

30 September 2020

## EXTENSION OF LODGMENT AND UNAUDITED FINANCIAL ACCOUNTS

Clean lithium developer **Lake Resources NL (ASX:LKE; OTC:LLKKF)** wishes to advise that the Company will rely on ASIC's guidance published on 13 May 2020 (*Instrument 2020/451*) to extend the lodgment date for its audited annual accounts for the year ended 30 June 2020 to a date prior to the end of October 2020.

Given the restrictions due to COVID-19, including where the company's operations are based, the Company has taken extra time to arrange audit review and other work arrangements.

The Company's preliminary unaudited accounts for the financial year to end June 2020 are attached with this announcement.

The Company will immediately announce to the market if it becomes aware that there is a material difference between its unaudited accounts and audited accounts.

On behalf of the Board

[Signature]

Steve Promnitz, Managing Director

### **For further information please contact:**

**Steve Promnitz, Managing Director**  
**+61 2 9188 7864**  
[steve@lakeresources.com.au](mailto:steve@lakeresources.com.au)

**Follow Lake on Twitter:** [https://twitter.com/Lake\\_Resources](https://twitter.com/Lake_Resources)  
**Follow on LinkedIn:** <https://www.linkedin.com/company/lake-resources/>  
**Website:** <http://www.lakeresources.com.au>

### **For media queries, contact:**

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

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

#### **LAKE RESOURCES NL**

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

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

**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/>



**CLEANER LITHIUM  
FOR AN ELECTRIC WORLD**

## **Lake Resources NL**

**ABN 49 079 471 980**

**Preliminary Unaudited Financial Statements  
for the year ended 30 June 2020**

<b>Directors</b>	Stuart Crow - Non-executive Chairman Steve Promnitz - Managing Director Dr. Nicholas Lindsay - Non-executive Director Dr. Robert Trzebski – Non-executive Director (Appointed 10 Dec 2019)
<b>Company Secretary- Joint</b>	Sinead Teague (Appointed 2 July 2019); Garry Gill (Appointed 31 Oct 2019)
<b>Registered office and Principal Place of Business</b>	Level 5, 126 Phillip Street, Sydney, NSW 2000, Australia Tel: +61 2 9299 9690
<b>Share Register</b>	Automic Registry (Commenced 23 Sept 2019) Level 5, 126 Phillip Street Sydney, NSW 2000 Tel: 1300 288 664
<b>Auditor</b>	Stanley & Williamson Level 1, 34 Burton Street, Kirribilli, NSW 2061
<b>Solicitors</b>	HopgoodGanim Lawyers Level 8, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000
<b>Bankers</b>	National Australia Bank
<b>Stock Exchange Listings</b>	Australian Securities Exchange (ASX code: LKE) OTC QB: LLKKF
<b>Website</b>	<a href="http://www.lakeresources.com.au">www.lakeresources.com.au</a>

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## **Review of Operations**

### **Corporate Strategy**

Lake Resources NL ("Lake", the "Company") is a clean lithium developer utilising 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 to be an efficient, responsibly sourced, environmentally friendly and cost competitive supplier of high-purity lithium, a product in demand from Tier 1 electric vehicle makers and battery makers

### **Operations**

#### **Overview of Operations for the Year**

During the year ended 30 June 2020, Lake released a compelling pre-feasibility study (PFS) over the Kachi Project, produced together with a tier 1 engineering firm, which shows a large, long-life potential operation with cost-competitive production at the lower end of the cost curve similar to current lithium brine producers (refer ASX announcement 28 April 2020). The 25-year modelled production at 25,500 tonnes per annum Lithium Carbonate Equivalent (LCE) utilises about 20% of the large JORC Mineral Resource (Indicated and Inferred) of 4.4 million tonnes LCE (refer ASX announcement 27 November 2018).

An efficient, disruptive clean technology, based on a well-used ion exchange water treatment method, to produce sustainable high purity lithium, with a smaller environmental footprint, has been developed by our technology partner, Lilac Solutions Inc, in California, who have received the backing of the Bill Gates-led Breakthrough energy fund and MIT's The Engine fund. Battery quality lithium carbonate (99.9% purity) has been produced from Kachi brine samples with very low impurities and high (80-90%) lithium recoveries (refer ASX announcement 9 January 2020). Test results were incorporated into the PFS.

The Lilac Solution's direct extraction pilot plant module in California has produced the first samples of lithium chloride successfully (refer ASX announcement 3 July 2020), supporting the scale-up from previously successful lab-scale work. Hazen Research Inc, an independent assay laboratory, is well advanced in producing initial larger samples of battery quality lithium carbonate from the pilot plant lithium chloride samples which will be available for downstream supply chain participants and off-takers. The first larger samples will be despatched to Novonix Battery Technology Solutions, an independent testing and development laboratory used by recognised battery makers, to produce NMC622-based lithium-ion battery test cells using Lake's battery quality lithium carbonate. A pilot plant on site is planned to produce larger lithium samples. Discussions are advanced with downstream entities, as well as financiers, to develop the project.

The Cauchari Lithium Brine Project was successfully drilled early in the fiscal year, which demonstrated that the high-grade lithium brines in the adjoining world class project extended into Lake's 100% owned leases. Drilling at the Olaroz project is planned when drilling is permitted. The Catamarca Pegmatite project will be progressed after the other projects.

Corporate acquisitions support the underlying valuation of Lake's projects. The Cauchari project of Advantage Lithium/ Orocobre was acquired 100% by Orocobre in March 2020 at a project value of A\$119 million adjoining Lake's leases.

### **Corporate and Financial**

A major advance was made during the financial year towards the Company becoming a clean lithium producer from its flagship Kachi Lithium Brine Project in Catamarca Province by the completion of a high margin, long life pre-feasibility study (PFS). The Kachi JORC resource of 4.4 million tonnes lithium carbonate (LCE) within consolidated mining leases of 70,000 hectares covers almost an entire salt lake. The PFS utilised the results of testwork on Lilac Solution's direct extraction technology for the development of sustainable, high purity lithium. Battery quality lithium carbonate (99.9% purity) has been produced from Kachi brines. Lilac Solution's pilot plant module produced samples of lithium

chloride similar to previously successful lab-scale work. These samples are being converted into larger samples of battery quality lithium carbonate for testing by downstream off-takers. The first larger battery quality lithium carbonate samples will be used to produce NMC622-based lithium-ion battery test cells by Novonix Battery Technology Solutions, an independent testing and development laboratory used by recognised battery makers.

