



**LAKE RESOURCES**

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## **LAKE RESOURCES N.L.**

ACN 079 471 980

### **NOTICE OF GENERAL MEETING**

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**Time:** 11.00 am (AEST)

**Date:** Friday 15 June 2018

**Place:** Suite 2, Level 10,  
70 Philip Street  
Sydney, NSW 2000,  
Australia

This Notice of General Meeting should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (02) 9299 9690.

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# LAKE RESOURCES N.L.

ABN 49 079 471 980

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Lake Resources N.L. ("**Lake**" or "**Company**") will be held at the office of Franks & Associates, Suite 2, Level 10, 70 Phillip Street, Sydney, NSW 2000, Australia on Friday 15 June 2018 at 11.00 am (AEST) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders as of Wednesday, 13 June 2018 at 7:00 pm (AEST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 11 Definitions of the Explanatory Memorandum.

# AGENDA

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## 1. Resolution 1 – Ratification of Prior Issue of Securities

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the prior issue of:*

- (a) 9,969,032 ordinary shares under the Company’s Listing Rule 7.1 capacity; and
- (b) 23,364,303 ordinary shares under the Company’s Listing Rule 7.1A capacity

*for the purposes and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) the Placees; and
- (b) any associate of the Placees.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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## 2. Resolution 2 – Ratification of Prior Issue of Options to Advisors

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 the Shareholders ratify the prior issue of 9,500,000 options under the Company’s Listing Rule 7.1 capacity to Patersons Securities Ltd and Hunter Capital Pty Ltd (**Advisors**), for the purposes of and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) the Advisors; and
- (b) any associate of the Advisors.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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### 3. Resolution 3 – Issue of 16,666,667 Options pursuant to Placement

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant 16,666,667 options (**Placement Options**) for the purposes of and on the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”*

#### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) the Placees; and
- (b) any associate of the Placees.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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### 4. Resolution 4 – Issue of 16,650,000 Options to Noteholders

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant 16,650,000 options to Noteholders (**Note Options**), for the purposes of and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

#### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) the Noteholders; and
- (b) any associate of the Noteholders,

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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## 5. Resolution 5 – Approval for issue of Note Options to Non-Executive Chairman, Stuart Crow

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolutions 1 and 4, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to a maximum of 500,000 Note Options to Non-Executive Chairman, Mr Stuart Crow (and/or his nominee(s)), who is a related party of the Company, and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice."*

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by:

- (a) Stuart Crow; and
- (b) Any associate of Stuart Crow.

However, the Company need not disregard a vote if:

- (c) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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## 6. Resolution 6 – Remuneration of Non-Executive Directors

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Clause 90.1 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration that may be paid to Non-Executive Directors be increased from \$60,000 per annum to \$350,000 per annum, to be payable in accordance with the terms and conditions set out in the Explanatory Memorandum accompanying the Notice."*

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by:

- (a) Any Director of the Company; and
- (b) Any associate of that Director.

However, the Company need not disregard a vote if:

- (c) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (d) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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## 7. Resolution 7 – Issue of Shares to Petra Energy SA

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue and allot 19,000,000 ordinary shares to Petra Energy S.A. or its nominee, for the purposes of and on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

### **Voting Exclusion Statement**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by:

- (e) Petra Energy S.A, who will be receiving the shares; and
- (f) Any associate of Petra Energy S.A.

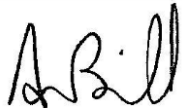
However, the Company need not disregard a vote if:

- (g) It is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (h) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

To transact any other business as may be brought before the Meeting.

