Lake Resources NL: New Report Shows Kachi Potential

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Brisbane, Australia - Lithium explorer and developer Lake Resources NL (ASX:LKE) (FRA:LK1) (OTCMKTS:LLKKF) announced today new research showing the potential value of the Company's Kachi Lithium Brine Project which followed the recent release of the successful Pre-Feasibility Study (PFS) concerning its sustainable and scalable direct extraction process.

The research by a leading Hong Kong-based analyst highlights Kachi's "significant and sustainable competitive advantages" including its ability to produce a 99.9% lithium carbonate battery-grade product with low impurities, based on a sustainable process, as sought by electric vehicle (EV) makers. The research references the production of the samples from the pilot plant modules as being a critical value catalyst for Lake.

The report also highlights the growing global demand for lithium as EV penetration increases, yet challenges to supply are expected to result in growing supply deficits by the mid-2020s, particularly for battery-grade product.

A copy of the research report is available on Lake's website (refer "Research").

Meanwhile, following Lake's recent release of the Kachi PFS (refer ASX announcement 30 April 2020), the Company has intensified discussions with downstream participants and financers.

The Company is also processing lithium brine samples from Kachi at its technology partner, Lilac Solutions' direct extraction pilot plant module in Oakland, California. Lilac has been limited to basic services while "shelter in place" restrictions are in place, but these are currently planned to be lifted next week, which will allow Lilac to resume full operations and allow other service providers to re-open, that are critical to Lilac's operations.

The importance of new projects capable of producing a battery-grade product has been highlighted by recent investments announced by Europe in battery minerals, including France (US$8 billion), Germany (more than US$1 billion) and the European Union (US$88 billion). China, the world's biggest EV market, has also extended state subsidies and tax breaks for "New Energy Vehicles," while South Korea's US$110 billion "New Green Deal" includes substantial investment in renewable energy.

EVs have been prioritised as automakers reopen, according to discussions in the sector. Considerable interest has been shown in the battery materials supply chain, as evidenced by Lake's recent participation in international conferences and industry analysts Benchmark Mineral Intelligence's "EV festival" held this week with thousands of participants from the EV and battery manufacturing sector and upstream materials supply.

Lake's Managing Director, Steve Promnitz said: "Following the successful completion of the PFS, our efforts are now firmly focused on delivering multiple high purity lithium carbonate samples from the 40,000 litres of Kachi brines being processed by Lilac. The results are central to the next round of discussions with downstream EV and battery makers and financiers and we have every confidence they will be game changer for us. EVs and battery minerals will be essential to the world's post-pandemic future as shown by the recent investments by Europe and Asia, yet EV makers are unable to obtain sufficient battery-grade supply."

"The research published is an excellent reference point for our stakeholders and reflects the unlocked value shareholders are holding."

"New projects such as Lake's Kachi project, which can supply a battery-grade product with low impurities, will be essential in supporting the growth of the EV sector, and with a continued pricing disparity between high and low-grade product, we are in an excellent position to advance our flagship project."

To view the announcement, please visit:
https://abnnewswire.net/lnk/6QR3KA0A

About Lake Resources NL:

Lake Resources NL (ASX:LKE) is a lithium exploration and development company focused on developing its three lithium brine projects and hard rock project in Argentina, all owned 100%. The leases are in a prime location among the lithium sector's largest players within the Lithium Triangle, where half of the world's lithium is produced. Lake holds one of the largest lithium tenement packages in Argentina (~200,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provide the potential to provide consistent security of supply demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 69,000 ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project in Catamarca Province. Drilling at Kachi has confirmed a large lithium brine bearing basin over 20km long, 15km wide and 400m to 800m deep. Drilling over Kachi (currently 16 drill holes, 3100m) has produced a maiden indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt and Inferred 3.4Mt) within a 8-17 Mt LCE exploration target (refer ASX announcement 27 November 2018).

A direct extraction technique is being tested in partnership with Lilac Solutions, which has shown 80-90% recoveries and lithium brine concentrations in excess of 3000 mg/L lithium and is planned to be trialled on site in tandem with conventional methods as part of a PFS to follow the resource statement. Scope exists to unlock considerable value through partnerships and corporate deals in the near term.

Source:

Lake Resources NL

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