Lake continues to be one of the largest lease holders (~200,000 hectares) of lithium brine and hard rock projects in Argentina of any listed entity within the heart of South America's Lithium Triangle which produces ~40% of the world's lithium at the lowest cost. Despite short term lower prices, there has been a significant expansion in battery megafactories which prefer battery quality lithium products, especially if the battery materials are more sustainable and responsibly sourced, as Lake's products will be. A growing supply deficit around 2023 requires new investment for consistent scalable supply of low impurity lithium products.

The Cauchari Lithium Brine Project in Jujuy Province was drilled for the first time at the start of the fiscal year and has demonstrated extensions of lithium brine bearing aquifers with similar high grades into Lake's properties from the adjoining major resource progressing rapidly into production in 2021 at the Ganfeng/Lithium Americas project.

The Company had 671,461,957 shares on issue at 30 June 2020, with 52,512,693 listed LKEOB options at \$0.10 (expiry 15 June 2021) and unlisted options which include 18,300,000 options with an exercise price of \$0.046 (expiry October 2022), 5,555,000 options with an exercise price of \$0.08 (expiry Feb 2022), 15,000,000 options with an exercise price of \$0.09 (expiry July 2021) and 9,500,000 unlisted options with an exercise price of \$0.28 (expiry 31 December 2020), plus 15,000,000 LTI performance rights to board/management with various hurdles were approved by shareholders in August 2019.

Equity capital raisings and an SPP were conducted during the financial year to sustain the development of the Kachi Project. In September 2019, A\$2 million, before costs, was raised in a private placement to sophisticated and professional investors. Under the placement, the Company issued approximately 45,000,000 new ordinary LKE shares at \$0.045 cents per share using placement capacity under ASX Listing Rules 7.1A. An equity private placement was conducted in February 2020 under a prospectus which was lodged 10 February 2020 with a supplementary and 2nd supplementary prospectus on 28 February and 10 March 2020 respectively. Shares were issued at an offer price of \$0.04 per share, for approximately 91 million new ordinary shares, to sophisticated and professional investors for approximately \$3.4 million. A Share Purchase Plan Offer (SPP) was made to eligible shareholders under the prospectuses. Eligible Shareholders could subscribe for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share. The SPP was significantly oversubscribed which led the Company to upsize the offer to a maximum of \$2.5 million. The COVID-19 pandemic adversely impacted the markets during March which led to significant withdrawals. \$1.55 million was raised from the SPP and 38,975,000 shares were issued. Lake announced in February 2019 that it had secured a two-tranche funding facility to provide bridging capital for project development and exploration activities. The Company entered into a formal agreement with SBI Investments (PR), LLC, for the early close out of the Convertible Securities funding facility, through a combination of both a cash payment and the issue of shares to SBI (which included an equity based fee in consideration for the facility's early termination). The Company made a cash payment of A\$1,959,615 and issued SBI with 11,558,021 ordinary shares in February 2020.

Lake has held discussions with potential development partners and off-takers, and discussions are underway to secure debt funding of US\$10 to US\$15 million for pre-production, definitive feasibility studies (DFS) and initial production of lithium products to develop the Kachi Project (refer ASX announcement 9 October 2019).

Lake Resources gained a secondary compliance listing on the OTC QB market with the ticker code LLKKF in December 2019. Compliance requirements are essentially the same as the requirements on the ASX and disclosure are automatically uploaded onto the OTC platform. The Company is working to establish a DTC to allow real time electronic trading.

## **Argentina**

### **Kachi Lithium Brine Project - Catamarca Province, Argentina**

Lake's 100%-owned Kachi Lithium Brine Project in Catamarca province, NW Argentina, covers 37 mining leases (70,400 hectares), centred around a previously undrilled salt lake within a large lithium brine-bearing basin, located at ~3000m altitude, south of Livent's lithium operation in Argentina with a large indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt, Inferred 3.4Mt) (refer ASX announcement 27 November 2018). Kachi is one of the few salt lakes in Argentina with substantial identified lithium brines fully controlled by a single owner.

A robust and compelling pre-feasibility study (PFS) by a tier 1 engineering firm was delivered over the Kachi Project (refer ASX announcement 28 April 2020). A long-life (25 years), low cost potential operation was demonstrated with annual production target of 25,500 tpa of battery quality lithium carbonate by direct extraction using Lilac's technology, based on the Indicated Resource of 1.0 million tonnes LCE at 290 mg/L lithium (22% of current total resource). The PFS showed the technology is cost competitive with other lithium brine projects but also showed the advantage of producing a premium product generating high operating (EBITDA) margins using conservative price forecasts.

A post-tax NPV8 of US\$748 million (A\$1,180m) and IRR of 22% was generated in the PFS. A high margin operation was shown with an EBITDA of US\$155 million (A\$245m) in first full year of production, and an operating margin of 62%, using forecast of US\$11,000/t Li<sub>2</sub>CO<sub>3</sub> CIF Asia. A competitive capital cost (capex) estimate of US\$544 million was estimated, including contingency, and operating cost (opex) of US\$4178/tonne Li<sub>2</sub>CO<sub>3</sub>.

The PFS only consumes 20% of the total JORC mineral resource over 25 years of operation. Substantial upside exists to extend the resource at depth and laterally with further drilling (refer ASX announcement with resource statement 27 November 2018).

Lake aims to bring the project towards production by using the efficient, disruptive and low cost direct extraction technology from our technology partner, Lilac Solutions, in California. This will enable Lake Resources to be an efficient, responsibly-sourced, environmentally friendly and cost competitive supplier of high-purity lithium carbonate. High purity sustainable lithium is in demand by Tier 1 electric vehicle makers and battery makers. Lilac Solutions technology gained the investment support of major investors in February 2020. The environmental footprint of Lilac's DLE is far smaller than conventional brine evaporation processes or hard rock mining. By using an adaptation of a known, 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 is a better outcome for local communities and for the environment.

