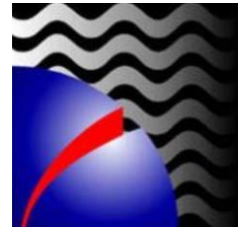


LAKE RESOURCES N.L.
QUARTERLY REPORT
ENDING 31 DECEMBER 2016
ABN 49 079 471 980



31 January 2017

Lake Resources N.L.
ASX:LKE

Shares on Issue:
188,993,026

Options Unlisted:
51,539,250 (incl.
26,539,250 vested)

Market
Capitalisation:
\$11 million
(@ \$0.06/share)

Cash (at 31 Dec 16):
\$1.2 million

Contact:
+61 2 91887864
steve@
lakeresources.com.au

HIGHLIGHTS

- Aggressive exploration programme underway over lithium brine lease applications in Argentina.
- Initial surface sampling programme nearing completion at Kachi Lithium Brine Project in Catamarca with results expected soon.
- Large lease position (~90,000 Ha) in 3 areas over prime lithium brine bearing basins in NW Argentina among largest players in lithium sector.
- Leases expanded with key contiguous title (3900 Ha) at Kachi Project new acquisitions.
- Leases/applications lie within Lithium Triangle which accounts for 49% of current global lithium production.
- Transaction with Lith NRG Pty Ltd completed 14 Nov 2016 to focus company on lithium brine projects.
- New management and board appointed.
- Capital raising completed Nov/Dec 2016.

LAKE RESOURCES N.L.
QUARTERLY REPORT – ENDING 31 DEC 2016

OPERATIONS

Kachi Lithium Brine Project - Catamarca Province, Argentina

An aggressive exploration programme commenced over lithium brine lease applications in the Kachi Lithium Brine Project in Catamarca province, Argentina.

The initial surface auger sampling programme, commenced in late 2016, is nearing completion. The auger brine sampling programme is being conducted on lines approximately 1km apart over the salt lakes within the current Lake leases. Results are anticipated soon.

Preparations are underway for a ground electrical geophysics study. An initial drill programme is planned, with location of drillholes to be based on results from geophysics and sampling.

The Kachi Lithium Brine Project is composed of almost 50,000 Ha of mining leases either granted or under application held 100% by Lake's local subsidiaries. Leases have been granted to allow exploration over 9000 hectares. An additional 3,900 hectares of leases have recently been acquired contiguous to the area of active exploration. A series of adjoining leases are anticipated for similar granting soon.

The Kachi Lithium Brine Project is located in Catamarca province, approximately 100km south of FMC's Hombre Muerto Lithium brine operation in production. The Project overlies an area of leases and lease applications centred around a salt lake within a large basin almost 100km long. This area has been recently recognised as a potential lithium brine bearing basin.

The largest company in the lithium sector, Albemarle Ltd, recently secured leases over the basin immediately to the west of the area. Other companies have recently completed geophysics surveys over leases adjacent to Lake's leases and are planning to drill targets soon.

Olaroz/Cauchari & Paso Lithium Brine Projects - Jujuy Province, Argentina

Lake holds mining lease applications over almost 45,000 hectares in two areas in Jujuy Province, in NW Argentina. Most of the area was reapplied for in November when a moratorium was lifted. The initial applications from March 2016 are under an appeal process. The application process is anticipated to progress in early 2017. Leases/applications are held 100% through Lake's local subsidiaries.

The leases cover areas in and around Orocobre Limited, currently in production, and Lithium Americas Corporation, currently developing a project with the major lithium producer SQM, in the Cauchari/Olaroz basin in Jujuy Province, Argentina. Although data is limited within the properties, the tenements may cover potential extensions to the Cauchari/Olaroz projects with potential extensions to aquifers.

Exploration will commence as soon as access is available to the areas. Substantial ground geophysics and drilling has been completed in the surrounding leases at Olaroz/Cauchari.