Dated: 14 May 2018

By Order of the Board



Andrew Bursill  
Company Secretary

## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at the offices of Franks & Associates, Suite 2, Level 10, 70 Phillip Street, Sydney, New South Wales on Friday, 15 June 2018 at 11am (AEST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1:	Introduction
Section 2:	Action to be taken by Shareholders
Section 3:	Background to applicable ASX Listing Rules and Corporations Act provisions
Section 4:	Resolution 1 – Ratification of Prior Issue of Securities to Sophisticated and Professional Investors
Section 5:	Resolution 2 – Ratification of Prior Issue of Options to Advisors under ASX Listing Rule 7.4
Section 6:	Resolution 3 – Approval of grant of 16,666,667 Options to Sophisticated and Professional Investors
Section 7:	Resolution 4 – Approval of the grant of 16,650,000 Options to Noteholders
Section 8:	Resolution 5 – Approval of grant of Note Options to Mr Stuart Crow
Section 9:	Resolution 6 – Remuneration of Non-Executive Directors
Section 10:	Resolution 7 – Approval of the issue of Shares to Petra Energy S.A.
Section 11:	Definitions
Annexure 1:	Options Terms and Conditions

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## 2. Action to be taken by Shareholders

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided below. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please read this Document carefully and in its entirety before decided how to vote on the Resolutions. If you appoint a proxy, the Company encourages you to provide voting directions to your proxy (using the 'For', 'Against' or 'Abstain' boxes on the Proxy Form).

If you appoint the Chairman of the Meeting as your proxy (or the Chairman becomes your proxy by default) and you do not direct your proxy how to vote on the Resolutions set out in the Notice, then you will be authorising the Chairman of the Meeting to vote as he decides on the Resolutions. The Chairman of the Meeting intends to vote, as your proxy, in favour of each the Resolutions (where permissible).

If you appoint a member of Key Management Personnel as your proxy (other than the Chairman of the Meeting) (or a Closely Related Party of such member of the Key Management Personnel), and you do not direct your proxy how to vote on the Resolutions set out in the Notice, then you will be authorising the Key Management Personnel to vote as he/she decides on the Resolutions. The Key Management Personnel intends to vote, as your proxy, in favour of each the Resolutions (where permissible).

A proxy need not be a Shareholder. If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise.

The Company must receive your duly completed Proxy Form by no later than 11:00 am (AEST) on Wednesday 13 June 2018. Please lodge your duly completed Proxy Form:

- By fax to Link Market Services on facsimile number +61 (02) 9287 0309
- Online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using the holding details shown as on your Proxy Form
- By mail to:  
Lake Resources N.L.  
C/- Link Market Services Limited  
Locked Bag A14, Sydney South, NSW 1235, Australia.
- All enquiries to: +61 1300 554 474

Complete details on how to appoint a proxy are set out on the back of the Proxy Form.

Any Corporate Representative who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or Share Registry in advance of the Meeting or handed in at the Meeting when registering as a Corporate Representative.



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### **3. Background to applicable ASX Listing Rules and Corporations Act provisions**

#### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1, known as the '15% rule', limits the capacity of a company to issue Securities without the approval of its shareholders. In broad terms, that Listing Rule provides that a company may not, in a twelve month period, issue Securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period, unless the issue is first approved by shareholders or otherwise it comes within one of the exceptions to ASX Listing Rule 7.1, as set out in ASX Listing Rule 7.2.

#### **ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables eligible entities to seek approval of its Shareholders to issue equity securities up to 10% of their issued capital through placements over a twelve month period after an annual general meeting. This 10% placement capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity and obtained approval of its Shareholders under Listing Rule 7.1A on 30 November 2017.

#### **ASX Listing Rule 7.4**

ASX Listing Rule 7.4 provides that where holders of ordinary securities approve a previous issue of Securities made without approval under ASX Listing Rule 7.1 and, provided that the previous issue of Securities did not breach ASX Listing Rule 7.1, those Securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

#### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities:

- (a) A related party; or
- (b) A person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) A director of a public company; and
- (b) An entity controlled by a director of a public company.

