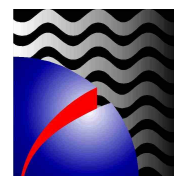


LAKE RESOURCES NL

QUARTERLY REPORT OCTOBER – DECEMBER 2013



SUMMARY

During the quarter ended 31st December 2013, the Company lodged appeals against the cancellation of its Exploration Licences in Balochistan. Subsequent to the end of the quarter, the cancellation orders were set aside and the Exploration Licences were restored subject to usual conditions relating to payment of any outstanding dues and submission of quarterly progress reports.

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 (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, Tethyan submitted an application for a mining lease in accordance with the Balochistan Mineral Rules in February 2011. In November 2011, Tethyan was notified by the Government of Balochistan that the Government had rejected the application. Tethyan 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.

During the quarter ended 30th September 2013, the Directorate General of Mines and Minerals, Government of Balochistan, advised that it had cancelled the Company's three Exploration Licences in Balochistan due to lack of exploration activity. Subsequent to the end of the quarter, the cancellation orders were set aside and the Exploration Licences were restored subject to usual conditions relating to payment of any outstanding dues and submission of quarterly progress reports.

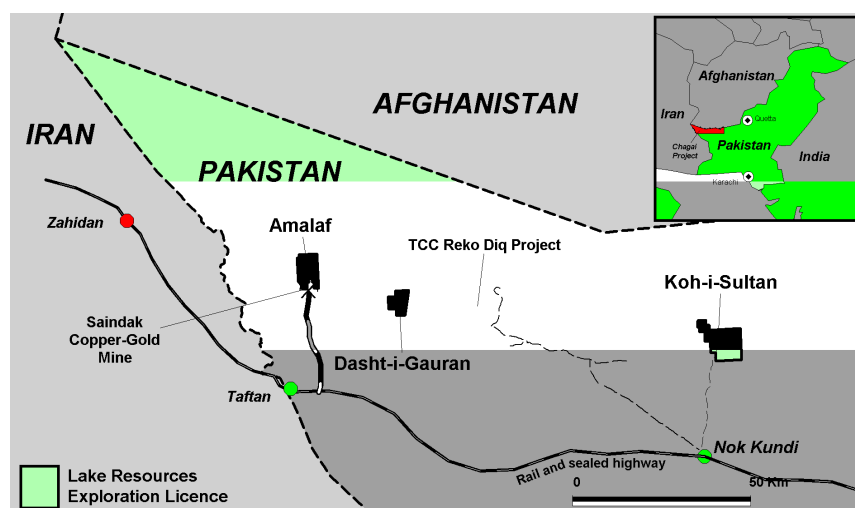


Figure 1: Location and tenement map.

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.

