and double packer device was used to obtain representative samples of the formation fluid by purging a volume of fluid from the isolated interval, to minimize the possibility of contamination by drilling fluid then taking the sample. Low pressure airlift tests will be used as well. The fluid used for drilling is either brine sourced from the drill hole or nearby pumped water mixed into a brine. The return from drillhole passes back into the excavator dug pit lined to avoid leakage. Two passes of the packer were used to compare results. • The brine sample was collected in a clean plastic bottle (1 litre) and filled to the top to minimize air space within the bottle. A duplicate was collected at the same time for storage and submission of duplicates to the laboratory. Each bottle was taped and marked with the sample number. • Drill cuttings were collected each metre from the parts of the hole drilled with a tricone bit. • Drill core in the hole was recovered in 1.5 m length core runs in core split tubes when drilling was undertaken with a diamond bit. Drill core was undertaken to obtain representative samples of the sediments that host brine.
Drilling techniques	• Diamond drilling with an internal (triple) tube was used for drilling. The drilling produced cores with variable core recovery, associated with unconsolidated material, in particularly sandy intervals. Recovery of these more friable sediments is more difficult with diamond drilling, as this material can be washed from the core barrel during drilling. • Rotary drilling has used 8.5” or 10” tricone bits and has produced drill chips. • Brine has been used as drilling fluid for lubrication during drilling.
Drill sample recovery	• Diamond drill core was recovered in 1.5m length intervals in the drilling triple (split) tubes. Appropriate additives were used for hole stability to maximize core recovery. The core recoveries were measured from the cores and compared to the length of each run to calculate the recovery. • Chip samples are collected for each metre drilled and stored in segmented plastic boxes for rotary drill holes. • Brine samples were collected at discrete depths with a bailer as drilling advanced. Deatiled brine samples were also collected once the drill hole wass completed, or paused at 460m, using a double packer over a 1.5 m interval (to isolate intervals of the sediments and obtain samples from airlifting brine from the sediments within the packer). • As the brine (mineralisation) samples are taken from inflows of the brine into the hole (and not from the drill core – which has variable recovery) they are largely independent of the quality (recovery) of the core samples. However, the permeability of the lithologies where samples are taken is related to the rate and potentially lithium grade of brine inflows.
Logging	• Sand, clay, silt, salt, breccia, coarse sandstone/conglomerate and cemented rock types were recovered in a triple tube diamond core drill tube, or as chip samples from rotary drill holes, and examined for geologic logging by a geologist and a photo taken for reference. • Diamond holes are logged by a senior geologist who also supervised taking of samples for laboratory porosity analysis as well as additional physical property testing.

	• Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies and their relationships. When cores are split for sampling they are photographed.
Sub-sampling techniques and sample preparation	• Preliminary brine samples were collected by bailer and detailed brine samples were collected by packer sampling methods, over 1.5 metres, when the drill hole is completed or paused at 460m. Low pressure airlift tests were used to purge test interval and gauge potential yields. • The brine sample was collected in one-litre sample bottles, rinsed and filled with brine. Each bottle was taped and marked with the sample number.
Quality of assay data and laboratory tests	• The Alex Stewart Argentina lab in Palpala, Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected as part of the sampling program. The SGS laboratory in Buenos Aires is used for both primary and check samples. They also analyzed blind control samples and duplicates in the analysis chain. The Alex Stewart laboratory and the SGS laboratory are ISO 9001 and ISO 14001 certified, and are specialized in the chemical analysis of brines and inorganic salts, with experience in this field. This includes the oversight of the experienced Alex Stewart Argentina S.A. laboratory in Mendoza, Argentina, which has been operating for a considerable period. • The quality control and analytical procedures used at the Alex Stewart laboratory or SGS laboratory are considered to be of high quality and comparable to those employed by ISO certified laboratories specializing in analysis of brines and inorganic salts.
Verification of sampling and assaying	• Field duplicates, standards and blanks are used to monitor potential contamination of samples and the repeatability of analyses. Accuracy, the closeness of measurements to the "true" or accepted value, will be monitored by the insertion of standards, or reference samples, and by check analysis at an independent (or umpire) laboratory. • Duplicate samples in the analysis chain were submitted to Alex Stewart or SGS laboratories as unique samples (blind duplicates) during the process • Stable blank samples (distilled water) were used to evaluate potential sample contamination and will be inserted in future to measure any potential cross contamination • Samples were analysed for conductivity using a hand-held pH/EC multiprobe. • Calibration using standard buffers is being undertaken at times.
Location of data points	• The diamond drill hole sample sites and rotary drill hole sites were located with a hand-held GPS. • The properties are located in the Argentine POSGAR grid system Zone 3 (UTM 19) and in WGS84 Zone 19 south.
Data spacing and distribution	• Brine samples were collected over 1.5m intervals within brine producing aquifers, where possible. BPreliminary brine samples were collected were possible as the drill hole progressed with packer samples collected after the hole was paused at 460m and when the hole was completed.
Orientation of data in relation to geological structure	• The salt lake (*salar*) deposits generally have sub-horizontal beds and lenses that contain sand, gravel, salt, silt, clay, breccia and coarse sandstone/conglomerate. The vertical diamond drill holes provide a better understanding of the stratigraphy and the nature of the sub-surface brine bearing aquifers.
Sample security	• Samples were transported to the Alex Stewart laboratory or SGS laboratory for chemical analysis in sealed 1-litre rigid plastic bottles with sample numbers clearly identified. Samples will be transported by a trusted member of the team. • The samples were moved from the drillhole sample site to secure storage at the camp on a daily basis. All brine sample bottles sent to the laboratory are marked with a unique label not related to location.
Review (and Audit)	• An audit of data has been conducted on site by the CP during August 2019 and has provided updated guidance to the technical people. The CP will be onsite periodically in the future as drilling progresses during the programme .
Criteria	**Section 2 - Mineral Tenement and Land Tenure Status**
Mineral tenement and land tenure status	• The Cauchari Lithium Brine project is located approximately 500m from the Ganfeng/Lithium Americas Cauchari pre-production area and 25km south of Orocobre's Olaroz lithium operation, and 23km north east of Catua in Jujuy province of north western Argentina at an elevation of approximately 3,900m asl. • The project comprises approximately 1936 Ha in one mineral lease (minas) granted for drilling. Cauchari is a part of the Cauchari-Olaroz project with 17,953 Ha in eleven mineral leases (minas) with 10 granted access for exploration, 5 granted for drilling and 5 in the last phase prior to drilling approval. • The tenements are believed to be in good standing, with statutory payments completed to relevant government departments.
Exploration by other parties	• Lithium Americas (Ganfeng Lithium 50% JV) has completed a series of drilling campaigns with rotary and diamond drill rigs since 2009 with drilling still continuing on production wells as part of the pre-production drilling. A combined resource of 23 million tonnes lithium carbonate equivalent (LCE) has

	been reported on 1 April 2019, comprised of 18.0 million tonnes LCE in the Measured & Indicated category and 5.0 million tonnes in the Inferred category. This resource doubled from the previous resource in July 2012 of 11.8 million tonnes LCE in the Measured & Indicated category. • Results were reported in an NI 43-101 report by Mark King, Roger Kelley and Daron Abbey in July 2012 and April 2019 for Lithium Americas. Cauchari-Olaroz Mineral Resource Statement of Lithium Americas/Ganfeng joint venture in a NI 43-101 Technical Report filed 1 April 2019 on the TSX-V, prepared by Ernest Burga (P.Eng), David Burga (P.Geo), Wayne Genck (P.Eng) and Daniel Weber (P.G., RM-SME) each of whom is a qualified person for the purposes of NI 43-101, available publicly on SEDAR. • Advantage Lithium (Orocobre 25% JV) has completed a series of drilling campaigns with one rotary hole and 25 diamond drill holes since 2011. A combined resource of 6.3 million tonnes lithium carbonate equivalent (LCE) has been reported in March 2019, released 19 April 2019, comprised of 4.8 million tonnes LCE in the Measured & Indicated category and 1.5 million tonnes in the Inferred category. This resource doubled from the previous combined resource in 2018 of 3 million tonnes LCE in the Measured & Indicated and Inferred categories. Gravity, VES, TEM and AMT ground geophysical surveys were completed prior to and following drilling campaigns. • Results were reported in an NI 43-101 report by Fritz Reidel in April 2019 and Fritz Reidel with P Ehren in June 2018 for Advantage Lithium and in December 2016 by M Brooker and P Ehren for Advantage Lithium and in April 2010 by John Houston for Orocobre. Cauchari Mineral Resource Statement of Advantage Lithium/Orocobre joint venture in a NI 43-101 Technical Report filed 19 April 2019 on the TSX-V and ASX, prepared by Fritz Reidel (CPG), who is a qualified person for the purposes of NI 43-101, available publicly on SEDAR..
Geology	• The known sediments within the *salar* consist of salt/halite, clay, sand and silt horizons, accumulated in the *salar* from terrestrial sedimentation and evaporation of brines. • Brines within the Salt Lake are formed by solar concentration and hosted within sedimentary units. • Geology was recorded during the diamond drilling and from chip samples in rotary drill holes.
Drill hole Information	• Lithological data was collected from the holes as they were drilled and drill cores or chip samples were retrieved. Detailed geological logging of cores is ongoing. • All drill holes are vertical, (dip -90, azimuth 0 degrees).
Data aggregation methods	• Results are final analytical laboratory results. No data aggregation has been undertaken. Assay results have been provided without averages where multiple sampling occurs in the same sampling interval.
Relationship between mineralisation widths and intercept lengths	• Mineralisation interpreted to be horizontally lying and drilling is perpendicular to the horizons.
Diagrams	• A drill hole location plan is provided showing the locations of the drill platforms. Individual drill locations are provided in Table 1.
Balanced reporting	• Detailed information from the packer sampling together with preliminary brine assay results are available from the drilling.
Other substantive exploration data	• There is no other substantive exploration data available regarding the project.
Further work	• The company is undertaking an 600m maiden diamond drilling programme and 300m maiden rotary water well drilling programme which may be expanded based on results.