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## 4. Resolution 1 – Ratification of Prior Issue of Securities issued in accordance with ASX Listing Rule 7.1 and 7.1A

### 4.1 Securities issued by the Company in the previous 12 months

In the previous 12 months the Company has issued securities without Shareholder approval as set out below. These securities were issued within the capacity of the Company to issue not more than 15% of its capital in any 12 month period without Shareholder approval under Listing Rule 7.1, and under the Company's additional 10% placement capacity as approved by Shareholders under Listing Rule 7.1A.

Pursuant to Resolution 1, the Company is seeking the ratification by the Shareholders of the issue of the securities noted below.

### 4.2 Listing Rule 7.4 – Ratification of issue of Securities

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

Listing Rule 7.1A enables eligible entities to seek approval of its Shareholders to issue equity securities up to 10% of their issued capital through placements over a twelve month period after an annual general meeting. This 10% placement capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 and 7.1A can be ratified and treated as having been made with that approval if shareholders subsequently approve it.

In accordance with Listing Rule 7.4, Shareholder approval is sought under Resolution 1 to ratify the issue of the securities set out below.

If Resolution 1 is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital during the next 12 months under listing Rule 7.1 and a further 10% of its capital during the next 12 months under listing Rule 7.1A, without the need to obtain further Shareholder approval.

### 4.3 Background to Placement

On 22 March 2018, the Company announced on the ASX that, following the successful completion of a private Share Placement, an additional 33,333,335 new ordinary shares would be issued to exempt Sophisticated and Professional Investors at \$0.135 per Share (**Placement Shares**), raising \$4.5 million in new capital for the Company. On 27 March 2018, the Company issued the shares under the Placement to Sophisticated and Professional Investors (**Placees**) under the Company's annual placement capacity under ASX Listing Rule 7.1 and additional placement capacity under ASX Listing Rule 7.1A.

Shareholder approval is being sought to ratify the 33,333,335 Placement Shares that were issued on 27 March 2018, of which 9,969,032 shares were issued under ASX Listing Rule 7.1 and 23,364,303 shares were issued under ASX Listing Rule 7.1A

Shareholder approval of the issue of the Placement Shares as set out below is sought pursuant to ASX Listing Rule 7.4 to partially reinstate the Company's capacity to issue up to 15% of its ordinary issued capital under ASX Listing Rule 7.1 and an additional 10% of its ordinary issued capital under ASX Listing Rule 7.1A, if required, over a twelve month period without seeking further Shareholder approval.

#### 4.4 Listing Rule Information

For the purposes of Listing Rule 7.5:

(a) **Shares issued under the Company's Listing Rule 7.1 capacity (including issue price and use or intended use of funds raised)**

- (i) the number of Placement Shares issued was 9,969,032 shares;
- (ii) the Placement Shares were issued at an issue price of \$0.135 per share;
- (iii) the Placement Shares issued rank equally with, and are on the same terms as, the existing Shares on issue;
- (iv) the funds raised will be used to further exploration at the Company's Olaroz, Cauchari and Paso Lithium Brine Projects, and for ongoing drilling and initial scoping studies at the Kachi Lithium Brine Project. In addition, a portion of the funds were used to repay the outstanding notes and for working capital, as announced to the ASX on 22 March 2018;
- (v) The shares were issued to clients of Patersons Securities Ltd and Hunter Capital Advisors Pty Ltd and other exempt investors under section 708 of the Corporations Act

(b) **Shares issued under the Company's Listing Rule 7.1A capacity (including issue price and use or intended use of funds raised)**

- (i) The number of Placement Shares issued was 23,364,303;
- (i) the Placement Shares were issued at an issue price of \$0.135 per share;
- (ii) the Placement Shares issued rank equally with, and are on the same terms as, the existing Shares on issue;
- (iii) the funds raised will be used to further exploration at the Company's Olaroz, Cauchari and Paso Lithium Brine Projects, and for ongoing drilling and initial scoping studies at the Kachi Lithium Brine Project. In addition, a portion of the funds were used to repay the outstanding notes and for working capital, as announced to the ASX on 22 March 2018;
- (iv) The shares were issued to clients of Patersons Securities Ltd and Hunter Capital Advisors Pty Ltd and other exempt investors under section 708 of the Corporations Act

A Voting Exclusion Statement is included in the Notice of Meeting for Resolution 1.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 1**

The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company to ratify the above issue of Securities and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and up to 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve-month period without seeking further Shareholder approval.

