

# Kachi Project: Indicated & Inferred Resource 4.4 Mt LCE; Expl. Target 8-17 Mt LCE



**LAKE RESOURCES**

ASX: LKE

**Legend**

- Kachi
- Kachi Camp 3000m



## LAKE RESOURCES - KACHI

Large Resource 4.4 Mt LCE  
Large Exploration Target 8-17 Mt LCE

Kachi Maiden Resource & Update 27 Nov 2018

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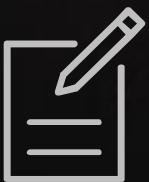
Galaxy Sal de Vida  
FMC Livent Production 3970m

# Disclaimer



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Certain statements contained in this presentation, including information as to the future financial performance of the projects, are forward-looking statements. Such forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Lake Resources N.L. are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results, expressed or implied, reflected in such forward-looking statements; and may include, among other things, statements regarding targets, estimates and assumptions in respect of production and prices, operating costs and results, capital expenditures, reserves and resources and anticipated flow rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions and affected by the risk of further changes in government regulations, policies or legislation and that further funding may be required, but unavailable, for the ongoing development of Lake's projects. Lake Resources N.L. disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Lake does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

# Investment Highlights – Kachi Project

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

**Two Flagship Projects: Kachi - Large Resource; Large Exploration Target**

- Large maiden resource: 4.4 Mt LCE combined Indicated & Inferred categories
- Indicated: 1 Mt LCE Inferred: 3.4 Mt LCE
- Large basin 20km x 15km x 400-800m deep: Leases cover entire brine basin 69,000 Ha & 100% owned
- PFS to follow – development optionality – conventional & direct extraction methods
- In southern extension of brine producing area, 80km south of FMC/Livent (producing for 20 years)
- New direct extraction method partnership – Reduction in time to production & lower operating costs

**Major Transactions in Area**

- Cauchari - next to major acquisition \$237M at Cauchari (Gangfeng Aug'18) = 6x LKE market value
- Kachi – south of Galaxy resource sale – US\$280 M (POSCO June'18)
- Implied Acquisition Value: US\$55-70 M per 1 Mt LCE resource

**Undervalued vs Peers:**

- Comparisons with other lithium companies in Argentina shows deep value in LKE
- Neighbours market value 300% to 1000% higher. Recent research \$0.44 price target