High purity battery quality lithium carbonate (99.9% purity) with very low impurities has been produced from lithium brines from Lake's Kachi 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 Lilac DLE process delivers this consistently which will command a premium price. The Lilac Solution's direct extraction pilot plant module in California has produced the first samples of lithium chloride successfully (refer ASX announcement 3 July 2020), supporting the scale-up from previously successful lab-scale work. Hazen Research Inc, an independent assay laboratory, is well advanced in producing initial larger samples of battery quality lithium carbonate from the pilot plant lithium chloride samples which will be available for downstream supply chain participants and off-takers. The first larger samples will be despatched to Novonix Battery Technology Solutions, an independent testing and development laboratory used by recognised battery makers, to produce NMC622-based lithium-ion battery test cells using Lake's battery quality lithium carbonate. A pilot plant on site is planned to produce larger lithium samples.

Lake has held discussions with potential development partners and off-takers, and discussions are underway to secure debt funding of US\$10 to US\$15 million for pre-production, definitive feasibility studies (DFS) and initial production of lithium products to develop the Kachi Project (refer ASX announcement 9 October 2019).



The table below (Table 1) outline the resource reported on 27 November 2018 in accordance with the JORC Code (2012) and estimated by a Competent Person as defined by the JORC Code. The resource estimate has not changed materially from November 2018 to 30 June 2020.

**Table 1: Kachi Mineral Resource Estimate - November 2018 (JORC Code 2012 Edition)**

RESOURCE ESTIMATE KACHI						
	Indicated		Inferred		Total Resource	
Area km <sup>2</sup>	17.10		158.30		175.40	
Aquifer volume km <sup>3</sup>	6		41		47	
Brine volume km <sup>3</sup>	0.65		3.2		3.8	
Mean drainable porosity % (Specific yield)	10.9		7.5		7.9	
Element	Li	K	Li	K	Li	K
Weighted mean concentration mg/L	289	5,880	209	4,180	211	4380
Resource tonnes	188,000	3,500,000	638,000	12,500,000	826,000	16,000,000
<b>Lithium Carbonate Equivalent tonnes</b>	<b>1,005,000</b>		<b>3,394,000</b>		<b>4,400,000</b>	
<b>Potassium Chloride tonnes</b>	<b>6,705,000</b>		<b>24,000,000</b>		<b>30,700,000</b>	

Lithium is converted to lithium carbonate (Li<sub>2</sub>CO<sub>3</sub>) with a conversion factor of 5.32  
Potassium is converted to potassium chloride (KCl) with a conversion factor of 1.91  
Mg/Li ratio averages 4.7

*Competent Person's Statement – Kachi Lithium Brine Project*

*The information contained in this report relating to Exploration Results has been compiled by Mr Andrew Fulton. Mr Fulton is a Hydrogeologist and a Member of the Australian Institute of Geoscientists and the Association of Hydrogeologists. Mr Fulton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.*

*Andrew Fulton is an employee of Groundwater Exploration Services Pty Ltd and an independent consultant to Lake Resources NL. Mr Fulton consents to the inclusion in this announcement of this information in the form and context in which it appears. The information is repeated in an ASX announcement of 20 November 2018 by Lake Resources and is an accurate representation of the available data from initial exploration at the Kachi project*

**Olaroz/Cauchari & Paso Lithium Brine Projects - Jujuy Province, Argentina**

Lake holds mining leases over ~45,000 hectares in two areas in Jujuy Province in NW Argentina - Lake's Olaroz and Cauchari Lithium Brine Projects and the Paso Lithium Brine Project, 100% owned by Lake. First drilling occurred in early 2019 at Lake's 100% owned Cauchari Lithium Brine Project.

Confirmation of multiple high-grade lithium brines over 506m interval (102m to 608m depth) was

demonstrated in results returned in late August 2019. Results ranged from 421 to 540 mg/L lithium (493 mg/L average) in detailed sampling with low Mg/Li ratios of 2.7. The high-grade results averaged 493 mg/L lithium over 343m (from 117m to 460m), up to 540 mg/L, with a Li/Mg ratio of 2.9

This drilling confirmed similar grades and lithium brines extending into Lake's properties from the adjoining world-class major project (500m away) of Ganfeng Lithium/Lithium Americas (NYSE:LAC) where the average resource grade is 581 mg/L lithium and is rapidly progressing to production in 2021 at 40,000tpa LCE. This enhances the potential for future production on Lake's leases.

At Olaroz, which is north of Cauchari, Lake's leases extend 30 km north-south of the adjoining Orocobre's Olaroz lithium production leases to the east. Drilling is anticipated when all planned holes are approved.

Significant corporate transactions continue in the adjacent Cauchari leases. In February/April 2020, Orocobre acquired the 65.3% of Advantage Lithium that it did not already own in an all-share deal which valued Advantage Lithium at ~A\$119m on a 100% basis, at that time. Advantage Lithium owned 75% of the Cauchari lithium project, with Orocobre owning the remaining 25%. In April 2019, Advantage Lithium announced a resource of 6.3m tonnes LCE (on a 100% basis). In October 2019, the company published a PFS with a post-tax NPV8 of US\$671m, initial capex of US\$446m (including a 20% contingency), and an IRR of 20.9%. On these figures, and based on US\$:C\$1.33, Orocobre paid ~16% of post-tax NPV8.