The Directors intend to vote all their Shares in favour of this Resolution. The Chairman will vote undirected proxies in favour of this Resolution.

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## 5. Resolution 2 – Ratification of Prior Issue of Options to Advisors under ASX Listing Rule 7.1

Options were issued to advisors of the Company for their role as joint lead managers in relation to the Placement of shares under Resolution 1 (**Advisor Options**). The Advisor Options have an expiry date of 15 December 2018 and an exercise price of \$0.20.

Shareholder approval is being sought to ratify the Advisor Options that were issued to Advisors of the Company, under ASX Listing Rule 7.4 to partially reinstate the Company's capacity to issue up to 15% of its ordinary issued capital under ASX Listing Rule 7.1.

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders in relation to the Advisor Options:

- (a) The number of Advisor Options issued was 9,500,000;
- (b) The Advisor Options were issued for nil consideration;
- (c) The Advisor Options have an expiry date of 15 December 2018 and an exercise price of \$0.20 per option;
- (d) The Advisor Options were issued to the holders listed in the table below:

Optionholder	No. of Options
Patersons Securities Ltd	5,000,000
Hunter Capital Advisors Pty Ltd	4,500,000
<b>Total</b>	<b>9,500,000</b>

- (e) No funds were raised. The issue of Advisor Options represented recognition for assistance in the Company's recent successful capital raising; and

A Voting Exclusion Statement has been included in the notice of Meeting for Resolution 2.

### Directors' Recommendation and Reasons for Recommendation in relation to Resolution 2

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company to ratify the above issue of Options and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval.

The Directors intend to vote all their Shares in favour of this Resolution. The Chairman will vote undirected proxies in favour of this Resolution.

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## 6. Resolution 3 – Approval of grant of 16,666,667 Placement Options to Sophisticated and Professional Investors

Resolution 3 seeks shareholder approval to grant 16,666,667 options with an exercise price of \$0.20 and an expiry date of 15 December 2018 to the participants of the Placement (**Placement Options**). The Placement Options are to be issued under the terms of the Placement (see section 4.3 for further information), on the basis of one option for every two shares issued under the Placement. The Placement Options will form the same class as the Note Options. The Company intends to issue a transaction specific

prospectus (**Prospectus**) to sanction the issue of the options and apply for the Placement Options to be quoted on the ASX.

The Placement Options will be issued on the terms and conditions as set out in Annexure 1 to this Notice of Meeting.

## **6.1 Listing Rule Information**

ASX Listing Rule 7.3 requires the following information to be provided to Shareholders in relation to the Options:

- (a) The number of Placement Options to be issued is 16,666,667;
- (b) The Placement Options are to be issued as soon as practicable, but in any event no later than 3 months after the approval by Shareholders;
- (c) The Placement Options will be issued to the Placees noted under Resolution 1 as being the participants in the Placement.
- (d) The Placement Options will be issued for nil consideration and have an expiry date of 15 December 2018 and an exercise price of \$0.20 per Option; and

A Voting Exclusion Statement is included in the Notice of Meeting at Resolution 3.

### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 3**

The Board recommends Shareholders vote in favour of Resolution 3 as it allows the Company to approve the above issue of Options and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval.

The Directors intend to vote all their Shares in favour of Resolution 3. The Chairman will vote undirected proxies in favour of this Resolution.

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## 7. Resolution 4 – Approval of the grant of 16,650,000 Note Options to Noteholders

On 3 November 2017, the Company announced it had secured commitments to raise \$1.665 million (before costs) by way of the issue of 1,665,000 unsecured notes with a face value of \$1.00 per note (**Note**).