# Comparisons - LKE Deep Value

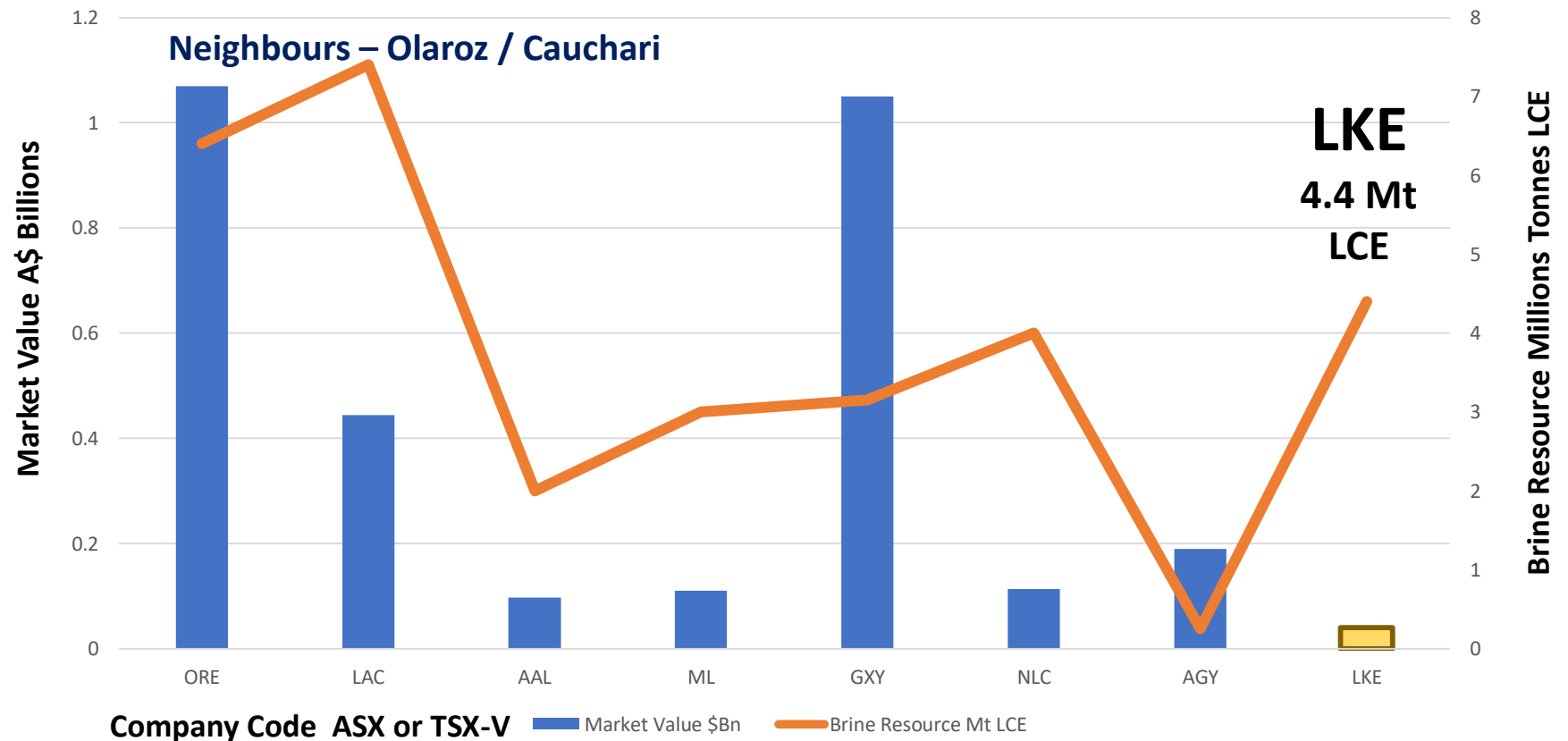


## Companies with brine resources in Argentina

Neighbour's Mkt Value 300% to 1000% larger than LKE  
 With similar or smaller mineral resources

LKE Research:  
 Significant Price Target Upside  
 (Aug 2018 – Fundamental)

Size of Lithium Brine Resources vs Market Value



Source: Bloomberg; StocknessMonster; GXY assumes remainder of Sal de Vida resource after POSCO sale; AAL 65% equity in resource; LAC 63% equity in resource

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# KACHI PROJECT

Large scale; Low impurities  
Similar to projects in development  
Major resource 4.4 Mt LCE