### ***Impact of COVID-19 on Operations***

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, the Argentine Government, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

### **Significant changes in the state of affairs**

Equity capital raisings and an SPP were conducted during the financial year to sustain the development of the Kachi Project. In August 2019, 51,512,693 unlisted options became listed LKEOB options at \$0.10 (expiry 15 June 2021). In September 2019, A\$2 million, before costs, was raised in a private placement to sophisticated and professional investors. Under the placement, the Company issued approximately 45,000,000 new ordinary LKE shares at \$0.045 cents per share using placement capacity under ASX Listing Rules 7.1A. An equity private placement was conducted in February 2020 under a prospectus which was lodged 10 February 2020 with a supplementary and 2nd supplementary prospectus lodged on 28 February and 10 March 2020 respectively. Shares were issued at an offer price of \$0.04 per share, for approximately 91 million new ordinary shares, to sophisticated and professional investors for approximately \$3.4 million. A Share Purchase Plan Offer (SPP) was made to eligible shareholders under the prospectuses. Eligible Shareholders could subscribe for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share. The SPP was significantly oversubscribed which led the company to upsize the offer to a maximum of \$2.5 million. The COVID-19 pandemic adversely impacted the markets during March which led to significant withdrawals. \$1.55 million was raised from the SPP and 38,975,000 shares were issued. Lake announced in February 2019 that it had secured a two-tranche funding facility to provide bridging capital for project development and exploration activities. The Company entered into a formal agreement with SBI Investments (PR), LLC, for the early close out of the Convertible Securities funding facility, through a combination of both a cash payment and the issue of shares to SBI (which included an equity based fee in consideration for the facility's early termination). The Company made a cash payment of A\$1,959,615 and issued SBI with 11,558,021 ordinary shares in February 2020.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

### **Matters subsequent to the end of the financial year**

On 28 August 2020, 85.7 million shares were issued at \$0.03 per ordinary share by way of private placement to sophisticated and professional investors to raise \$2.55 million before costs. On 28 August 2020, 15 million shares were issued at \$0.033 per ordinary share in accordance with a Controlled Placement Agreement. On 25 September 2020, 15 million shares were issued at \$0.06 per ordinary share in accordance with a Controlled Placement Agreement. A \$200,000 loan was retired with interest so that no loans are outstanding.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### **Likely developments and expected results of operations**

The focus for the company is to be a clean lithium developer utilising direct extraction technology for the development of sustainable, high purity lithium from its flagship Kachi Project. Near-term pre-production of battery quality lithium carbonate from the pilot plant modules operating on Kachi brines will be distributed to downstream supply chain participants and off-takers. The first larger samples will be dispatched to Novonix Battery Technology Solutions to produce NMC622-based lithium-ion battery test cells using Lake's battery quality lithium carbonate. A definitive feasibility study (DFS) will be initiated on the Kachi project with the plan for a pilot plant operating on site, and to advance discussions to finance the Kachi project.

#### **Environmental regulation**

The consolidated entity is subject to and compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.

# PRELIMINARY UNAUDITED FINANCIAL STATEMENTS

for the year ended 30 June 2020



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## General information

The preliminary unaudited financial statements cover Lake Resources NL as a consolidated entity consisting of Lake Resources NL and the entities it controlled at the end of, or during, the year. The preliminary unaudited financial statements are presented in Australian dollars, which is Lake Resources NL's functional and presentation currency.

Lake Resources NL is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126 Phillip Street  
SYDNEY NSW 2000

## Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website: [www.lakeresources.com.au](http://www.lakeresources.com.au)

## LAKE RESOURCES NL

### Statement of Profit and Loss and Other Comprehensive Income (Unaudited)

for the year ended 30 June 2020

		Consolidated Unaudited	
		2020 \$	2019 \$
<b>Expenses</b>			
Depreciation and amortisation expense		(881)	(667)
Administrative expenses		(125,081)	(82,001)
Corporate expenses	4	(1,348,818)	(1,178,593)
Employee benefit expenses		(519,818)	(473,455)
Share based payments expense		(1,373,244)	(239,049)
Consultancy and legal costs	4	(548,002)	(810,200)
Finance costs	4	(465,783)	(391,046)
Loss before income tax expense		<b>(4,381,627)</b>	<b>(3,175,009)</b>
Income tax expense	5	(44,021)	(355,924)
Loss after income tax expense for the year attributable to the owners of Lake Resources NL	16	<b>(4,425,648)</b>	<b>(3,530,933)</b>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Lake Resources NL		<b>(4,425,648)</b>	<b>(3,530,933)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	2	(0.81)	(0.97)
Diluted earnings per share	2	(0.81)	(0.97)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**LAKE RESOURCES NL**  
**Statement of Financial Position (Unaudited)**  
**As at 30 June 2020**

		<b>Consolidated Unaudited</b>	
		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	55,511	1,725,366
Trade and other receivables	7	279,841	151,679
Other current assets	8	25,000	54,686
<b>Total current assets</b>		<b>360,352</b>	<b>1,931,731</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	9	35	35
Property, plant and equipment		532	1,198
Exploration and evaluation	10	16,738,533	13,312,658
<b>Total non-current assets</b>		<b>16,739,100</b>	<b>13,313,891</b>
<b>Total assets</b>		<b>17,099,452</b>	<b>15,245,622</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	583,027	1,320,203
Employee benefits	13	81,108	55,492
Borrowings	12	-	1,428,077
<b>Total current liabilities</b>		<b>664,135</b>	<b>2,803,773</b>
<b>Total liabilities</b>		<b>664,135</b>	<b>2,803,773</b>
<b>Net assets</b>		<b>16,435,317</b>	<b>12,441,850</b>
<b>Equity</b>			
Issued capital	14	35,433,060	27,758,605
Reserves	15	2,252,680	1,508,020
Accumulated losses	16	(21,250,423)	(16,824,775)
<b>Total equity</b>		<b>16,435,317</b>	<b>12,441,850</b>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**LAKE RESOURCES NL**  
**Statement of Changes in Equity (Unaudited)**  
**for the year ended 30 June 2020**

