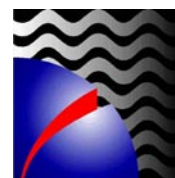


LAKE RESOURCES NL

QUARTERLY REPORT APRIL – JUNE 2014



SUMMARY

In an ASX announcement dated 12 May 2014, the company disclosed that it has entered an Exclusivity Agreement with Colt Resources Middle East (CRME) which sets out the basis for an exclusivity period of 120 days. During this period the parties will finalize a Transaction whereby CRME can earn a majority interest in Lake's three Chagai exploration licenses in Balochistan, Pakistan. Details are set out under **Exploration**.

Pakistan

Lake Resources (Lake) is exploring for porphyry copper-gold and epithermal gold deposits in the Chagai District of Balochistan (see p.2 for details). Significant mineral deposits in the region include the Saindak porphyry copper-gold mine and the Reko Diq copper-gold project of Tethyan Copper Company (TCC) (owned 50:50 by Antofagasta Plc and Barrick Gold Corporation).

Following the submission of a feasibility study to Government of Balochistan in August 2010, for development of the project, TCC submitted an application for a mining lease in accordance with the Balochistan Mineral Rules in February 2011. In November 2011, TCC was notified by the Government of Balochistan that the Government had rejected the application. TCC is pursuing international arbitrations in order to protect its legal rights.

Lake Resources holds three exploration licences (ELs) granted by the Government of Balochistan in September 2009. These ELs replaced previous ELs held by Lake that expired in March 2009. During the September 2012 quarter, renewals of the ELs over reduced areas for a further period of 3 years were granted by Government of Balochistan as per Balochistan Mineral Rules. Details are set out in Table 1 and Figure 1 below.

Table 1: Balochistan Tenements

Tenement	Amalaf	Dasht-i-Gauran	Koh-i-Sultan
EL Number	(71)/5468-78	(72)/5492-5503	(73)/5479-91
Area (sq km)	46.9	29.12	85.1
Lake Interest	(see Note 1)	(see Note 1)	(see Note 1)
Grant Date	10/09/2009	10/09/2009	10/09/2009
Expiry Date	9/09/2015	9/09/2015	9/09/2015

Note 1: A condition of the new licences is that the Balochistan Government should have up to a 25% interest in the licences – the government previously advised that preparation of a draft agreement was under way.



Figure 1: Location and tenement map.

The **Amalaf** area adjoins the northern boundary of the Saindak copper-gold mine. The exploration target is large tonnage - low grade copper amenable to low-cost open-pit mining and trucking to the Saindak mine. In late 2005, one of two holes drilled by Lake to test part of this target intersected significant low-grade copper-molybdenum over the length of the hole with minor gold (12 -120m, 108 m @ 0.17%Cu & 94 ppm Mo).

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

At **Koh-i-Sultan**, Lake is exploring an extensive system of intensely altered breccia and volcanics covering an area of more than five square kilometres on the margin of an extinct volcanic caldera (See Fig. 2). The company has undertaken 3 phases of drilling at Koh-i-Sultan.

In late 2005, strong gold mineralisation was intersected in one of 2 percussion holes (LRM-01) drilled on the western margin of the system in late 2005.

In 2008, a five-hole diamond drilling program totaling 2284 m (see Figs. 2 & 3 for drillhole locations) resulted in two new discoveries:

- porphyry-type copper-gold mineralisation in drillhole LRMDDH-002 (392 – 520 m, 128 m @ 0.14%Cu and 0.19 ppm Au) and
- a very large, variably-altered and mineralised breccia complex, intersected in all five drillholes, over a width of more than 700 m and a north-south extent of more than 400 m. Geologically significant gold values were intersected in the breccia in four of the five drillholes. It is believed that the southern extension of this breccia also hosts the gold mineralisation intersected in drillhole LRM-001.