Corporate activity in the area adjacent to Lake's leases has been substantial. Lithium Americas Corporation announced an equity investment of C\$106 million, from Gangfeng, an important Chinese producer, and BCP Innovation. Both Chinese investors will also provide US\$205 million in a debt facility with offtake commitments, sufficient to develop Lithium Americas share in the Stage 1 production from Olaroz/Cauchari.

Advantage Lithium Corporation announced a transaction to earn 65-75% equity in some of Orocobre's leases, raising C\$40 million in the market.

CORPORATE

Transaction with Lith NRG Pty Ltd

Lake completed a transaction in November 2016 to acquire the unlisted company Lith NRG Pty Ltd. Lake now has exciting lithium brine projects in three large packages of tenement applications (over 90,000 Ha) around salt lakes in North West Argentina. The property portfolio has been established over a ten month period, mostly prior to the recent 'rush' by majors into Argentina due to its proven prospectivity and recently improved foreign investment climate.

The transaction was detailed in a Notice of AGM & Explanatory Statement released on 1 September 2016, approved by shareholders on 4 October 2016. Subsequent final due diligence and documentation was completed and finalised on 14 November 2016.

Securities comprised of 50 million shares, with 25 million attached options (at \$0.05, 18 mth expiry) have been issued as vendor consideration for the acquisition, together with three tranches of performance rights (50 million in total) with attached options (25 million at \$0.05, 18 mth expiry) which vest upon completion of three future milestones. Two million shares were issued as consideration for the interest payment on a loan provided to Lith NRG Pty Ltd. A committed placement of \$0.5 million (25 million shares at \$0.02) was part of the transaction announced in May 2016 at a significant premium to the share price at the time. This placement was approved by shareholders and shares were issued at the same time as closure of the transaction. Details of the share issuance, placement, vendor consideration and use of funds was contained in the Notice of 1 September 2016, approved under Resolutions 3,4,5 and 11 by shareholders on 4 October 2016.

Board and Management Changes

The Company appointed two new Directors to the Board in November, with the resignations of two Directors, together with Management changes.

Mr Stephen Promnitz was appointed as Managing Director, with considerable technical and commercial experience in Argentina, a geologist fluent in Spanish. Mr Promnitz has previously been CEO or senior management of mid-tier mineral explorers/producers and with major mining companies (Rio, WMC) and in corporate finance roles with investment banks. He also provides services to Sentient Advisory.

Mr Stuart Crow was appointed Non-Executive Chairman with global experience in financial services, corporate finance, investor relations, salary packaging and stock broking. He is currently CEO/Director at Salaris Consulting Pty Ltd, Non-Executive Director at TNG Limited (ASX:TNG), Non-Executive Director at AIM listed Iron Ridge Resources Limited (AIM:IRR) and Director at Ballyhoo Marketing.

Mr Peter Gilchrist remained on the Board, utilizing his breadth of experience over 30 years as an engineer in mining, construction and manufacturing in Australia and the USA. Mr Gilchrist has recent global experience as Executive Chairman of the Aquatec Maxcon Group, a successful manufacturer/installer of water treatment equipment in the municipal, power and mining industries.

Mr Andrew Bursill became the Company Secretary and is a qualified Chartered Accountant with positions as outsourced CFO and Company Secretary with numerous ASX listed companies covering mineral and oil and gas exploration, biotechnology, technology, medical devices and retail. He is currently a director of Argonaut Resources NL and ShareRoot Limited and the Company Secretary of Agua Resources Limited, Argonaut Resources NL, Austral Gold Limited, Eagle Nickel Limited, Netcentric Limited, ShareRoot Limited, and zipMoney Limited.

Mr Ross Johnston and Mr Jim Clavarino, asked to step down from the Board after more than 10 years' service and the successful acquisition of Lith NRG Pty Ltd. Mr Johnston and Mr Clavarino have provided many years of service and were thanked for their assistance and good guidance.