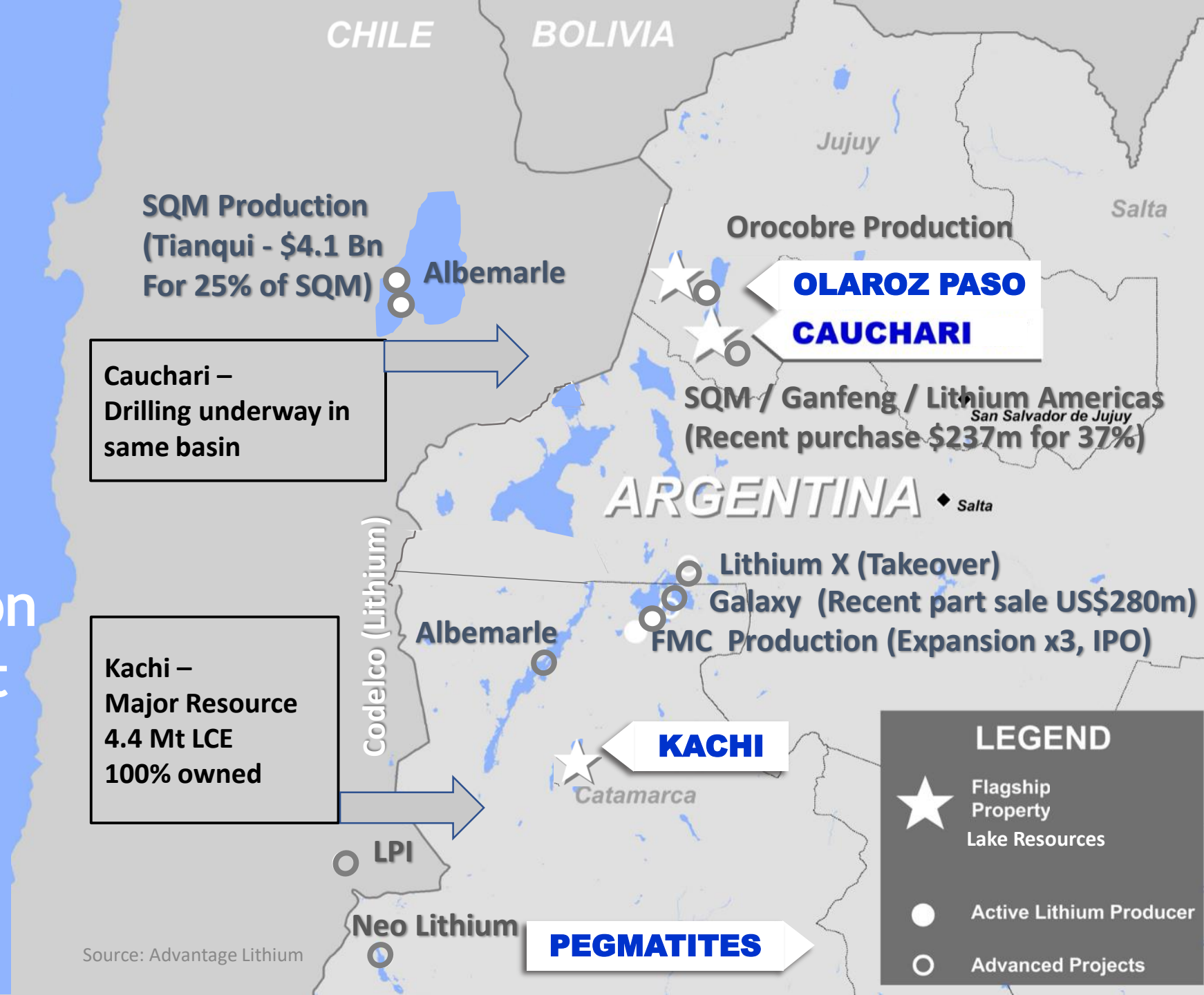
# Prime Location



## Centre for Major Lithium Production And Development

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

Source: Advantage Lithium

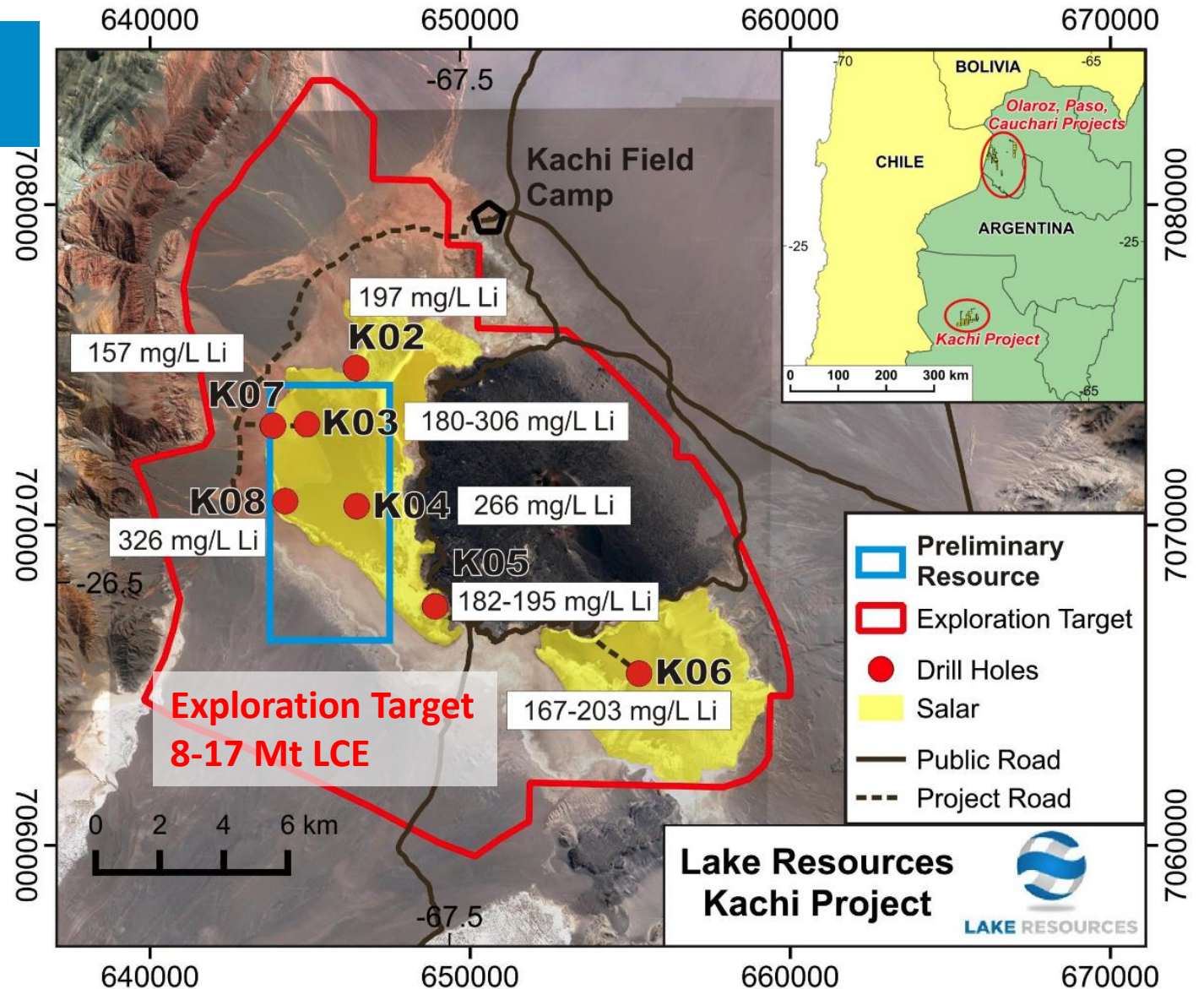


# Kachi – New Discovery

## Large Resource – 4.4 Mt LCE

Large salt lake 20km x 15km  
 Previously untested - now 15 drill holes  
 69,000 Ha mining leases & 100% Lake  
 Indicated Resource 1.0Mt LCE 290mg/L  
 Inferred Resource 3.4Mt LCE 210mg/L