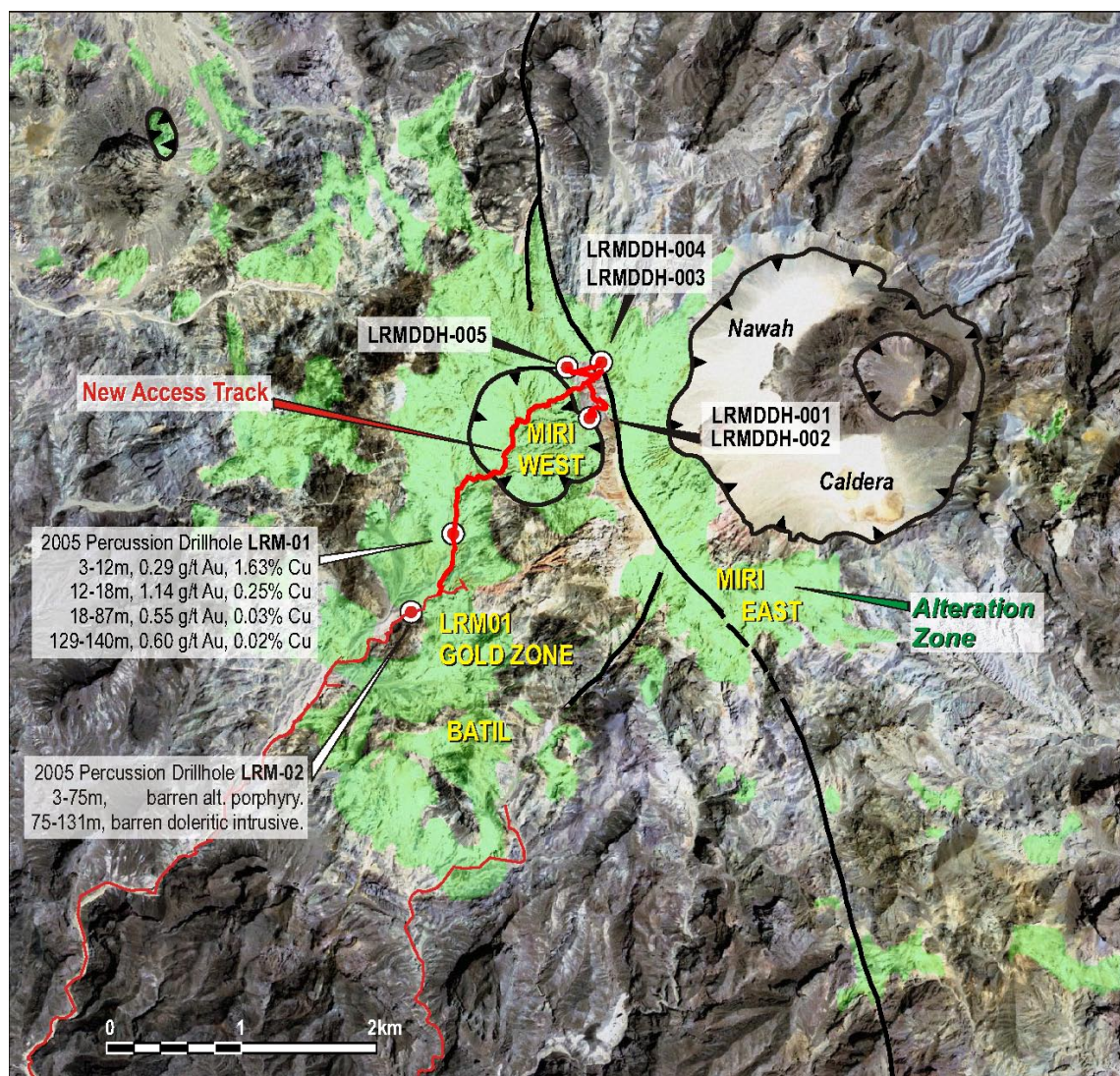


Figure 2: Plan showing Koh-i-Sultan alteration zones (green) and 2005 & 2008 drill sites.

In early 2012, a 17-hole reverse circulation (RC) percussion drilling program totaling 2,070 m was undertaken within an area approximately 1,000 m east-west by 1,500 m north-south, along Miri Nala, southwest of Nawah Caldera (Figure 3). Drillhole collar location and hole traces are shown in Figure 3 below.