The Company's new office address is Suite 4, Level 9, 341 George St, Sydney NSW 2000 and the new telephone contact is: +61 2 9188 7864

Capital Raising

A capital raising was successfully completed in December 2016 with \$1.05 million raised, before costs, via private placement of approximately 16.1 million new LKE shares at \$0.065 per share to sophisticated and professional investors. Shareholder approval was previously provided for the capital raising under Listing Rule 7.3 as part of Resolution 7 in the Notice of AGM and Explanatory Statement. The company paid fees to intermediaries and financial arrangers which included issuing 1.54 million unlisted options with an exercise price of \$0.10 and an 18-month expiry period.

Funds are being used to enable the exploration programme over lithium brine basins in Argentina, controlled 100% by Lake, among some of the largest players in the lithium sector. Funds will also be used for corporate costs and working capital.

Lake has 188,993,026 shares on issue as at 31 Dec 2016.

Unlisted options include 25,000,000 options with an exercise price of \$0.05 (expiry 4 Apr 2018) and 1,539,250 options with an exercise price of \$0.10 (expiry 14 Jun 2018). Another 25,000,000 unlisted options and 50,000,000 performance rights were included in the transaction with Lith NRG Pty Ltd and have yet to reach the required hurdles for vesting.

Cash Position

Lake holds cash of \$1.16 million as at 31 December 2016 with no debt.

For further information, please contact:

Steve Promnitz
Managing Director
Lake Resources N.L.
T: +61 2 9188 7864
E: steve@lakeresources.com.au

Background on Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration company undertaking an aggressive programme to explore prime lithium basins in Argentina, among some of the largest players in the lithium sector. Mining leases and applications are located in the Lithium Triangle which accounts for 49% of current lithium production.

Lake recently completed the acquisition of an early mover in Argentina, Lith NRG Pty Ltd, who had secured an extensive strategic package of ~90,000 Ha, prior to a significant 'rush' to secure projects by major companies in the sector. This is one of the largest tenement packages in Argentina, controlled 100% by Lake.

Lake has three key areas that have similar settings to major world class projects being developed – Olaroz/Cauchari, Paso and Kachi in the highly prospective Jujuy and Catamarca Provinces. Upcoming exploration in lithium brine basins, one which is adjacent to some of the leading lithium producers/developers, including Orocobre and SQM, may provide several catalysts for growth as the areas are assessed for major discoveries. Significant corporate transactions continue in adjacent leases with development recently funded in Olaroz/Cauchari through Lithium Americas Corporation.



Figure 1: Images from the Kachi Lithium Brine Project (top 3 photos), Cauchari Project and Paso Project