Under the terms of the Unsecured Note Deed Poll, investors who subscribed for and were issued the Notes (**Noteholders**), were given the opportunity to apply for options on the basis of ten options for every Note held, on the basis that such Notes were held up until immediately prior to the maturity date of the Notes (**Note Options**). The Company had an absolute discretion as to the issue of any Note Options in response to the receipt of an application from a Noteholder.

Resolution 4 seeks shareholder approval for the grant of 16,650,000 Note Options to the Noteholders, exercisable at \$0.20 with an expiry date of 15 December 2018. The Note Options will form the same class as the Placement Options. The Company intends to issue a short-form prospectus (**Prospectus**) to apply for the Note Options to be quoted on the ASX.

The Note Options will be issued on the terms and conditions as set out in Annexure 1 to this notice of meeting.

### 7.1 Listing Rule Information

ASX Listing Rule 7.3 requires the following information to be provided to Noteholders in relation to the Options:

- (a) The number of Note Options to be issued is 16,650,000;
- (b) The Note Options are to be issued as soon as practicable, but in any event no later than 3 months after the approval by Shareholders;
- (c) The Note Options will be issued to the Noteholders.
- (d) The Note Options will be issued for nil consideration and have an expiry date of 15 December 2018 and an exercise price of \$0.20 per option; and

A Voting Exclusion Statement is included in the Notice of Meeting at Resolution 4.

### Recommendation and Reasons for Recommendation in relation to Resolution 4

The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company to approve the above issue of Note Options and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval.

The Directors intend to vote all their Shares in favour of this Resolution. The Chairman will vote undirected proxies in favour of this Resolution.

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## **8. Resolution 5 – Approval for participation in the Options Offer by Non-Executive Chairman, Stuart Crow**

Stuart Crow (the Participating Director) subscribed for 50,000 Notes under the Note Offer outlined in section **Error! Reference source not found.** above. As already set out, the Company had an absolute discretion as to the issue of any Options in response to the receipt of an application for Note Options from a Noteholder.

Mr Crow has applied for 500,000 Note Options under the terms and conditions attached to the Notes on the basis of 10 options for every Note held. It is proposed that a total grant of 500,000 Note Options to Mr Crow be approved under Resolution 5. The Note Options will have an expiry date of 15 December 2018 and exercise price of \$0.20.

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company. If shareholder approval is obtained under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act prohibits a public company from giving a Financial Benefit to a Related Party of the public company unless providing the benefit falls within a prescribed exception to the general prohibition. Mr Crow is a related party of the Company for the purposes of Chapter 2E of the Corporations Act as he is a director of the Company. A “Financial Benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the Related Party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form).

Section 210 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is on terms which would be reasonable in the circumstances if the public company and the related party were dealing at arm’s length. Given the options to be issued to Mr Crow are on the same terms as the Noteholders who are not related parties of the Company, the non-participating directors, being Mr Steve Promnitz and Mr Nicholas Lindsay, consider the issue of the Options constitutes provision of a financial benefit on arms’ length terms and falls within the arm’s length exception set out in section 210 of the Corporations Act, and accordingly Chapter 2E of the Corporations Act does not apply.

If Resolutions 1 and 4 is approved by Shareholders:

- (i) The Participating Director (and/or their associate(s)) will be entitled to be issued 500,000 Note Options in the Company, on the basis of ten Note Options for every Note held by the participating Director (being 50,000 Notes);
- (ii) The proposed Note Options to be issued to the Participating Director will not count towards the Company’s 15% limit.