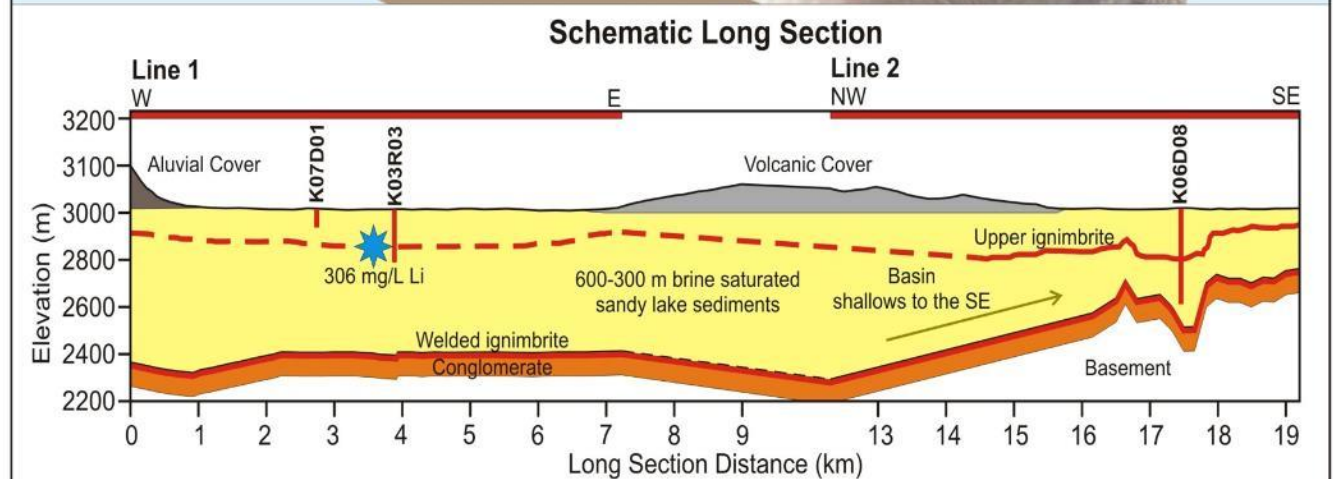
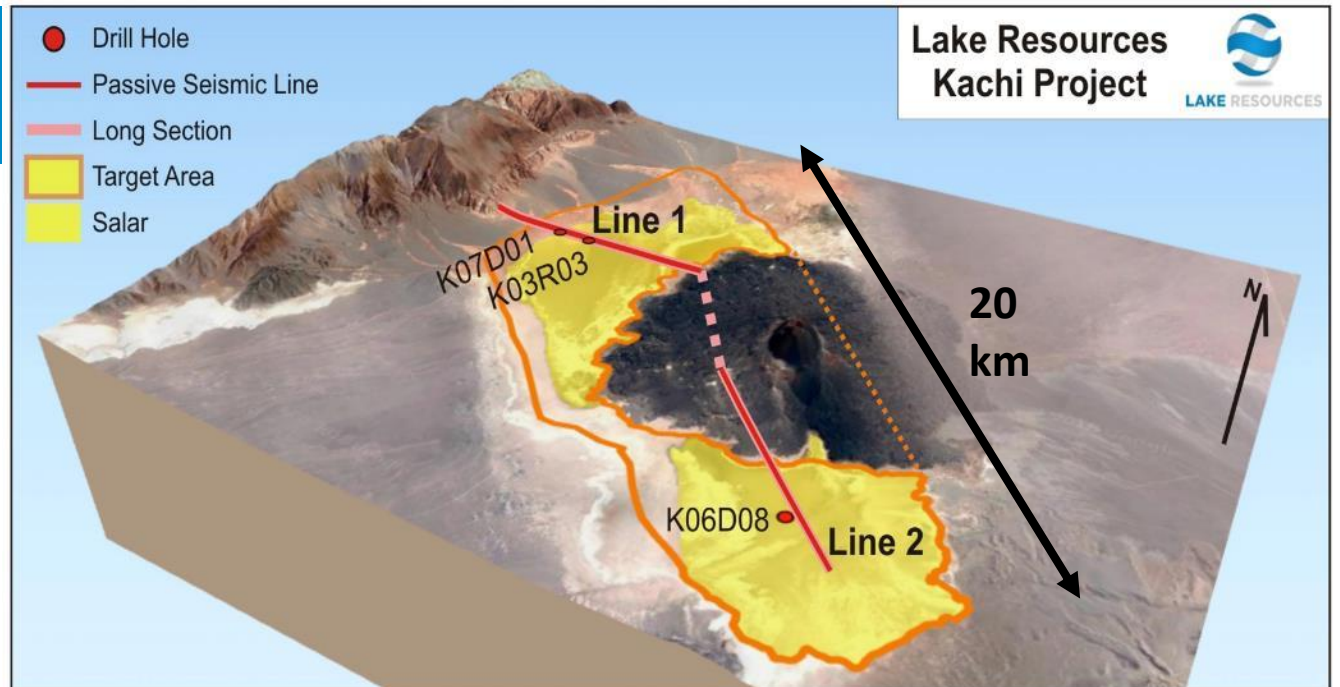
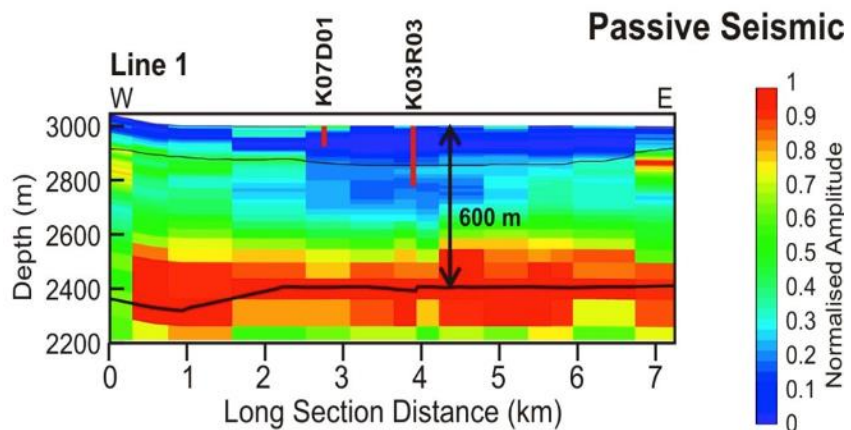
Results:  
 Good chemistry, low impurities  
 ~320mg/L lithium (250-320mg/L)  
 Low Li/Mg ratio 3.8-4.6  
 Brines from surface to 400-800m depth  
 High permeabilities in sand filled basin