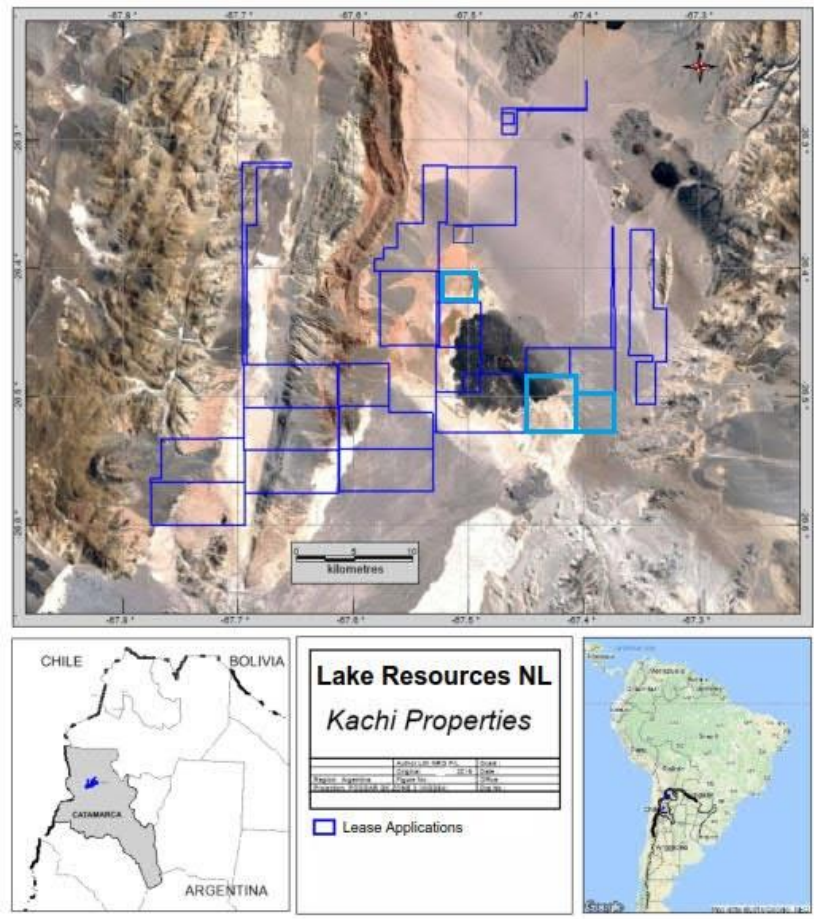


Figure 2: Kachi Lithium Brine Project leases showing recently acquired 3,900 hectare areas in light blue

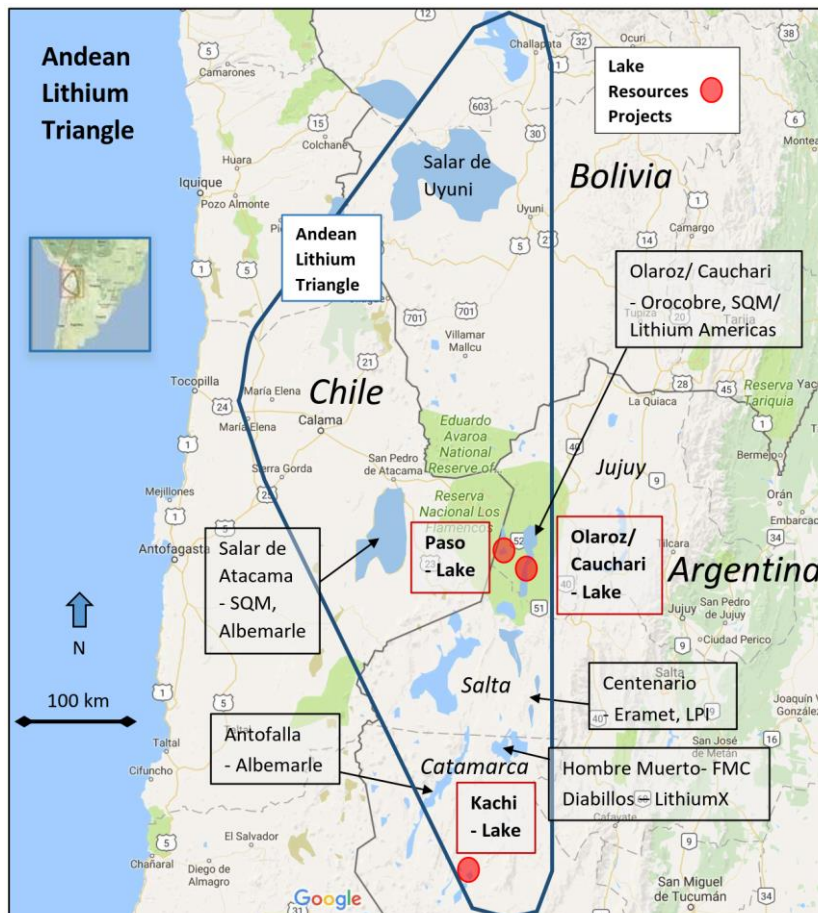


Figure 3: Location map of Lake Resources lithium brine projects in NW Argentina

SCHEDULE OF TENEMENTS (Appendix 5B)