### **8.1 Listing Rule Information**

ASX Listing Rule 10.13 requires the following information to be provided to Shareholders in relation to the Options to be issued to Mr Crow:

- (a) The Note Options are being issued to Stuart Crow or his nominees;
- (b) The number of Note Options to be issued is 500,000;

- (c) The Note Options are to be issued as soon as practicable, but in any event no later than 1 month after the approval by Shareholders;
- (d) The options will be issued for nil consideration have an expiry date of 15 December 2018 and an exercise price of \$0.20 per option; and

A Voting Exclusion Statement is included in the Notice of Meeting at Resolution 5.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 5**

With Stuart Crow abstaining, the Board recommends Shareholders vote in favour of Resolution 5. The Directors (with Stuart Crow abstaining) intend to vote all their Shares in favour of this Resolution. The Chairman will vote undirected proxies in favour of this Resolution.

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## **9. Resolution 6 – Remuneration of Non-Executive Directors**

ASX Listing Rule 10.17 and Clause 90.1 of the Company's Constitution provides that the maximum aggregate amount of the remuneration payable to Non-Executive Directors' is to be determined by Shareholders in a general meeting.

Under the ASX Listing Rules, the term "directors' fees" includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees or securities issued to non-executive directors with approval of Shareholders in accordance with the ASX Listing Rules.

Resolution 6 seeks the approval of Shareholders to set the maximum fees payable to Non-Executive Directors' in each financial year at \$350,000 in aggregate, to be apportioned between them as determined by Board resolution. At the 2006 AGM Shareholders approved the aggregate fixed sum for non-executive director remuneration at \$60,000. The proposed aggregate fixed sum per annum has been determined after considering the number of Non-Executive Directors on the Board and reviewing similar companies listed on the ASX and to ensure that the Company maintains the ability to pay Non-Executive Directors remuneration at levels commensurate with market rates and as necessary to attract and retain directors of the highest calibre.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 6**

As each Non-Executive Director has an interest in this Resolution the Board does not believe it is appropriate to make a recommendation to Shareholders in relation to voting on this Resolution. The Chairman will vote undirected proxies in favour of this Resolution.

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## **10. Resolution 7 – Approval of issue of shares to Petra Energy S.A.**

On 1 March 2017 the Company announced to the ASX that it had issued the first tranche of 1,000 000 shares to Petra Energy S.A. as part of an option agreement, to be fully paid in Lake Resource's shares, over a large block of approximately 72,000 Ha of exploration and some mining leases and applications over potential lithium bearing pegmatites and pegmatite swarms.



Resolution 7 seeks the approval of Shareholders to issue and allot 19,000,000 ordinary shares to Petra Energy S.A. further to the terms of the option agreement, being a right of exploration and in order to maintain the right to purchase mining property.

This resolution was originally passed by the shareholders at the Company's 2017 Annual General Meeting held on 30 November 2017. The approval under that resolution expired 3 months from the meeting, being 28 February 2018 with no shares being issued under that resolution prior to the expiration of the approval. The Company is now seeking approval for these shares to be issued in the 3 months following the date of this meeting.

For the purposes of Shareholder approval for the issue of ordinary shares to Petra Energy S.A. and the requirements of Listing Rule 7.3 the following information is provided to Shareholders;

- (a) the name of the allottee is Petra Energy S.A. or its nominee;
- (b) the maximum number of Ordinary Shares to be issued is 19,000,000;
- (c) the Company intends to issue the Ordinary Shares for nil consideration;
- (d) the Shares will be issued no later than three (3) months after the date of the Meeting and it is intended that allotment will occur on the same date;
- (e) the Shares will rank equally with, and on the same terms as, the Company's then issued Shares;
- (f) no funds will be raised from the issue of the Shares.

#### **Directors' Recommendation and Reasons for Recommendation in relation to Resolution 7**

The Board recommends Shareholders vote in favour of Resolution 7 as it allows the Company to approve the above issue of Options and retain the flexibility to issue further Securities representing up to 15% of the Company's share capital under ASX Listing Rule 7.1 and an additional 10% of the Company's share capital under ASX Listing Rule 7.1A during a twelve month period without seeking further Shareholder approval.