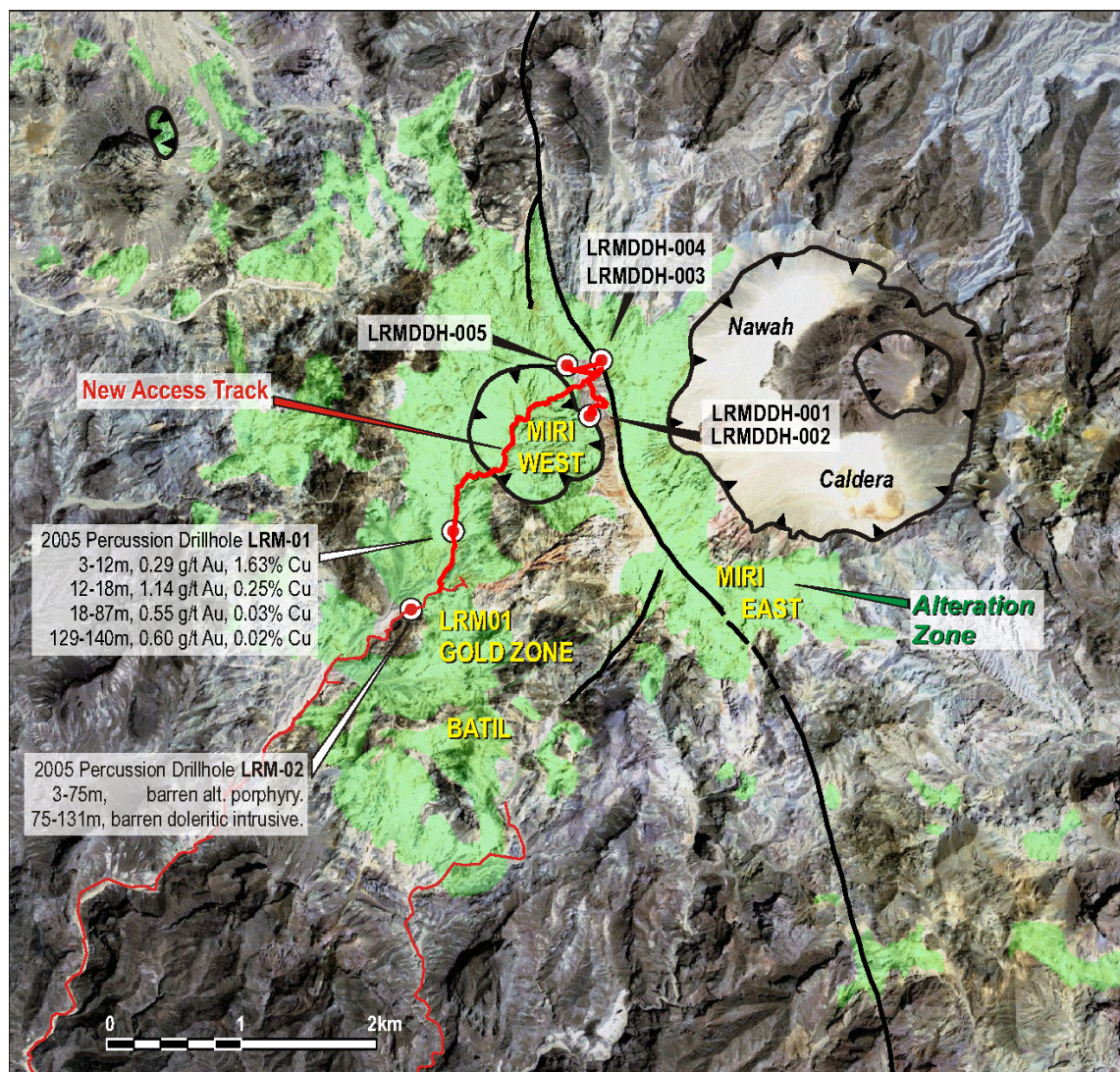


Figure 2: Plan showing Koh-i-Sultan alteration zones (green) and 2005 & 2008 drill sites.

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.