# Kachi – Deep Brines

## Potential Expansion

Geophysics – Passive Seismic Survey  
 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 Project: Expl Target 8-17Mt LCE; Leases 69,000 Ha; 6800 sq km drainage

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# Kachi – Large Target

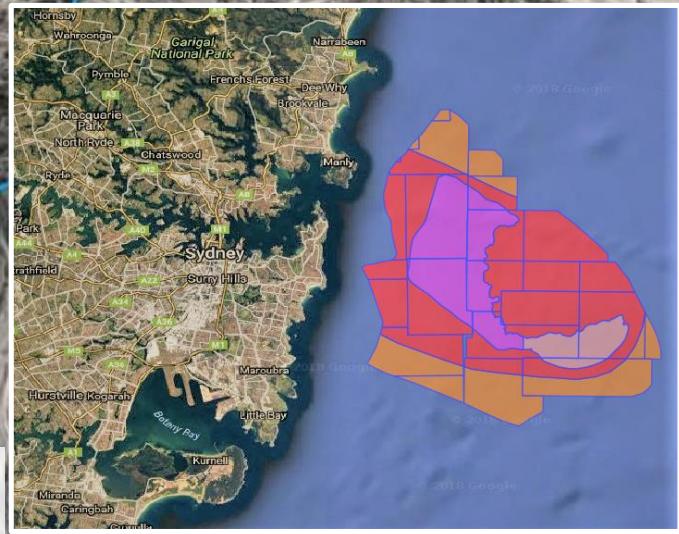
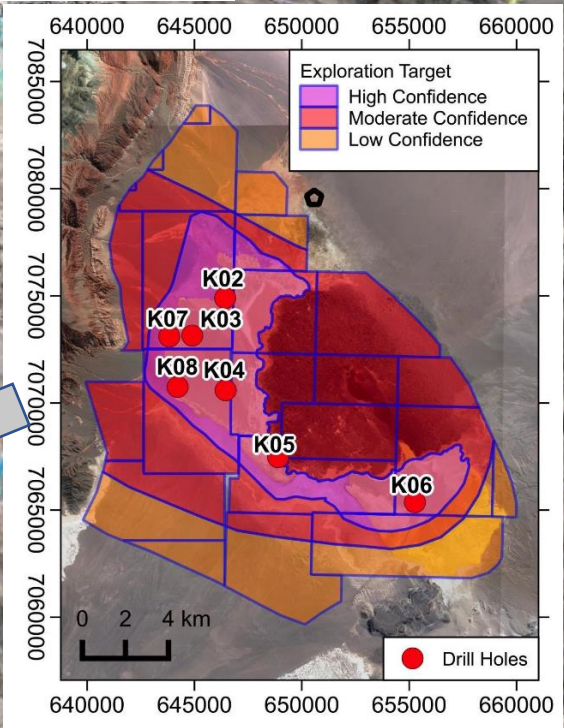
## Large Project