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2019</b>	<b>27,758,605</b>	<b>1,508,020</b>	<b>(16,824,775)</b>	<b>12,441,849</b>
Loss after income tax expense for the year	-	-	(4,425,648)	(4,425,648)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(4,425,647)	(4,425,648)
<i>Transactions with owners in their capacity as owners</i>				
Contributions of equity, net of transaction costs (note 14)	7,674,455	-	-	7,674,455
Share-based payments	-	744,660	-	744,660
<b>Balance at 30 June 2020</b>	<b>35,433,060</b>	<b>2,252,680</b>	<b>(21,250,423)</b>	<b>16,435,317</b>
<b>Balance at 1 July 2018</b>	<b>18,342,102</b>	<b>1,757,605</b>	<b>(13,594,567)</b>	<b>6,505,140</b>
Loss after income tax expense for the year	-	-	(3,530,935)	(3,530,935)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,530,935)	(3,530,935)
<i>Transactions with owners in their capacity as owners</i>				
Contributions of equity, net of transaction costs (note 13)	7,512,003	-	-	7,512,003
Share-based payments	1,767,000	188,641	-	1,955,641
Conversion of performance shares to issued capital	137,500	(137,500)	-	-
Transfer from option reserve to accumulated losses on options expired/ exercised (note 14)	-	(300,726)	300,726	-
<b>Balance at 30 June 2019</b>	<b>27,758,605</b>	<b>1,508,020</b>	<b>(16,824,776)</b>	<b>12,441,849</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**LAKE RESOURCES NL**  
**Statement of cash flows (Unaudited)**  
for the year ended 30 June 2020

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers	(2,601,290)	(3,182,586)
<b>Net cash used in operating activities</b>	<b>21 (2,601,290)</b>	<b>(3,182,586)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(4,220,576)	(5,127,571)
<b>Net cash used in investing activities</b>	<b>(4,220,576)</b>	<b>(5,127,571)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares, net of transaction costs	6,393,475	6,436,389
Proceeds from borrowings	3,150,000	2,347,211
Repayment of borrowings	(4,134,265)	(439,750)
Payment of interest and fees on borrowings	(257,199)	(52,794)
<b>Net cash from financing activities</b>	<b>5,152,011</b>	<b>8,291,056</b>
Net increase/(decrease) in cash and cash equivalents	(1,669,855)	(19,101)
Cash and cash equivalents at the beginning of the financial year	1,725,366	1,744,467
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6 55,511</b>	<b>1,725,366</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes*



## LAKE RESOURCES NL

### Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

#### **Basis of preparation**

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2

#### **Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Lake Resources NL) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the consolidated entity from the date on which control is obtained by the consolidated entity. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between consolidated entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the consolidated entity.

#### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

#### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Lake Resources NL's functional

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and presentation currency.

### *Transaction and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive.

### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## **Financial Instruments**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

### *Financial assets at amortised cost*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

### *Financial assets at fair value through profit and loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### *Financial assets at fair value through comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss

### *Financial assets at fair value through comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

## **Income tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant tax authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

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Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### **Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses

### **Interest in joint arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest in net assets are classified as a joint venture and accounted for using the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the consolidated entity's share of net assets of the joint venture.

### **Exploration and development expenditure**

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Exploration, evaluation and development expenditure incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

### **Impairment of assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### **Employee benefits**

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred

### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Fair Value of Assets and Liabilities**

The Company may measure some of its assets and liabilities at fair value on either a recurring or



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non-recurring basis after initial recognition, depending in the requirements of the applicable Accounting Standard. Currently though there are no assets or liabilities measured at fair value.

Fair value is the price the Company would receive to see an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

### Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the

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identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Lake Resources NL, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### Equity Settled Compensation

The Company makes equity-settled share-based payments to directors, employees and other parties for services provided. The fair value of the equity is measured at grant date and recognised as an asset or as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

### Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year

### Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.



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### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black- Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

### **Note 3. Operating segments**

#### *Segment Information*

The Company currently operates entirely in the mineral exploration industry with interests in Argentina (previously Pakistan) and corporate operations in Australia. Accordingly, the information provided to the Board of Directors is prepared using the same measures used in preparing the financial statements.

#### *Geographical information*

	<b>Sales to external customers</b>		<b>Geographical non-current assets</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Argentina	-	-	16,738,533	13,312,658.00
Pakistan	-	-	35	35.00
	-	-	<b>16,738,568</b>	<b>13,312,693.00</b>

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### Note 4. Expenses

Loss before income tax includes the following specific expenses:

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Corporate expenses</i>		
Filing fees - ASIC	10,762	10,277
Advertising	32,430	82,185
Audit fees	58,754	34,787
General expenses	-	271,234
Travel expenses	164,388	237,695
Consulting - Director	93,600	95,592
Share registry maintenance	150,371	166,584
Investor relations	838,513	280,239
<b>Total corporate expenses</b>	<b>1,348,818</b>	<b>1,178,593</b>
<i>Consultancy and legal costs</i>		
Consulting and accounting	498,468	634,348
Legal expenses	57,534	175,852
<b>Total consultancy and legal costs</b>	<b>548,002</b>	<b>810,200</b>
<i>Finance costs</i>		
Interest and finance charges paid/payable	465,783	391,046
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	13,887	13,430
<i>Superannuation expense</i>		
Defined contribution superannuation expense	28,995	24,636

### Note 5. Income tax expense

*Numerical reconciliation of income tax expense and tax at the statutory rate*

Loss before income tax expense	(4,453,967)	(3,175,011)
Tax at the statutory tax rate of 27.5%	(1,224,841)	(873,128)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	385,430	239,049
Other non-deductible / (allowable) expenses	(36,848)	-
	(876,259)	(634,079)
Future income tax benefit of tax losses not brought to account	(876,259)	634,079
Tax expense in relation VAT in Argentina - amount only recoverable when sales generated	44,021	355,924
<b>Income tax expense</b>	<b>44,021</b>	<b>355,924</b>

The Company has unrecouped, unconfirmed carry forward tax losses of approximately \$16.41 million (2019: \$13.2 million).

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### Note 5. Income tax expense (continued)

A deferred income tax asset arising from carry forward tax losses will only be recognised to the extent that:

- (a) it is probable that the Company will derive future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;
- (b) the Company continues to comply with the conditions for deductibility imposed by the law; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the losses

### Note 6. Current assets - cash and cash equivalents

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	55,511	1,725,366

### Note 7. Current assets - trade and other receivables

Other receivables	279,841	151,679
<b>Total trade and other receivables</b>	<b>279,841</b>	<b>151,679</b>

### Note 8. Current assets - other current assets

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Deposits	5,000	-
Prepayments	20,000	54,686
	25,000	54,686

### Note 9. Non-current assets - investments accounted for using the equity method

Lake Resources NL (the parent) holds a 27.5% interest through its subsidiary in Chagai Resources (Pvt) Ltd, a joint arrangement between the consolidated entity and two other parties. The principal place of business is Pakistan and the primary purpose is mineral exploration. The exploration licences are in a stage of renewal

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Equity accounted investment	35	35

Colt Resources Middle East were to have expended a minimum of US\$1.9 million on exploration of the licences by 2018 but access to the areas proved challenging. The consolidated entity may resume 100% ownership of Chagai Resources if the areas are renewed.