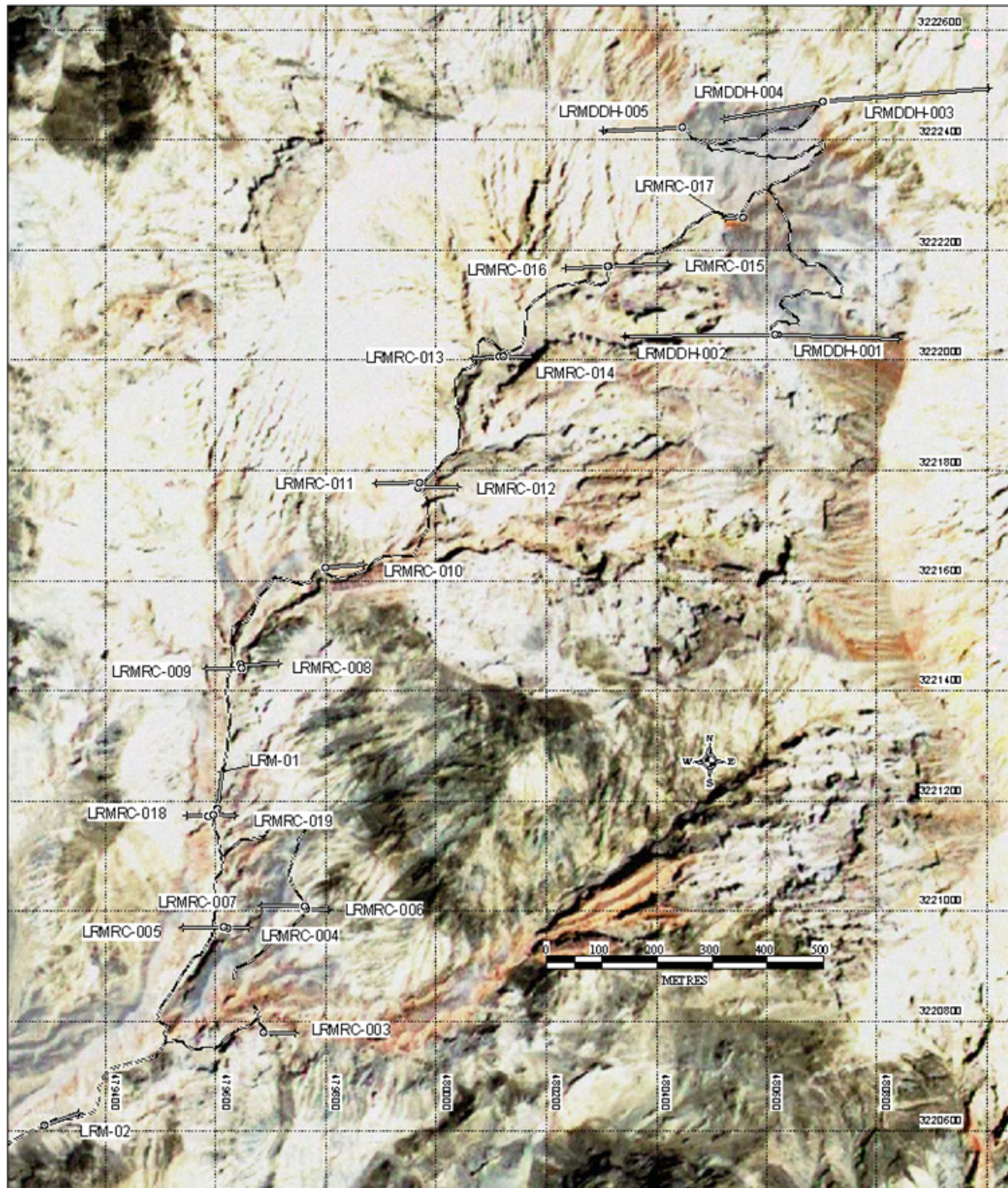


Figure 3: Koh-i-Sultan drillhole collar locations and drill traces – 2005 (LRM-01 – 02), 2008 (LRMDDH-001 – 005) & 2012 (LRMRC-003 – 019).

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

During the quarter ended 31st December 2013, the Company lodged appeals against the cancellation of its Exploration Licences in Balochistan. Subsequent to the end of the quarter, the cancellation orders were set aside and the Exploration Licences were restored subject to usual conditions relating to payment of any outstanding dues and submission of quarterly progress reports.

The future of the company's operations in Pakistan is being reviewed.

Cash Position

At the end of the December 2013 quarter, net cash on hand totaled A\$ 25,000. The Company is planning to make a share placement to major shareholders to fund ongoing corporate expenses.

31st January 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.

CONTACT INFORMATION

Office Address	3 Maud Street, Newstead, Brisbane, Queensland, Australia, 4006
Postal Address	GPO Box 1239, Brisbane, Queensland, Australia, 4001
Telephone	Peter Gilchrist (61) (7) 3257 1111 Jim Clavarino (61) (7) 3252 0255
Fax	(61) (7) 3257 2122
E-mail	lakeresources@lakeresources.com.au
Web site	www.lakeresources.com.au

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