New discovery

Exploration Target:  
8-17 Mt LCE \*  
320-210 mg/L Lithium  
(\* see clarification statement)

Brine volume Equivalent  
to 25 x Sydney harbour

Leases: Large area  
Located in lowest part of  
Large drainage:  
6,800 km<sup>2</sup>  
(2500 square miles)



**\* Clarification Statement: An Exploration Target is not a Mineral Resource. The potential quantity and grade of an Exploration Target is conceptual in nature. A Mineral Resource has been identified in the centre of the Exploration Target, but there has been insufficient exploration to estimate any extension to the Mineral Resource and it is uncertain if further exploration will result in the estimation of an additional Mineral Resource.**

Legend  
Kachi

# Kachi – Development Options

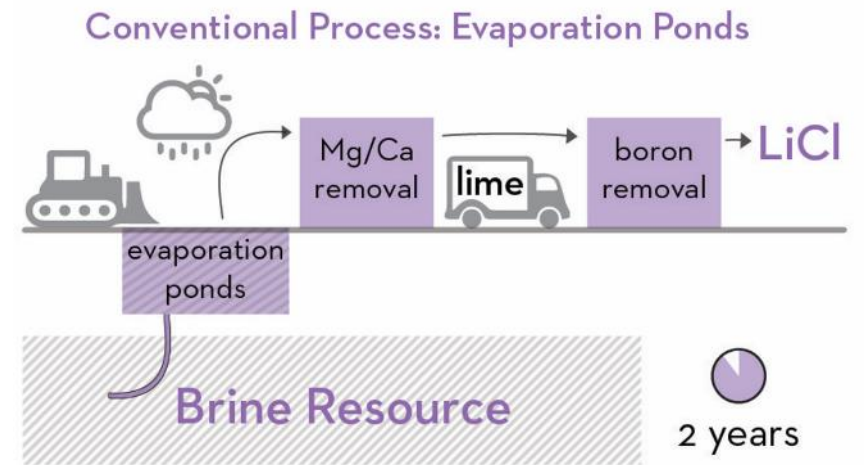
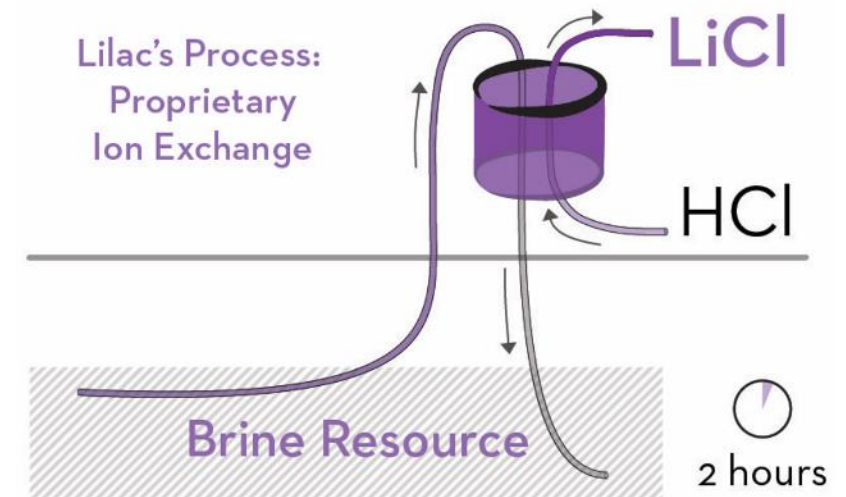
## Direct Extraction Partnership Rapid, Low Cost Method

Kachi PFS: Conventional & new Direct Extraction methods

- study in tandem with exploration
- Pilot plant planned Q1 2019

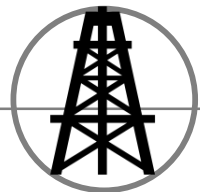
- Increases grade to > 3,000 mg/L lithium
- Clean product for lithium hydroxide or carbonate
- Reduces lead time to production significantly
- Increase recoveries to 80-90% (from 40-50%)
- Smaller environmental footprint

Lilac Solutions selected - Innovative approach to popular ion exchange method widely used in industry



