



LAKE RESOURCES N.L. (ASX:LKE)

ASX Market Announcements Office

27 July 2018

LAKE SECURES \$1.9M OPTION UNDERWRITING AGREEMENT

- Lake has entered into an agreement to underwrite 19,200,000 LKEO options at A\$0.10 exercise price for \$1.9 million with a group of current shareholders as joint underwriters.
- Successful underwriting of options provides Lake flexibility while drilling is being completed for the maiden resource statement at the large scale Kachi Lithium Brine Project in Argentina, anticipated to be ready in October.
- The Kachi Lithium Brine Project is an exciting maiden discovery of a very large, deep salt lake basin, of similar size to globally significant lithium producers, over 22 x 8 kilometres that hosts a very large lithium brine body from near surface to over 400 metres depth.

Argentine-focused lithium exploration and project development company Lake Resources N.L. (ASX:LKE, "Lake" or "LKE") advises that Lake has entered into an Options Underwriting Agreement ("Agreement") with a group of current shareholders as Joint Underwriters who meet the requirements to perform this service.

Under the Agreement, the Joint Underwriters have agreed to underwrite and exercise any shortfall arising from Lake's 19,200,000 listed LKEO options exercisable at \$0.10, with an expiry date of 27 August 2018 ("Options Exercise"). The amount underwritten is equal the total amount to be raised from the exercise of the listed options of \$1.9 million ("Underwritten Amount") for which the Joint Underwriters will receive a 6% fee.

The Agreement includes standard terms and conditions for an agreement of this type including company representations and warranties, and termination of the underwriting agreement by the underwriters in the event Lake's share price falls below the exercise price of \$0.10 on a 5 day closing VWAP basis, or the S&P/ASX 200 falls by 10% or more from date of agreement being signed.

As part of the Agreement, the Company's Chairman, Mr Stuart Crow, has agreed to participate as a joint underwriter for 3,100,000 LKEO options, entitling him to a 6% fee. Any shares to be issued to Mr Crow under the Agreement will require approval of the Company's shareholders prior to their issue.

Lake's Managing Director, Steve Promnitz, said: "Lake appreciates the support of the joint underwriters, including the Company's Chairman, as it shows confidence in the development plans of the Company, including the upcoming resource at the large Kachi project and the impending commencement of drilling at Cauchari next to a major and recently expanded lithium brine resource."

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Background on Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its 3 lithium brine projects and 1 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 (~180,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provides the potential to provide security of supply demanded by battery makers and electric vehicle manufacturers.

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

The Kachi project covers 50,000 Ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project. Drilling at Kachi has confirmed a large lithium brine bearing basin over 22km long and over 400m deep. Drilling over Kachi is aimed to produce a resource statement in 2018, anticipated in Oct 2018.

Drilling will commence in coming months at Olaroz-Cauchari now that tenure has been confirmed in a landmark agreement in March 2018. This will provide several catalysts for the company's growth. Scope exists to unlock considerable value through partnerships and corporate deals in the near-term.

Significant corporate transactions continue in adjacent leases with development of SQM/Lithium Americas Olaroz/Cauchari project with an equity/debt investment over \$300 million and Advantage Lithium's equity transaction in some of Orocobre's leases. LSC Lithium has also raised over \$60 million on a large lease package in similar areas as Lake's properties. Nearby projects of Lithium X were recently 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 2018

The demand for lithium continues to be strong for lithium ion batteries in electric vehicles, according to recent data from the leading independent battery minerals consultant - Benchmark Mineral Intelligence. Supply continues to be constrained suggesting good opportunities for upstream lithium companies for many years.