TOTAL NUMBER TENEMENTS: **56**

TOTAL AREA TENEMENTS: **98,023 Ha**

| REF | TENEMENT NAME | NUMBER | AREA Ha | INTEREST % | PROVINCE | STATUS |
|-------------------------------|---------------------|-------------|---------|------------|----------|-------------|
| OLAROS - CAUCHARI AREA | | | | | | |
| | Cauchari Bajo I | 2156-P-2016 | 375 | 100 | Jujuy | Application |
| | Cauchari Bajo II | 2157-P-2016 | 363 | 100 | Jujuy | Application |
| | Cauchari Bajo III | 2158-P-2016 | 125 | 100 | Jujuy | Application |
| | Cauchari Bajo IV | 2155-P-2016 | 30 | 100 | Jujuy | Application |
| | Cauchari Bajo V | 2154-P-2016 | 952 | 100 | Jujuy | Application |
| | Cauchari Bajo VI | 2159-P-2016 | 32 | 100 | Jujuy | Application |
| | Cauchari Centro I | 2150-P-2016 | 32 | 100 | Jujuy | Application |
| | Cauchari Centro II | 2151-P-2016 | 10 | 100 | Jujuy | Application |
| | Cauchari Centro III | 2152-P-2016 | 10 | 100 | Jujuy | Application |
| | Cauchari Centro IV | 2153-P-2016 | 10 | 100 | Jujuy | Application |
| | Cauchari West I | 2160-P-2016 | 1938 | 100 | Jujuy | Application |
| | Cauchari West II | 2161-P-2016 | 10 | 100 | Jujuy | Application |
| | Olaroz Centro I | 2163-D-2016 | 35 | 100 | Jujuy | Application |
| | Olaroz Centro II | 2164-D-2016 | 268 | 100 | Jujuy | Application |
| | Olaroz Centro III | 2165-D-2016 | 25 | 100 | Jujuy | Application |
| | Olaroz Centro IV | 2166-D-2016 | 32 | 100 | Jujuy | Application |
| | Olaroz East I | 2167-D-2016 | 3344 | 100 | Jujuy | Application |
| | Olaroz East II | 2168-D-2016 | 2072 | 100 | Jujuy | Application |
| | Olaroz East III | 2169-D-2016 | 3033 | 100 | Jujuy | Application |
| | Olaroz East IV | 2170-D-2016 | 3034 | 100 | Jujuy | Application |
| | Olaroz East V | 2171-D-2016 | 3007 | 100 | Jujuy | Application |
| PASO AREA | | | | | | |
| | Paso I | 2135-P-2016 | 3482 | 100 | Jujuy | Application |
| | Paso II | 2136-P-2016 | 3196 | 100 | Jujuy | Application |
| | Paso III | 2137-P-2016 | 2950 | 100 | Jujuy | Application |
| | Paso IV | 2138-P-2016 | 2985 | 100 | Jujuy | Application |
| | Paso V | 2139-P-2016 | 3195 | 100 | Jujuy | Application |
| | Paso VI | 2140-P-2016 | 2210 | 100 | Jujuy | Application |
| | Paso VII | 2141-P-2016 | 3227 | 100 | Jujuy | Application |
| | Paso VIII | 2142-P-2016 | 3070 | 100 | Jujuy | Application |
| | Paso IX | 2143-P-2016 | 3321 | 100 | Jujuy | Application |
| | Paso X | 2144-P-2016 | 1913 | 100 | Jujuy | Application |