## Path to LKE Uplift

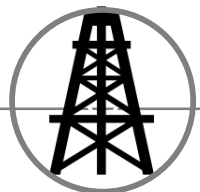
## News Flow – Full Pipeline



### Resource Kachi

**Kachi Resource**  
Kachi – Large Resource  
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**  
Actively seeking downstream  
strategic agreements  
Feasibility Study Funding

PFS on Kachi  
Both Conventional and Lilac  
direct extraction methods  
Pilot plant; Evaporation Ponds

# Mineral Resource Estimate -Kachi

Table 1 Report Kachi Lithium Project - JORC Code 2012

## Kachi Mineral Resource Estimate - November 2018 (JORC Code 2012 Edition)

RESOURCE ESTIMATE KACHI						
	Indicated		Inferred		Total Resource	
Area km <sup>2</sup>	17.10		158.30		175.40	
Aquifer volume km <sup>3</sup>	6		41		47	
Brine volume km <sup>3</sup>	0.65		3.2		3.8	
Mean drainable porosity % (Specific yield)	10.9		7.5		7.9	
Element	Li	K	Li	K	Li	K
Weighted mean concentration mg/L	289	5,880	209	4,180	211	4380
Resource tonnes	188,000	3,500,000	638,000	12,500,000	826,000	16,000,000
<b>Lithium Carbonate Equivalent tonnes</b>	<b>1,005,000</b>		<b>3,394,000</b>		<b>4,400,000</b>	
<b>Potassium Chloride tonnes</b>	<b>6,705,000</b>		<b>24,000,000</b>		<b>30,700,000</b>	

Lithium is converted to lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) with a conversion factor of 5.32

Potassium is converted to potassium chloride (KCl) with a conversion factor of 1.91

## 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 initial exploration at the Kachi project.*

# Appendix 1 JORC Code 2012; Table 1 Report Kachi Lithium Project

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Criteria	Section 1 - Sampling Techniques and Data
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Brine samples were taken from the diamond drill hole with a bottom of hole spear point during advance and using a straddle packer device 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 are used as well. The fluid used for drilling is brine sourced from the drill hole and the return from drillhole passes back into the excavator dug pit lined to avoid leakage.</li> <li>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.</li> <li>Drill core in the hole was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance.</li> <li>Drill core was undertaken to obtain representative samples of the sediments that host brine.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Rotary drilling has used 8.5" or 10" tri-cone bits and has produced drill chips.</li> <li>Brine has been used as drilling fluid for lubrication during drilling.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Brine samples were collected at discrete depths during the drilling using a double packer over a 1 m interval (to isolate intervals of the sediments and obtain samples from airlifting brine from the sediments within the packer).</li> <li>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.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
<b>Quality assurance techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>Brine samples were collected by packer and spear sampling methods, over a metre. Low pressure airlift tests are used as well to purge test interval and gauge potential yields.</li> <li>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.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The Alex Stewart Argentina/Nor lab SA in Palpa, 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.</li> <li>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.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>Field duplicates, standards and blanks will be 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.</li> <li>Duplicate samples in the analysis chain were submitted to Alex Stewart/Norlab SA or SGS laboratories as unique samples (blind duplicates) during the process</li> <li>Stable blank samples (distilled water) were used to evaluate potential sample contamination and will be inserted in future to measure any potential cross contamination</li> <li>Samples were analysed for conductivity using a hand-held Hanna pH/EC multiprobe.</li> <li>Regular calibration using standard buffers is being undertaken.</li> </ul>