The Directors intend to vote all their Shares in favour of this Resolution. The Chairman will vote undirected proxies in favour of this Resolution.

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## **11. Definitions**

In the Explanatory Memorandum and Notice:

**\$** means the lawful currency of the Commonwealth of Australia.

**AEST** means Australian Eastern Standard Time, being the time in Sydney, New South Wales, Australia.

**Lake** or **Company** means Lake Resources N.L. ACN 079 471 980.

**ASX** means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the board of directors of the Company.

**Closely Related Party**, in relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the members' spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with Lake (or the Lake group), and any company the member controls.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a Director of the Company.

**Document** means each of the Notice, Explanatory Memorandum and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of the Documents.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling activities of Lake (or the Lake group), whether directly or indirectly. Members of the KMP include Directors (both executive and non-executive) and certain senior executives.

**Maturity Date** means 23 March 2018.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Note** means an unsecured note issued to by the Company.

**Note Issue** means the issue of 1,665,000 Notes with a face value of \$1.00 per Note by the Company to Noteholders.

**Noteholder** means noteholder who participated in the Note Issue and applied for Options prior to the Maturity Date.

**Notice** means the notice of general meeting that accompanies and forms part of the Documents.

**Option** means an option to subscribe for a Share.

**Optionholder** means a holder of an Option on issue.

**Proxy Form** means the proxy form that accompanies and forms part of the Documents.

**Resolution** means a proposed resolution contained in the Notice.

**Securities** have the meaning given to that term in ASX Listing Rule 19.12.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Share Registry** means Link Market Services Limited.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

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## Interpretation

In this Document, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms “included”, “including” and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
  - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) reference to “\$”, “A\$”, “Australian Dollars” or “dollars” is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

## Annexure 1 - Placement Option and Note Option Terms and Conditions

The Placement Options and Note Options (**Options**), to be issued will have the following terms and conditions:

- (a) The Options will be exercisable at \$0.20 each (**Exercise Price**).
- (b) Unless earlier exercised, the Options will expire at 5:00pm AEST on 15 December 2018 (**Expiry Date**). Options not exercised before the Expiry Date will expire.
- (c) The Options will entitle the holder to subscribe for one Share in the Company.
- (d) The Options are exercisable at any time prior to the Expiry Date.
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the full payment of the Exercise Price to the registered address of the Company at any time prior to the Expiry Date.
- (f) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the existing Shares of the Company.
- (g) The Company will apply to have the Options admitted to the official list of the ASX and if approved for official quotation, the Options will be listed on ASX.
- (h) The Options will be freely transferrable at any time before the Expiry Date and may be exercised by any other person (including, in the case of the Option holder's death, by his or her legal personal representative).
- (i) The Option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the Options, in which case the holder of the Options will be afforded such period of notice as prescribed under the Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (1) the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules of the ASX with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (k) If there is a pro rata issue (except a bonus issue), then:
  - (1) at the time of the pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:
$$O^n = O - E \frac{[P - (S + D)]}{N + 1}$$
Where:
    - $O^n$  = the new exercise price of the Option;
    - $O$  = the old exercise price of the Option;
    - $E$  = the number of underlying securities into which one Option is exercisable;
    - $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;

- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Otherwise the exercise price of the Option shall remain unchanged.

- (l) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (m) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the exercise price, increase the number of Options or change any period for exercise of the Options.
- (n) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian Securities laws.



LAKE RESOURCES

ACN 079 471 980

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Lake Resources N.L
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Lake Resources N.L and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at 11:00am (AEST) on Friday, 15 June 2018 at Suite 2, Level 10, 70 Phillip Street, Sydney, NSW, 2000 (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 6, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an X

Resolutions

Table with 7 rows of resolutions and 3 columns for For, Against, and Abstain\*.

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's Share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEST) on Wednesday, 13 June 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Lake Resources N.L  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**