

20 February 2020

PLACEMENT AND SHARE PURCHASE PLAN (SPP) UPDATE

- **Lake issued placement shares last week. Any delayed settlement has been discussed to be considered in allocations under the Shortfall Placement.**
- **The Share Purchase Plan (SPP) is progressing with funds already arriving for subscriptions.**
- **The cash portion of the Convertible Securities facility is currently being paid out from cash and debt facilities available.**

Placement

Lithium explorer and developer **Lake Resources NL (ASX: LKE)** announced on 14 February 2020 that the Company had issued 36,521,850 shares at an issue price of \$0.04 per share to raise approximately A\$1.47 million before costs, in a private placement (Placement) to sophisticated and professional investors. The Company had indicated that it had intended to issue the balance of the Placement shares which would have raised a further amount of approximately \$500,000 this week (which would have brought the total Placement raised to approximately \$1.97 million). These Placement funds may separately be considered in allocations in shortfall shares after the close of the SPP. The company is also in negotiations with other sophisticated and professional investors to fill any shortfall under the SPP which may raise up to \$1.5 million. The Company will be preparing a supplementary prospectus which will address these matters.

Share Purchase Plan

The Share Purchase Plan (SPP) Offer is progressing with funds already arriving for individual subscriptions to Eligible Shareholders for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share up until the SPP Offer closes on 28 February 2020. The issue price of \$0.04 per Share is the same as the private placement, at a 15.8% discount to the 20-trading day VWAP (\$0.047) prior to the date of announcing the capital raising program. Please see the relevant documentation under a Prospectus lodged on 10 February 2020 and available on the Company's website www.lakeresources.com.au

Convertible Securities Closeout

The Cash Portion for the early termination of the Convertible Securities Agreement is currently being paid out from available cash and debt facilities available. Shares as part of the Termination Deed have been issued as set out in the Prospectus.

Corporate Activity in the Area of Lake's Leases

An announcement was made yesterday by Orocobre (ORE) announcing the acquisition of Advantage Lithium which holds leases adjoining Lake Resources leases at Cauchari in Argentina.

Lake looks forward to reporting on progress through to first large samples being produced late next month.

LAKE RESOURCES NL

Level 5, 126 Phillip Street,
Sydney, NSW 2000
+61 2 9299 9690

LAKERESOURCES.COM.AU
ASX:LKE

**AT THE HEART OF THE
LITHIUM TRIANGLE**

For further information please contact:

Steve Promnitz, Managing Director
+61 2 9188 7864
steve@lakeresources.com.au

Follow Lake on Twitter: https://twitter.com/Lake_Resources
Follow on LinkedIn: <https://www.linkedin.com/company/lake-resources/>
Website: <http://www.lakeresources.com.au>

About Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its three lithium brine projects and a 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 40% of the world's lithium is produced at the lowest cost. Lake holds one of the largest lithium tenement packages in Argentina (~200,000Ha) which provides the potential for consistent security of supply, scalable as required.

Lake considers it is in a strong position to benefit from the market opportunity in electric vehicles and the batteries that power the energy revolution due to:

1. **High Purity Lithium Carbonate** samples (99.9%) with very low impurities, recently produced from the pilot plant using a direct extraction process (ion exchange);
2. **Increased Engagement with Off-takers** as larger samples are produced, anticipated from late March 2020 onwards, for off-takers to commence qualification testing to then engage to assist in financing;
3. **Kachi Project PFS**, in the final stages of completion which is anticipated to show projected production costs at the lower end of the cost curve similar to current lithium brine producers. The Kachi project has a resource (announced Nov 2018) considered large enough for long term production and could be potentially scaled to a much larger project is required as leases cover an area 10 times Manhattan.
4. **Sustainable and Scalable Future Lithium Production**, demanded by the larger Electric Vehicle makers and an increasing number of battery/cathode makers, who need to show both the quality and provenance of battery materials for ESG/sustainability and carbon footprint reporting. The direct extraction process reinjects brine once the lithium has been removed using ion exchange beads without affecting the chemistry. This means a much smaller footprint and less water usage because evaporation ponds are not used.
5. **Comparable Project's Valuation** - LKE's market value is below comparative companies with similarly advanced brine projects, as set out in the recent presentation, based on information available.

The Kachi project covers 70,000 ha over a salt lake south of FMC/Livent's lithium operation in Catamarca Province. Drilling confirmed a large lithium brine bearing basin over 20km long, 15km wide and 400m to 800m deep. Drilling over Kachi produced a maiden indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt, Inferred 3.4Mt) (refer ASX announcement 27 November 2018).

A direct extraction technique has been tested in partnership with Lilac Solutions, with a pilot plant being commissioned, which has shown 80-90% recoveries and lithium brine concentrations over 60,000 mg/L lithium. Battery grade lithium carbonate (99.9% purity) has been produced from Kachi brine samples with very low impurities (Fe, B, with <0.001 wt%). Phase 1 Engineering Study results have shown operating costs forecast in the lowest cost quartile (refer ASX announcement 10 December 2018). Test results have been incorporated into a Pre-Feasibility Study (PFS) in the final stages of completion. The Lilac pilot plant in California will produce samples for downstream participants prior to being transported to site to produce larger battery grade lithium samples. Discussions are advanced with downstream entities, mainly battery/cathode makers, as well as financiers, to jointly develop the project.

The Olaroz-Cauchari and Paso brine projects are located adjacent to major world class brine projects either in production or being developed in the highly prospective Jujuy Province. The Olaroz-Cauchari project is located in the same basin as Orocobre's Olaroz lithium production and adjoins the Ganfeng Lithium/Lithium Americas Cauchari project, with high grade lithium (600 mg/L) with high flow rates drilled immediately across the lease boundary.

The Cauchari project has shown lithium brines over 506m interval with high grades averaging 493 mg/L lithium (117-460m) with up to 540 mg/L lithium. These results are similar to lithium brines in adjoining leases scheduled for production in late 2020 and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 28 May, 12 June 2019).

Significant corporate transactions have occurred in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project as Ganfeng announced a US\$397 million investment for 50% of the Cauchari project, together with a resource that had doubled to be the largest on the planet. Ganfeng then announced a 10 year lithium supply agreement with Volkswagen on 5 April 2019. Nearby

projects of Lithium X were acquired via a takeover offer of C\$265 million completed March 2018. The northern half of Galaxy's Sal de Vida resource was purchased for US\$280 million by POSCO in June-Dec 2018. LSC Lithium was acquired in Jan-Mar 2019 for C\$111 million by a mid-tier oil & gas company with a resource size half of Kachi. Orocobre has announced on 19 Feb 2020 the acquisition of all shares in Advantage Lithium, valued at around C\$63 million, which holds leases next to Lake at Cauchari. These transactions imply an acquisition cost of US\$55-110 million per 1 million tonnes of lithium carbonate equivalent (LCE) in resources.

For more information on Lake, please visit <http://www.lakeresources.com.au/home/>