SCHEDULE OF TENEMENTS (Appendix 5B)

TOTAL NUMBER TENEMENTS:	TOTAL AREA TENEMENTS:
77	208,420 Ha

REF	TENEMENT NAME	NUMBER	AREA H	INTEREST	PROVINCE	STATUS
	OLAROZ - CAUCHARI AREA					
	Cauchari Bajo I	2156-D-2016	354	100	Jujuy	Granted
	Cauchari Bajo II	2157-D-2016	354	100	Jujuy	Granted
	Cauchari Bajo III	2158-D-2016	122	100	Jujuy	Granted
	Cauchari Bajo V	2154-D-2016	946	100	Jujuy	Granted
	Cauchari West I	2160-D-2016	1936	100	Jujuy	Granted
	Olaroz Centro II	2164-D-2016	268	100	Jujuy	Application
	Olaroz East II	2168-D-2016	2072	100	Jujuy	Granted
	MASA 12	2234-M-2016	2901	100	Jujuy	Granted
	MASA 13	2235-M-2016	3000	100	Jujuy	Granted
	MASA 14	2236-M-2016	3000	100	Jujuy	Granted
	MASA 15	2237-M-2016	3000	100	Jujuy	Granted
	PASO AREA					
	Paso III	2137-P-2016	2787	100	Jujuy	Granted
	Paso VI	2140-P-2016	2208	100	Jujuy	Granted
	Paso X	2144-P-2016	1833	100	Jujuy	Granted
	MASA 9	2231-M-2016	2978	100	Jujuy	Granted
	MASA 16	2238-M-2016	2114	100	Jujuy	Granted
	MASA 17	2239-M-2016	2891	100	Jujuy	Granted
	MASA 18	2240-M-2016	3000	100	Jujuy	Granted
	MASA 19	2241-M-2016	3000	100	Jujuy	Granted
	MASA 20	2242-M-2016	3000	100	Jujuy	Granted
	MASA 21	2243-M-2016	2815	100	Jujuy	Granted
	MASA 22	2244-M-2016	1460	100	Jujuy	Application
	MASA 23	2245-M-2016	1540	100	Jujuy	Application
	23 Mining leases		47579 Ha			
	CATAMARCA PEGMATITES					
	Petra I	Cateo 52-B-2016	10000	100	Catamarca	In Process
	Petra II	Cateo 51-B-2016	9523	100	Catamarca	In Process
	Petra III	Cateo 49-B-2016	9528	100	Catamarca	In Process
	Petra IV	Cateo 50-B-2016	8939	100	Catamarca	In Process
	CAT 1 (Petra VIII)	Cateo 93-B-2016	1000	100	Catamarca	In Process
	CAT 2 (Petra VII)	Cateo 94-B-2016	8475	100	Catamarca	In Process
	CAT 3 (Petra VI)	Cateo 95-B-2016	10000	100	Catamarca	In Process
	CAT 4 (Petra V)	Cateo 98-B-2016	10000	100	Catamarca	In Process
	La Aguada 1	Mina 116-B-2016	2499	100	Catamarca	Granted
	La Aguada 2	Mina 117-B-2016	2950	100	Catamarca	Granted
	La Aguada 3	Mina 99-B-2016	1558	100	Catamarca	In Process
	La Aguada 4	Mina 173-B-2016	2929	100	Catamarca	Granted
	La Aguada 5	Mina 172-B-2016	2866	100	Catamarca	Granted
	La Aguada 6	Mina 174-B-2016	2999	100	Catamarca	Granted
	La Aguada 7	Mina 137-B-2016	2919	100	Catamarca	Granted
	La Aguada 8	Mina 139-B-2016	1587	100	Catamarca	Granted
	La Aguada 9	Mina 138-B-2016	2607	100	Catamarca	Granted
	9 Mining leases 8 exploration leases		90,379 Ha			

SCHEDULE OF TENEMENTS (Appendix 5B)