During the year no significant exploration activities were undertaken.

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### Note 10. Non-current assets - exploration and evaluation

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets - at cost	16,738,533	13,312,658
<i>Reconciliations</i>		
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance at 1 July	13,312,658	4,901,193
Additions - direct exploration costs	3,425,875	8,411,465
Balance at 30 June	16,738,533	13,312,658

Exploration and evaluation costs are carried forward in the statement of financial position as detailed in accounting policy note 1. Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of minerals.

### Note 11. Current liabilities - trade and other payables

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	557,612	1,099,014
Sundry creditors and accrued expenses	25,415	221,189
Balance at 30 June	583,027	1,320,203

Refer to note 17 for further information on financial instruments.

### Note 12. Current liabilities – borrowings

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loan Notes	-	1,428,079

Movements in notes were as follows

<b>2019</b>	<b>Consolidated</b>	
<b>Unsecured Notes</b>	<b>Notes</b>	<b>\$</b>
Issue of notes (incl interest and discount)	9,900,000	1,040,796
Redeemed for cash	(1,237,500)	(134,542)
Redeemed for shares	(4,262,500)	(433,750)
	<b>4,400,000</b>	<b>472,504</b>

## LAKE RESOURCES NL

### Note 12. Current liabilities – borrowings (continued)

	Notes	\$
<b>SBI Convertible Notes</b>		
Issue of notes (incl interest and discount)	1,820,500	1,655,000
Redeemed for shares	(720,500)	(699,425)
	1,100,000	955,575
<b>2020</b>		
<b>Unsecured Notes</b>		
Opening balance	4,400,000	<b>472,502</b>
Redeemed for cash	(4,400,000)	472,502)
	-	-
<b>SBI Convertible Notes</b>		
Opening balance	1,100,000	955,575
Issue of notes	1,600,000	1,455,000
Redeemed for shares	(500,000)	(550,076)
Discount and capitalised interest	-	360,000
Early close out cash repayment	(1,950,000)	(1,966,762)
Early close out share repayment	(250,000)	(253,737)
	-	-

#### Unsecured Notes

A summary of the key terms of the Notes are set out below

Denomination: The Notes were issued fully paid with a face value of \$0.10 per Note.

Maturity Date: 18 months from the date of issue.

Interest Rate: The Notes attract interest at 15% per annum, payable quarterly in arrears in cash or fully paid ordinary shares issued at 95% VWAP of the shares for the 10 trading day period ending on the relevant interest payment date.

Status and Ranking: The Notes rank equally with all other direct, unsubordinated and unsecured obligations of the Issuer.

Conversion: The Notes convert into fully paid ordinary shares at 80% VWAP of the shares for the 10-trading day period ending on the date of the conversion notice or maturity date.

#### SBI Convertible notes - early close out

During the period the Company entered into a formal agreement with SBI Investments (PR), LLC, for the early close out of the Convertible Securities funding facility, through a combination of both a cash payment and the issue of shares to SBI (which included an equity based fee in consideration for the facility's early termination). Under the agreement, the Company made a cash payment of A\$1,966,762 and issued SBI with 11,558,021 ordinary shares on 11 February 2020.

A summary of the key terms of the Notes are set out below

A summary of the key terms of the Notes are set out below:

Denomination: The 1,820,00 Notes (first instalment) and the 1,650,000 Notes (second instalment) were issued fully paid with a face value of \$0.909 per Note.

Maturity Date: 18 months from the date of issue of the first investment amount and 12 months from the date of issue of the second investment amount

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### Note 12. Current liabilities – borrowings (continued)

Interest Rate: The Company authorised the investor to deduct from the first investment amount the interest payable for the initial first investment securities interest period, being an amount equal to \$248,250 (first year interest amount). The Company authorised the investor to deduct from the second investment amount the interest payable for the first three months interest period, being an amount equal to \$45,000 (first quarter interest amount).

Conversion:

a) The number of shares to which the Investor is entitled upon conversion of the relevant convertible security is determined by the following formula:

Number of shares = ARA / Conversion Price, where:

ARA: means the aggregate of the repayment amount of the Convertible Security being converted by the Investor, plus any accrued (but unpaid) interest which is due and payable on the Conversion Date.

Conversion Price: means the Conversion Price (as defined) per Convertible Security, which may be subsequently adjusted under this clause.

b) Where the number of shares to be issued to the Investor under this clause (above) includes a fraction, that fraction will be rounded to the nearest whole number.

### Note 13. Current liabilities - employee benefits

	Consolidated Unaudited	
	2020	2019
	\$	\$
Annual leave	81,108	55,492

### Note 14. Equity - issued capital

	Consolidated			
	2020	2019	2020	2019
	Shares	Shares	\$	\$
<b>Ordinary shares - fully paid</b>	<b>671,461,957</b>	<b>472,296,192</b>	<b>35,433,060</b>	<b>27,758,605</b>
<i>Ordinary shares comprise:</i>				
Ordinary share capital	656,461,957	457,296,192	35,433,060	27,758,605
Treasury shares	15,000,000	15,000,000	-	-
	<b>671,461,957</b>	<b>472,296,192</b>	<b>35,433,060</b>	<b>27,758,605</b>