| REF | TENEMENT NAME | NUMBER | AREA Ha | INTEREST % | PROVINCE | STATUS |
|-----|-------------------------------|------------|-----------------|-----------------|-----------|-------------|
| | KACHI AREA | | | | | |
| | Kachi Inca | 13-D-2016 | 1273 | 100 | Catamarca | Application |
| | Kachi Inca I | 16-D-2016 | 3354 | 100 | Catamarca | Application |
| | Kachi Inca II | 17-D-2016 | 2823 | 100 | Catamarca | Application |
| | Kachi Inca III | 47-M-2016 | 3354 | 100 | Catamarca | Application |
| | Kachi Inca IV | 46-M-2016 | 186 | 100 | Catamarca | Application |
| | Kachi Inca V | 45-M-2016 | 310 | 100 | Catamarca | Application |
| | Kachi Inca VI | 44-M-2016 | 110 | 100 | Catamarca | Application |
| | Dona Amparo I | 22-D-2016 | 3000 | 100 | Catamarca | Granted |
| | Dona Carmen | 24-D-2016 | 873 | 100 | Catamarca | Granted |
| | Debbie I | 21-D-2016 | 1501 | 100 | Catamarca | Granted |
| | Divina Victoria I | 25-D-2016 | 1265 | 100 | Catamarca | Granted |
| | Daniel Armando | 23-D-2016 | 3325 | 100 | Catamarca | Application |
| | Maria II | 14-D-2016 | 888 | 100 | Catamarca | Granted |
| | Maria III | 15-D-2016 | 1395 | 100 | Catamarca | Granted |
| | Morena 1 | 72-M-2016 | 3024 | 100 | Catamarca | Application |
| | Morena 2 | 73-M-2016 | 3024 | 100 | Catamarca | Application |
| | Morena 3 | 74-M-2016 | 3024 | 100 | Catamarca | Application |
| | Morena 6 | 75-M-2016 | 1606 | 100 | Catamarca | Application |
| | Morena 7 | 76-M-2016 | 2805 | 100 | Catamarca | Application |
| | Morena 8 | 77-M-2016 | 2961 | 100 | Catamarca | Application |
| | Morena 12 | 78-M-2016 | 2704 | 100 | Catamarca | Application |
| | Morena 13 | 79-M-2016 | 3024 | 100 | Catamarca | Application |
| | Pampa I | 129-S-2013 | 2312 | 100 | Catamarca | Granted |
| | Pampa II | 128-F-2005 | 1119 | 100 | Catamarca | Granted |
| | Pampa III | 130-S-2013 | 477 | 100 | Catamarca | Granted |
| | | | | | | |
| | 56 Leases/Applications | | 98023 Ha | 100% LKE | | |

| REF | TENEMENT NAME | NUMBER | AREA Ha | INTEREST % | PROVINCE | STATUS |
|--|------------------------------|-------------|-----------------|-----------------|----------|-------------|
| OLAROZ - CAUCHARI & PASO REAPPLICATION AREA | | | | | | |
| | MASA 1 | 2223-M-2016 | 375 | 100 | Jujuy | Application |
| | MASA 2 | 2224-M-2016 | 363 | 100 | Jujuy | Application |
| | MASA 3 | 2225-M-2016 | 125 | 100 | Jujuy | Application |
| | MASA 4 | 2226-M-2016 | 952 | 100 | Jujuy | Application |
| | MASA 5 | 2227-M-2016 | 1937 | 100 | Jujuy | Application |
| | MASA 6 | 2228-M-2016 | 268 | 100 | Jujuy | Application |
| | MASA 7 | 2229-M-2016 | 2072 | 100 | Jujuy | Application |
| | MASA 8 | 2230-M-2016 | 2950 | 100 | Jujuy | Application |
| | MASA 9 | 2231-M-2016 | 2985 | 100 | Jujuy | Application |
| | MASA 10 | 2232-M-2016 | 2210 | 100 | Jujuy | Application |
| | MASA 11 | 2233-M-2016 | 1913 | 100 | Jujuy | Application |
| | MASA 12 | 2234-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 13 | 2235-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 14 | 2236-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 15 | 2237-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 16 | 2238-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 17 | 2239-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 18 | 2240-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 19 | 2241-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 20 | 2242-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 21 | 2243-M-2016 | 3000 | 100 | Jujuy | Application |
| | MASA 22 | 2244-M-2016 | 2548 | 100 | Jujuy | Application |
| | MASA 23 | 2245-M-2016 | 2406 | 100 | Jujuy | Application |
| | | | | | | |
| | 23 Lease Applications | | 51104 Ha | 100% LKE | | |