TOTAL NUMBER TENEMENTS:	TOTAL AREA TENEMENTS:
77	208,420 Ha

REF	TENEMENT NAME	NUMBER	AREA H	INTERES	PROVINCE	STATUS
	KACHI AREA					
	Kachi Inca	13-M-2016	858	100	Catamarca	Granted
	Kachi Inca I	16-M-2016	2881	100	Catamarca	Granted
	Kachi Inca II	17-M-2016	2823	100	Catamarca	Granted
	Kachi Inca III	47-M-2016	3354	100	Catamarca	Granted
	Kachi Inca 4	107-M-2017	2723	100	Catamarca	In Process
	Kachi Inca V	45-M-2016	305	100	Catamarca	Granted
	Kachi Inca VI	44-M-2016	110	100	Catamarca	Granted
	Dona Amparo I	22-M-2016	3000	100	Catamarca	Granted
	Dona Carmen	24-M-2016	874	100	Catamarca	Granted
	Debbie I	21-M-2016	1501	100	Catamarca	Granted
	Divina Victoria I	25-M-2016	1266	100	Catamarca	Granted
	Daniel Armando	23-M-2016	2116	100	Catamarca	Granted
	Daniel Armando II	97-M-2016	1388	100	Catamarca	Granted
	Escondidita	131-M-2018	373	100	Catamarca	In Process
	Irene	28-M-2018	2250	100	Catamarca	In Process
	Maria Luz	34-M-2017	2425	100	Catamarca	Granted
	Maria I	140-M-2018	889	100	Catamarca	In Process
	Maria II	14-M-2016	888	100	Catamarca	Granted
	Maria III	15-M-2016	1396	100	Catamarca	Granted
	Morena 1	72-M-2016	3025	100	Catamarca	Granted
	Morena 2	73-M-2016	2989	100	Catamarca	Granted
	Morena 3	74-M-2016	3007	100	Catamarca	Granted
	Morena 5	97-M-2017	1415	100	Catamarca	In Process
	Morena 6	75-M-2016	1606	100	Catamarca	Granted
	Morena 7	76-M-2016	2805	100	Catamarca	Granted
	Morena 8	77-M-2016	2961	100	Catamarca	Granted
	Morena 11	201-M-2018	815	100	Catamarca	In Process
	Morena 12	78-M-2016	2704	100	Catamarca	Granted
	Morena 13	79-M-2016	3024	100	Catamarca	Granted
	Morena 15	162-M-2017	2559	100	Catamarca	Granted
	Pampa I	129-S-2013	2312	100	Catamarca	Granted
	Pampa II	128-M-2013	1119	100	Catamarca	Granted
	Pampa III	130-M-2013	477	100	Catamarca	Granted
	Pampa IV	78-M-2017	2569	100	Catamarca	In Process
	Parapeto 1	133-M-2018	2504	100	Catamarca	In Process
	Parapeto 2	134-M-2018	1259	100	Catamarca	In Process
	Parapeto 3	132-M-2018	1892	100	Catamarca	In Process
	37 Mining leases		70462Ha			

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

LAKE RESOURCES N.L.

ABN	**Quarter ended ("current quarter")**
49 079 471 980	31 DECEMBER 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(626)	(2,999)
	(b) development		
	(c) production		
	(d) staff costs	(140)	(303)
	(e) administration and corporate costs	(433)	(979)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		(6)
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,199)**	**(4,287)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	100	2,451
3.2	Proceeds from issue of convertible notes	1,355	1,355
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(116)	(224)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(822)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**1,339**	**2,760**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	46	1,713
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,199)	(4,287)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,339	2,760
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**186**	**186**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	186	46
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		45
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**186**	**91**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	144
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Remuneration and fees paid to Directors

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Company has announced that it is in the process of finalising a capital raising program and is in negotiations to finalise arrangements with the convertible note holders. An announcement is anticipated by 10 February 2020. The Company has appointed SD Capital Advisory Limited to source up to $25 million of additional debt funding for the development of the Pilot Plant. A short term unsecured facility ($0.3m) is being finalised at present.

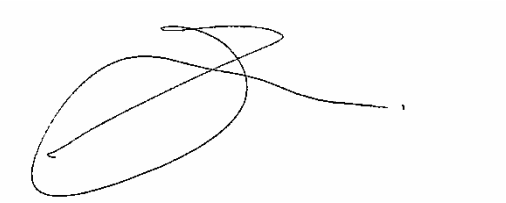
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	(600)
9.2	Development	
9.3	Production	
9.4	Staff costs	(140)
9.5	Administration and corporate costs	(250)
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**(990)**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		nil		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		nil		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: **31 January 2020**

(Chief Financial Officer and Co-Company Secretary)

Print name: **GARRY GILL**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.