

10 February 2020

**\$2 MILLION PLACEMENT COMPLETED
LAUNCHES SHARE PURCHASE PLAN (SPP) TO RAISE UP TO \$1.5 MILLION**

- Lake has commitments for a private placement of \$2 million at \$0.04 per share.
- Lake launches a Share Purchase Plan (SPP) to eligible shareholders to raise up to \$1.5 million at \$0.04 per share, the same price as the placement.
- Funds raised will be primarily used to fast track delivery of larger samples from the Kachi project pilot plant to offtakers and to close out the convertible securities facility.
- Updates will be provided over the coming weeks as the first larger samples are produced, together with advances in the pilot plant.

Placement

Lithium explorer and developer **Lake Resources NL (ASX: LKE)** welcomed the support of investors receiving commitments to raise \$2 million, before costs, through the issue of approximately 50,000,000 shares at an issue price of \$0.04, in a private placement to sophisticated and professional investors (**Placement**) using its existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Share Purchase Plan

A Share Purchase Plan (**SPP**) Offer is now available to all Eligible Shareholders to participate by subscribing for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share to raise up to \$1.5 million (A\$1,500,000) (**SPP Offer**) up until the SPP Offer closes on 28 February 2020. The issue price of \$0.04 per Share is at a 20% discount to the 5-trading day VWAP prior to the date of announcing the capital raising program (\$0.050) and a 15.8% discount to the 20 trading day VWAP (\$0.047).

The SPP Offer is made under a Prospectus which the Company has lodged today. The Prospectus also includes a Shortfall Offer on the same terms as the SPP Offer which provides the Company with the ability to issue any shortfall under the SPP Offer up to the maximum available under the SPP Offer of \$1,500,000. The Shortfall Offer closes on 13 March 2020.

Participation in the SPP is available to shareholders of the Company who are registered as holders of Shares at 7pm (AEDT) on the Record Date of 7 February 2020 and whose registered address is in Australia and New Zealand (**Eligible Shareholders**).

Under the SPP, each Eligible Shareholder may apply for up to \$30,000 worth of new Shares at \$0.04 cents per Share. Applications may be made for parcels of Shares in the amount of \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000. For further details, please refer to the Company's Prospectus lodged today.

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**AT THE HEART OF THE
LITHIUM TRIANGLE**

Funds raised through the Placement and the SPP will be used by Lake to make part of the cash payment required for the early close-out of the Convertible Securities facility (announced by the Company today), produce further high purity samples from the pilot plant for downstream participants (off-takers) to conduct qualification testing using the Lilac direct extraction process, the development, construction, transport and operation of the direct extraction pilot plant, the completion of the Pre-Feasibility Study (PFS), general exploration, the costs of the SPP Offer and the Placement, and to provide additional working capital.

In addition to the SPP and Placement, the Company has also negotiated short term unsecured debt facilities totaling \$600,000, part of which will be applied to the cash payment for the early close out and termination of the Convertible Securities Facility. The shares of Lake Resources will return to trading today as the voluntary suspension has been lifted.

Lake's Managing Director Steve Promnitz commented: "Lake welcomes the support of investors and is pleased to offer existing shareholders the opportunity to increase their investment, as the company enters an exciting phase of project development at Kachi, amid growing investor support for the lithium sector."

"Lake is developing a sustainable solution to lithium production using some very promising technology that produce lithium carbonate with very low impurities. This is a unique opportunity that is gaining traction with battery and EV companies and potential off-takers. This last week, the German and French governments have committed to producing the most sustainable lithium batteries in the market for EVs. The current large Tier 1 battery makers have made similar comments."

Lake Resources Investment Proposition:

Lake considers it is in a strong position to benefit from this market opportunity due to:

- 1. Its High Purity lithium carbonate:** Recently high purity (99.9%) lithium carbonate samples with very low impurities, were produced from the pilot plant using a direct extraction process (ion exchange);
- 2. Increased Engagement with Samples to off-takers:** Larger samples will be produced, anticipated from late March onwards, for off-takers to commence qualification testing to then engage to assist in financing;
- 3. Kachi Project PFS - Lower End of Cost Curve:** The current lithium brine producers at the lower end of the cost curve, which is expected to be demonstrated in a PFS on Lake's Kachi project, which is almost complete by Hatch engineering.
- 4. Sustainable and Scalable:** The larger EV makers (mainly European OEM's) are demanding that the battery/cathode makers provide an audit of both quality and provenance 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. 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.
- 5. Comparable Project's Valuation** - LKE's market value of around A\$25 million is below comparative companies with similarly advanced brine projects, as set out in the recent presentation, based on information available.

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

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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 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 at the lowest cost. 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, scalable as required, which is demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 70,000 ha over a salt lake south of FMC/Livent'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) (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 30-60,000 mg/L lithium. Battery grade lithium carbonate 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) aimed to be released soon. The Lilac process is being trialed with a pilot plant in California which will then be 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 adjacent to 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) and high flow rates, with up to 540 mg/L lithium. These results are similar to lithium brines in adjoining pre-production areas under development and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 28 May, 12 June 2019).

Significant corporate transactions continue in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project with Ganfeng announcing a US\$237 million for 37% of the Cauchari project previously held by SQM, followed by a further US\$160 million to increase Ganfeng's equity position to 50% on 1 April 2019, 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. 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/>