

26 August 2020

\$2.55M PLACEMENT CLOSES OVERSUBSCRIBED FOLLOWING STRONG DEMAND

- **Lake closes partially underwritten, oversubscribed private placement, securing \$2.55 million before costs from sophisticated and professional investors.**
- **Funds to help complete production of larger, high purity lithium carbonate samples for downstream off-takers and testing of the lithium chloride product from Lilac's pilot plant, in addition to initiating a definitive feasibility study for Lake's Kachi Lithium Brine Project.**

Clean lithium developer **Lake Resources NL (ASX:LKE; OTC:LLKKF)** announced today it has successfully closed a private placement oversubscribed, with commitments received to raise \$2.55 million before costs. This will result in the issue of approximately 85.7 million shares at an offer price of \$0.03 per share to sophisticated and professional investors (Placement). Settlement is anticipated to occur this Friday, 28 August 2020.

Viriathus Capital acted as sole Lead Manager and worked with Fresh Equities who assisted with partially underwritten cornerstone support to \$1.25 million.

Funds raised from the Placement will be used to complete production of larger high purity lithium carbonate samples for downstream off-takers and testing from the lithium chloride product from the Lilac Solutions direct lithium extraction pilot plant; to initiate a definitive feasibility study (DFS) for Lake's Kachi Lithium Brine Project; general exploration; Placement costs and working capital.

As previously announced, Lake Resources has appointed Hazen Research Inc (Hazen), a Colorado-based independent assay laboratory, to produce larger samples of battery quality lithium carbonate for supply to potential off-takers and other interested parties.

Lilac Solution's lithium extraction pilot plant module has successfully processed Kachi brine with high recoveries to produce lithium chloride, which is suitable for processing into battery grade lithium carbonate using conventional carbonate processing methods. Hazen is progressing well with the conversion process and an update will be provided soon on its latest progress.

Lake's Managing Director, Steve Promnitz said: *"Lake is very pleased with an efficient and successful placement by Viriathus, which will keep the momentum going once final lithium carbonate samples are completed and help start the DFS process for our flagship Kachi project. There is an increasing demand for battery quality lithium products and the direct lithium extraction method of Lilac will deliver this consistently."*

"Meanwhile, Lake is continuing our discussions with a number of sector investors and supply chain participants on the back of the accelerating EV and battery storage revolution. We look forward to updating the market on the results of these talks as we advance."

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>

LAKE RESOURCES NL

Level 5, 126 Phillip Street
Sydney NSW 2000
+61 2 9188 7864

LAKERESOURCES.COM.AU
ASX:LKE FRA:LK1 OTC:LLKKF

For media queries, contact:

Anthony Fensom, Republic PR, +61 (0) 407 112 623 , anthony@republicpr.com.au

Henry Jordan, Six Degrees Investor Relations: +61 (0) 431 271 538 , henry.jordan@sdir.com.au

About Lake Resources NL (ASX:LKE OTC:LLKKF) - Cleaner high purity lithium using efficient disruptive clean technology

Lake Resources NL (ASX:LKE, OTC: LLKKF) is a clean lithium developer utilising clean, direct extraction technology for the development of sustainable, high purity lithium from its flagship Kachi Project, as well as three other lithium brine projects in Argentina. The projects are in a prime location within the Lithium Triangle, where 40% of the world's lithium is produced at the lowest cost.

This method will enable Lake Resources to be an efficient, responsibly-sourced, environmentally friendly and cost competitive supplier of high-purity lithium, which is readily scalable, and in demand from Tier 1 electric vehicle makers and battery makers.

1. **Clean-Tech:** Efficient, disruptive clean technology to produce sustainable high purity lithium, with a smaller environmental footprint, in demand by Tier1 EV makers and battery makers. This is a cost-competitive technology provided by our partner in California, Lilac Solutions, who have received the backing of the Bill Gates-led Breakthrough energy fund and MIT's The Engine fund.

2. **High Purity:** High Purity Lithium Carbonate samples (99.9%) with very low impurities has been produced from lithium brines from Lake's flagship project (refer ASX announcement 9 January 2020). The growth of higher density batteries to drive the latest electric vehicles has significantly increased demand for a high purity product with low impurities, and the process delivers this consistently for a premium price.

3. **Prime Location, Large Projects:** Lake's projects are located in the Lithium Triangle, in Argentina, the prime location globally for low cost lithium production from large projects. The Kachi project covers 70,000 ha over a salt lake south of Livent's lithium operation with a large indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt, Inferred 3.4Mt) (refer ASX announcement 27 November 2018). A pre-feasibility study (PFS) by a tier 1 engineering firm over Kachi shows a large, long-life low-cost potential operation with competitive production costs at the lower end of the cost curve similar to current lithium brine producers (refer ASX announcement 28 April 2020).

4. **Sustainable ESG Benefit:** The environmental footprint is far smaller than conventional brine evaporation processes or of hard rock mining. By using a benign water treatment process to produce lithium, Lake avoids any mining and returns virtually all water (brine) to its source without changing its chemistry (apart from lithium removal). This avoids the "water politics" in arid environments and is a better outcome for local communities. Tier 1 electric vehicle makers and Tier 1 battery makers have been seeking more sustainable, responsibly sourced materials in their supply chain which has driven demand for our products.

An innovative direct extraction technique, based on a well-used ion exchange water treatment method, has been tested for over 18 months in partnership with Lilac Solutions, with a pilot plant module operating on Kachi brines and has shown 80-90% recoveries. Battery quality lithium carbonate (99.9% purity) has been produced from Kachi brine samples with very low impurities (Fe, B, with <0.001 wt%) (refer ASX announcement 9 January 2020). Test results were incorporated into a Pre-Feasibility Study (PFS). The Lilac pilot plant module in California is producing samples for downstream participants. A pilot plant on site is planned to produce larger battery quality lithium samples. Discussions are advanced with downstream entities, as well as financiers, to develop the project.

On 3 July 2020, Lake Resources announced that the first samples of lithium chloride had been successfully produced from Lilac Solution's direct extraction pilot plant module, supporting the scale-up from previously successful lab-scale work. In the coming weeks, lithium carbonate samples will be available for downstream supply chain participants and off-takers. The sector continues to see positive news around demand and issues have been highlighted with a pending shortfall of supply of clean battery quality lithium.

Lake's other projects include the Olaroz and Cauchari brine projects, located adjacent to major world class brine projects in production or construction, including Orocobre's Olaroz lithium production and adjoins the impending production of Ganfeng Lithium/Lithium Americas' Cauchari project. Lake's 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 and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 28 May, 12 June 2019).

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