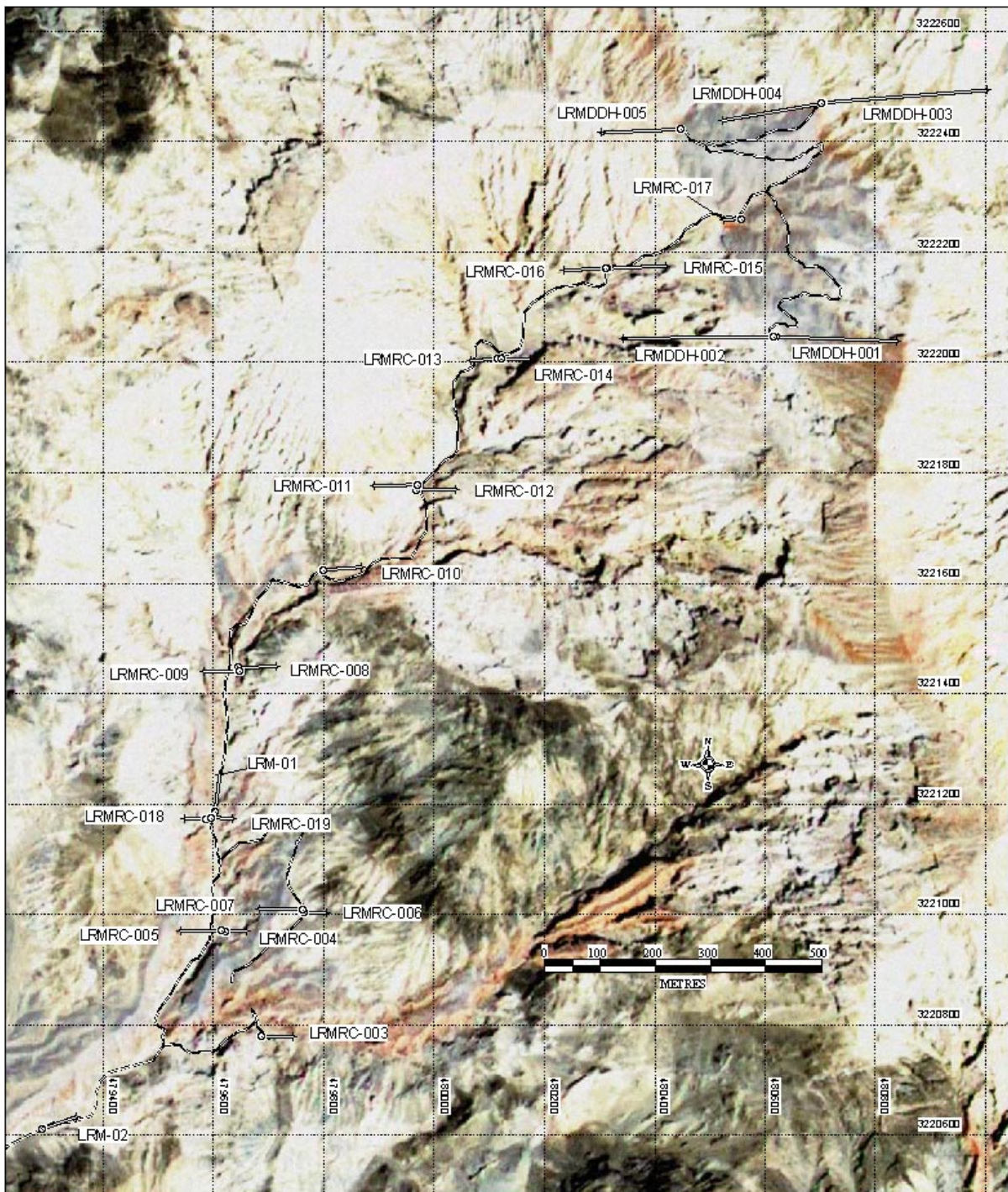


Figure 3: Koh-i-Sultan drillhole collar locations and drill traces – 2005 (LRM-01 – 02), 2008 (LRMDDH-001 – 005) & 2012 (LRMRC-003 – 019).

As previously reported (see report for Q3/2012) the results of the 2012 RC percussion drilling indicate potential for:

- a significant gold target, with possible supergene copper in the LRM001 – LRMRC003/005/018/019 area. The copper-gold association in some of these holes could indicate potential for porphyry copper-gold mineralization beneath this area.
- a large porphyry copper-gold target associated with the porphyry copper-gold intersection in 2008 drillhole LRMDDH002, supported by the intersections of elevated levels of molybdenum, copper and patchy gold in RC percussion holes LRMRC010 – 017.

A substantial program of deep diamond drilling (500 – 600m) would be required to test these targets below the levels achievable with RC drilling.

Exploration

In an ASX announcement dated 12 May 2014, the company disclosed that it has entered an Exclusivity Agreement with Colt Resources Middle East (CRME) which sets out the basis for an exclusivity period of 120 days. During this period the parties will finalize a Transaction whereby CRME can earn a majority interest in Lake's three Chagai exploration licenses in Balochistan, Pakistan. .

The Transaction is to be governed by the terms of a Share Subscription Agreement and a Shareholders Agreement.

1. There are 3 parties, Lake Resources NL (Lake), Colt Resources Middle East (CRME) and Aamir Resources Consultants (Aamir). .
2. The corporate entity for the Transaction will be a Pakistan incorporated company (OpCo) into which Lake's exploration licenses will be transferred.
3. CRME will subscribe a minimum of USD1.9 million for 60% of OpCo with the funds to be invested in exploration of the licenses within 3 years. The balance of OpCo shareholding will be divided between Lake 27.5% and Aamir 12.5%.
4. CRME will subsequently subscribe a minimum aggregate of USD5 million in OpCo within 6 years, which will also be invested in exploration of the licenses at which point the shareholders will be CRME 60%, Lake 15%, Government of Balochistan 12.5% and Aamir 12.5%.
5. For any subscriptions and expenditure above USD5 million , Lake and Aamir will be diluted until Lake reaches 10% which will then revert to a 10% carried interest with Lake's share of the investment repayable from 80% of Lake's share of net profits. Aamir, on diluting to 10% will revert to a 5% free carried net profits interest.
6. In the event CRME invests the minimum of USD 1.9 million within 3 years and then decides not to invest an aggregate of \$5 million within 6 years, then the shareholding of OpCo will revert to CRME 51%, Lake 40% and Aamir 9%.

Cash Position

At the end of the June 2014 quarter, net cash on hand totaled A\$ 5,000. The Company is planning to make a share placement to major shareholders to fund ongoing corporate expenses.

30 July 2014



J.G. Clavarino (M AusIMM)
Exploration Director

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

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Share Registry

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

Shareholder matters including changes of address should be directed to:

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