## LAKE RESOURCES NL

### Note 14. Equity - issued capital (continued)

*Movements in share capital:*

#### **Ordinary share capital**

Details	Date	Ordinary shares	\$
<b>2019</b>			
Opening balance	01-Jul-18	305,683,867	18,342,102.00
Issue of shares - CPA with Acuity Capital *	02-Aug-18	15,000,000	-
Transferred to treasury shares	02-Aug-18	(15,000,000)	-
Issue of shares - exercise of listed options	20-Aug-18	504,000	50,400.00
Issue of shares - exercise of listed options	23-Aug-18	2,575,869	257,587.00
Issue of shares - exercise of listed options	24-Aug-18	65,235	6,524.00
Issue of shares - exercise of listed options	27-Aug-18	4,770,679	477,068.00
Issue of shares - Petra Energy **	13-Sep-18	19,000,000	1,767,000.00
Issue of shares - exercise of listed options	25-Sep-18	10,124,131	584,785.00
Issue of shares - conversion of performance rights	10-Oct-18	2,500,000	137,500.00
Issue of shares - exercise of unlisted options	30-Nov-18	5,420,085	271,004.00
Issue of shares - exercise of unlisted options	17-Dec-18	497,917	24,896.00
Issue of shares - Exercise of convertible notes	11-Mar-19	835,020	41,250.00
Issue of shares - Placement	11-Apr-19	21,350,000	1,067,480.00
Issue of shares - Exercise of convertible notes SBI Agreement	06-May-19	1,149,425	49,425.00
Issue of shares - Exercise of convertible notes and bonus of options	24-May-19	2,611,174	107,381.00
Issue of shares - Exercise of convertible notes and bonus of options	05-Jun-19	11,198,584	457,240.00
Issue of shares - Placement and Exercise of bonus options	13-Jun-19	38,245,614	3,020,042.00
Issue of shares - Exercise of convertible notes and bonus of options	17-Jun-19	24,245,917	978,319.00
Issue of shares - Placement and Exercise of bonus options	24-Jun-19	6,518,675	254,953.00
Capital raising costs - cash		-	(136,351.00)
<b>Balance 30 June 2019</b>		<b>457,296,192</b>	<b>27,758,605</b>

## LAKE RESOURCES NL

### Note 14. Equity - issued capital (continued)

Details	Date	Ordinary shares	\$
<b>2020</b>			
Opening balance	01-Jul-19	457,296,192	27,758,605
<i>Issue of shares</i>			
Option Conversion	2-Jul-19	39,998	1,600
Option Conversion	3-Jul-19	3,571	143
SBI Note Conversion	16-Jul-19	5,898,214	349,764
Share Placement	6-Sep-19	45,319,508	2,039,378
SBI Conversion	11-Oct-19	2,757,100	100,000
SBI Conversion	18-Nov-19	3,217,503	100,000
Redemption of convertible notes	11-Feb-20	11,558,021	462,321
Placement	13-Feb-20	36,521,850	1,460,874
Supplementary Prospectus	27-Feb-20	47,875,000	1,915,000
Second Supplementary Prospectus	13-Mar-20	7,000,000	280,000
SPP	07-Apr-20	38,975,000	1,559,000
Refund options application received prior year			(6,299)
Capital raising costs - cash			(587,326)
<b>Balance 30 June 2020</b>		<b>656,461,957</b>	<b>35,433,060</b>

### Treasury shares

Details	Date	Treasury shares	\$
<b>2019</b>			
Opening balance		-	-
Transfer from ordinary share capital	02-Aug-18*	15,000,000	-
Closing balance		15,000,000	-
<b>2020</b>			
Opening balance		15,000,000	-
Movement		-	-
Closing balance		15,000,000	-

\* These shares were entered under a Controlled Placement Agreement with Acuity Capital.

### Performance rights

*The valuations of the performance rights are recognised in performance rights reserve (note 15)*

Details	Date	Performance Rights	\$
<b>2020</b>			
Opening balance		-	-
Performance rights granted pursuant to shareholder approval	15-Aug-19	15,000,000	345,000
Conversion to share capital		-	-
<b>Closing balance</b>		<b>15,000,000</b>	<b>345,000</b>



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### Note 14. Equity - issued capital (continued)

#### Options

The valuations of the options are recognised in options reserve (refer note 15). All options are vested and exercisable at the end of the year.

Movements in options were as follows:

Details	Date	Options	\$
<b>2019</b>			
Opening balance		82,809,161	1,615,108
Exercise of listed options	20-Aug-18	(504,000)	-
Exercise of listed options	23-Aug-18	(2,575,869)	-
Exercise of listed options	24-Aug-18	(65,235)	-
Exercise of listed options	27-Aug-18	(4,770,679)	-
Expiry of options	27-Aug-18	(1,160,086)	(51,155)
Exercise of listed options	25-Sep-18	(10,124,131)	-
Exercise of options C	30-Nov-18	(5,420,085)	(249,571)
Expiry of options	30-Nov-18	(322,409)	-
Expiry of options	15-Dec-18	(42,816,667)	-
Exercise of options D	17-Dec-18	(497,917)	-
Issue of unlisted options	08-Mar-19	5,555,000	188,641
Issue of bonus of options	12-Apr-19	52,045,081	-
Exercise of bonus options	24-May-19	(1,453,767)	-
Exercise of bonus options	05-Jun-19	(5,250,452)	-
Exercise of bonus options	13-Jun-19	(8,469,169)	-
Exercise of bonus options	17-Jun-16	(15,918,532)	-
Exercise of bonus options	24-Jun-19	(6,459,275)	-
Exercise of bonus options	24-Jun-19	(14,493,886)	-
<b>Closing balance 2019</b>		<b>20,107,083</b>	<b>1,503,023</b>
<b>2020</b>			
Opening balance	01-Jul-19	20,107,083	1,503,023
Expiry of options	03-Jul-19	(43,569)	-
Expiry of options	21-Oct-19	(5,008,514)	-
Options granted to Directors	15-Aug-19	15,000,000	213,000
Issue of listed options	19-Aug-19	<b>52,512,693</b>	-
Options granted to SBI	18-Oct-19	<b>18,300,000</b>	186,660
<b>Closing balance 2020</b>		<b>100,867,693</b>	<b>1,902,683</b>

#### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### Share buy-back

There is no current on-market share buy-back.

#### Capital risk management

Exploration companies such as Lake Resources NL are funded primarily by share capital. The Company's capital comprises share capital supported by financial assets and financial liabilities.