<b>Location of data points</b>	<ul style="list-style-type: none"> <li>The diamond drill hole sample sites and rotary drill hole sites were located with a hand-held GPS.</li> <li>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.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Brine samples were collected over 1m intervals every 6 m intervals within brine producing aquifers, where this was possible.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>The salt lake (<i>salar</i>) deposits that contain lithium-bearing brines generally have sub-horizontal beds and lenses that contain sand, gravel, salt, silt and clay. The vertical diamond drill holes will provide a better understanding of the stratigraphy and the nature of the sub-surface brine bearing aquifers</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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 the location.</li> </ul>
<b>Review (and Audit)</b>	<ul style="list-style-type: none"> <li>No audit of data has been conducted to date. However, the CP has been onsite periodically during the programme. The review included 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.</li> </ul>
Criteria	Section 2 - Mineral Tenement and Land Tenure Status
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>The project comprises approximately 69,047 Ha in thirty six mineral leases (minas) of which five leases (9,445 Ha) are granted for drilling, twenty two leases are granted for initial exploration (51,560 Ha) and nine leases (8042 Ha) are applications pending granting.</li> <li>The tenements are believed to be in good standing, with statutory payments completed to relevant government departments.</li> </ul>
<b>Exploration by other parties</b>	<ul style="list-style-type: none"> <li>Marifil Mines Ltd conducted sparse near-surface pit sampling of groundwater at depths less than 1m during 2009.</li> <li>Samples were taken from each hole and analysed at Alex Stewart laboratories in Mendoza Argentina.</li> <li>Results were reported in an NI 43-101 report by J. Ebsich in December 2009 for Marifil Mines Ltd.</li> <li>NRG Metals Inc commenced exploration in adjacent leases under option. Two diamond drillholes 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.</li> <li>No other exploration results were able to be located</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>The known sediments within the <i>salar</i> consist of salt/halite, clay, sand and silt horizons, accumulated in the <i>salar</i> from terrestrial sedimentation and evaporation of brines.</li> <li>Brines within the Salt Lake are formed by solar concentration, interpreted to be combined with warm geothermal fluids, with brines hosted within sedimentary units.</li> <li>Geology was recorded during the diamond drilling and from chip samples in rotary drill holes.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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.</li> <li>All drill holes are vertical, (dip -90, azimuth 0 degrees).</li> <li>Assay averages have been provided where multiple sampling occurs in the same sampling interval.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>Mineralisation interpreted to be horizontally lying and drilling perpendicular to this.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>A drill hole location plan is provided showing the locations of the drill platforms. Individual drill locations are provided in Table 1.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Brine assay results are available from 13 drill holes from the drilling to date, reported here. Information will be provided as it becomes available.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>There is no other substantive exploration data available regarding the project.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The company is undertaking a 1000m maiden diamond drilling programme and 2000m maiden rotary water well drilling programme which may be expanded based on results.</li> </ul>

Criteria	Section 3 Estimation and Reporting of Mineral Resources
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Data was transferred directly from laboratory spreadsheets to the database.</li> <li>Data was checked for transcription errors once in the database, to ensure coordinates, assay values and lithological codes were correct</li> <li>Data was plotted to check the spatial location and relationship to adjoining sample points</li> <li>Duplicates and Standards have been used in the assay process.</li> <li>Brine assays and porosity test work have been analysed and compared with other publicly available information for reasonableness.</li> <li>Comparisons of original and current datasets were made to ensure no lack of integrity.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>The Competent Person visited the site multiple times during the drilling and sampling program.</li> <li>Some improvements to procedures were made during visits by the Competent Person</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Any alternative interpretations are restricted to smaller scale variations in sedimentology, related to changes in grain size and fine material in units.</li> <li>Data used in the interpretation includes rotary and diamond drilling methods.</li> <li>Drilling depths and geology encountered has been used to conceptualize hydro-stratigraphy.</li> <li>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.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>The lateral extent of the resource has been defined by the boundary of the Company's properties. The brine mineralisation consequently covers 142 km2.</li> <li>The top of the model coincides with the topography obtained from the Shuttle Radar Topography Mission (SRTM). The original elevations were locally adjusted for each borehole collar with the most accurate coordinates available. 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.</li> <li>The resource is defined to a depth of 400 m below surface, with the exploration target immediately extending beyond the areal extent of the resource.</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li>No grade cutting or capping was applied to the model.</li> <li>No assumptions were made about correlation between variables. Lithium and potassium were estimated independently.</li> <li>The geological interpretation was used to define each geological unit and the property limit was used to enclose the reported resources. The lithium and</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Tonnages are estimated as metallic lithium and potassium dissolved in brine.</li> </ul>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>No cut-off grade has been applied.</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>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.</li> <li>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.</li> <li>Detailed hydrologic studies of the lake are being undertaken (groundwater modelling) to define the extractable resources and potential extraction rates</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>Lithium and potassium would be produced via conventional brine processing techniques and evaporation ponds to concentrate the brine prior to processing</li> <li>Process test – work (which can be considered equivalent to metallurgical test work) is being carried out on the brine following initial test work.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>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.</li> <li>However, no bulk density was applied to the estimates because resources are defined by volume, rather than by tonnage.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The resource has been classified into the two possible resource categories based on confidence in the estimation.</li> <li>The Measured resource reflects the predominance of sonic drilling, with porosity samples from drill cores and well constrained vertical brine sampling in the holes</li> <li>The Indicated resource reflects the higher confidence in the brine sampling in the rotary drilling and lower quality geological control from the drill cuttings</li> <li>The Inferred resource underlying the Measured resource in the Lito properties reflects the limited drilling to this depth together with the likely geological continuity suggested by drilling on the adjacent Cocina property and the geophysics through the property</li> <li>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</li> <li>This Mineral Resource was estimated by the Competent Person.</li> </ul>
<b>Audits or reviews</b>	
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>References:             <ul style="list-style-type: none"> <li>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.</li> <li>CIM Best Practice Guidelines for Resource and Reserve Estimation for Lithium Brines.</li> </ul> </li> </ul>



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# LAKE RESOURCES

Scale, Location, Value Uplift  
Lithium at a Higher Level

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