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

49 079 471 980

Quarter ended ("current quarter")

31 Dec 2016

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 0 | |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (30) | (30) |
| (b) development | 0 | |
| (c) production | 0 | |
| (d) staff costs | (29) | (29) |
| (e) administration and corporate costs | (39) | (92) |
| 1.3 Dividends received (see note 3) | 0 | |
| 1.4 Interest received | 0 | |
| 1.5 Interest and other costs of finance paid | 0 | |
| 1.6 Income taxes paid | 0 | |
| 1.7 Research and development refunds | 0 | |
| 1.8 Other (provide details if material) | 0 | |
| 1.9 Net cash from / (used in) operating activities | (88) | (141) |

| | | |
|--|------|------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | 0 | |
| (b) tenements (see item 10) | (70) | (70) |
| (c) investments | 0 | |
| (d) other non-current assets | 0 | |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 2.2 Proceeds from the disposal of: | | |
| (a) property, plant and equipment | 0 | |
| (b) tenements (see item 10) | 0 | |
| (c) investments | 0 | |
| (d) other non-current assets | 0 | |
| 2.3 Cash flows from loans to other entities | 0 | |
| 2.4 Dividends received (see note 3) | 0 | |
| 2.5 Other (provide details if material) | 0 | |
| 2.6 Net cash from / (used in) investing activities | (70) | (70) |

| | | |
|---|-------------|-------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | 1550 | 1550 |
| 3.2 Proceeds from issue of convertible notes | 0 | |
| 3.3 Proceeds from exercise of share options | 0 | |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | (32) | (32) |
| 3.5 Proceeds from borrowings | 0 | |
| 3.6 Repayment of borrowings | (250) | (250) |
| 3.7 Transaction costs related to loans and borrowings | 0 | |
| 3.8 Dividends paid | 0 | |
| 3.9 Other (provide details if material) | 0 | |
| 3.10 Net cash from / (used in) financing activities | 1297 | 1297 |

| | | |
|---|-------------|-------------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 21 | 74 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (88) | (141) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (70) | (70) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | 1297 | 1297 |
| 4.5 Effect of movement in exchange rates on cash held | 0 | 0 |
| 4.6 Cash and cash equivalents at end of period | 1160 | 1160 |

Mining exploration entity and oil and gas exploration entity quarterly report

| 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 | 1160 | 21 |
| 5.2 Call deposits | | |
| 5.3 Bank overdrafts | | |
| 5.4 Other (provide details) | | |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1160 | 21 |

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 | 29 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | 0 |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

| |
|--|
| |
|--|

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 | |

| |
|--|
| |
|--|

Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | 0 | 0 |
| 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. | | |

Facility of \$250k in Lith NRG Pty Ltd was repaid after completion of transaction between LKE and Lith NRG Pty Ltd

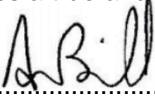
| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | (180) |
| 9.2 Development | 0 |
| 9.3 Production | 0 |
| 9.4 Staff costs | (36) |
| 9.5 Administration and corporate costs | (24) |
| 9.6 Other (provide details if material) | 0 |
| 9.7 Total estimated cash outflows | (240) |

| 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 | Kachi Area Catamarca Pampa I,II, III | Acquired 100% | 0% | 100% |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | | | | |

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:


.....
(Director/Company secretary)Date: 31 January 2017
.....

Print name:

Andrew Bursill
.....**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.