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### Note 14. Equity – issued capital (continued)

Management controls the capital of the Company to ensure it can fund its operations and continue as a going concern. Capital management policy is to fund exploration activities by way of equity. No dividend will be paid whilst the Company is in its exploration stage. There are no externally imposed capital requirements.

### Note 15. Equity - reserves

	Consolidated Unaudited	
	2020	2019
	\$	\$
Capital profits reserve	4,997	4,997
Options reserve	1,902,683	1,503,023
Performance rights reserve	345,000	-
<b>Total equity reserves</b>	<b>2,252,680</b>	<b>1,508,020</b>

#### Capital profits reserve

The capital profits reserve records non-taxable profits on sale of investments

#### Option reserve

The option reserve is to recognise the fair value of options issued for share based payment to employees and service providers in relation to the supply of goods or services.

#### Performance rights reserve

The performance rights reserve is to recognise the fair value of performance rights issued to employees and vendors in relation to the supply of goods or services.

#### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below

	Capital profit reserve	Option reserve	Performance rights reserve	Total
	\$	\$	\$	\$
Balance at 30 June 2018	4,997	1,615,108	137,500	1,757,605
Share-based payments - issued to brokers in relation to capital raising	-	188,641	-	188,641
Conversion of performance shares to issued capital	-	-	(137,500)	(137,500)
Transfer from option reserve to accumulated losses on broker options expired /exercised	-	(300,726)	-	(300,726)
<b>Balance at 30 June 2019</b>	<b>4,997</b>	<b>1,503,023</b>	<b>-</b>	<b>1,508,020</b>
Balance at 30 June 2019	4,997	1,503,023	-	1,508,020
Share-based payments - issued to lenders	-	186,660	-	186,660
Share-based payments - Director options	-	213,000	-	213,000
Share-based payments - Director performance rights	-	-	345,000	345,000
<b>Balance at 30 June 2020</b>	<b>4,997</b>	<b>1,902,683</b>	<b>345,000</b>	<b>2,252,680</b>

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### Note 16. Equity - accumulated losses

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(16,824,776)	(13,594,567)
Loss after income tax expense for the year	(4,425,648)	(3,530,935)
Transfer from options reserve	-	300,726
<b>Accumulated losses at the end of the financial year</b>	<b>(21,250,424)</b>	<b>(16,824,776)</b>

### Note 17. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

### Note 18. Parent entity information

Set out below is the supplementary information about the parent entity.

#### *Statement of profit or loss and other comprehensive income*

	<b>Parent Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(4,292,099)	(2,820,936)
Total comprehensive income	(4,292,099)	(2,820,936)

	<b>Parent Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Statement of financial position:</i>		
Total current assets	620,191	1,839,423
Total assets	18,207,301	16,009,518
Total current liabilities	437,638	1,774,998
Total liabilities	437,638	1,774,998

	<b>Parent Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Equity</b>		
Issued capital	35,433,060	27,758,605
Capital profits reserve	4,997	4,997
Options reserve	1,931,003	1,503,024
Performance rights reserve	345,000	-
Accumulated losses	(19,324,205)	(15,032,106)
Total equity	18,389,854	14,234,520

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

#### *Contingent liabilities*

The parent entity had no contingent liability as at 30 June 2020 and 30 June 2019.

#### *Capital commitments - Property, plant and equipment*

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The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

### Note 18. Parent entity information (continued)

#### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

### Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership Interest	
		2020 %	2019 %
Lake Mining Pakistan (Pvt) Limited *	Pakistan	100%	100%
LithNRG Pty Ltd	Australia	100%	100%
Minerales Australes SA **	Argentina	100%	100%
Morena del Valle Minerals SA **	Argentina	100%	100%
Lake Resources CRN Pty Ltd ***	Australia	100%	100%
Petra Energy SA	Argentina	100%	100%

\* The subsidiary was incorporated on 4 December 2014. The subsidiary has share capital consisting solely of ordinary shares which are held directly by the consolidated entity. The proportion of ownership interests held equals the voting rights held by the consolidated entity. The subsidiary's principal place of business is also its country of incorporation.

\*\* Interest is held through LithNRG Pty Ltd.

\*\*\* Entity created solely as the holder of the Company issued Convertible Notes in December 2018, and since then, all Notes have been repaid. The entity is dormant at present.

### Note 20. Events after the reporting period

On 26 August 2020, the Company announced the successful closing of an oversubscribed and partially underwritten private placement, with commitments received to raise \$2.55 million before costs and resulting in the issue of 85,666,667 shares at an offer price of \$0.03 per share. On 1 September 2020 the company issued a cleansing prospectus to remove any secondary trading restrictions on the on-sale of shares issued by the Company in relation to the placement. 15 million shares were issued in accordance with a Controlled Placement Agreement previously announced on 2 August 2018 and the conversion into shares of 5 million performance rights approved at an EGM of the Company on 15 August 2019. On 25 September 2020, 15 million shares were issued at \$0.06 per ordinary share in accordance with a Controlled Placement Agreement. A \$200,000 loan was retired with interest in September 2020 so that no loans are outstanding.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years

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### Note 21. Reconciliation of loss after income tax to net cash used in operating activities

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(4,423,534)	(3,530,935)
Adjustments for:		
Depreciation and amortisation	667	667
Share-based payments	1,581,827	239,049
Financing expenses	257,199	-
Tax expense for VAT not recoverable	44,021	355,924
Change in operating assets and liabilities: Increase in trade and other receivables		
Increase in trade and other receivables	(202,743)	-
Increase in other current assets	49,686	(5,814)
Increase/(decrease) in trade and other payables	93,700	(241,477)
<b>Net cash used in operating activities</b>	<b>(2,601,290)</b>	<b>(3,182,586)</b>

### Note 22. Earnings per share

	<b>Consolidated Unaudited</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Lake Resources NL	(4,423,534)	(3,530,935)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	564,279,901	363,393,218
Weighted average number of ordinary shares used in calculating diluted earnings per share	564,279,901	363,393,218
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.81)	(0.97)
Diluted earnings per share	(0.81)	(0.97)