

**LAKE RESOURCES N.L.**

**ABN 49 079 471 980**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2014**

**LAKE RESOURCES N.L.**  
**ABN 49 079 471 980**

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# LAKE RESOURCES NL

ABN 49 079 471 980

## DIRECTORS' REPORT

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Your Directors submit the financial report of the company for the half-year ended 31 December 2014.

### DIRECTORS

The names of Directors who held office during or since the end of the half-year and to the date of this report are:

Peter J. Gilchrist  
James G. Clavarino  
Ross Johnston

### OPERATING RESULT AND REVIEW OF OPERATIONS

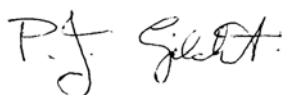
The operating loss after applicable income tax for the half-year to 31 December 2014 was \$57,669 (2013: \$90,427 loss). No field work was undertaken during the half-year period. The company has continued its negotiations with Colt Resources Middle East (CRME) whereby CRME can earn a majority interest in the Company's three exploration licenses in Balochistan. Subsequent to 31 December 2014, the Company continues to progress its negotiations with CRME. Refer also to the Quarterly Reports released by the Company for the periods July to September 2014 and October to December 2014.

The Company's financial position shows net assets at 31 December 2014 of \$119,344 (30 June 2014: \$(57,397)). Net cash flow in the 6 month period was \$219,913 positive as the company was funded in the period from a non-renounceable rights issue at \$0.01 per share, 1 right for every 3 shares held, to raise \$234,410. The financial statements have been prepared on a going concern basis. Notwithstanding the current negotiations with CRME the review of the Company's operations in Pakistan also involves an assessment of its ability to raise further funds to finance any future activities.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2014 has been received and is located in this financial report.

This report is signed in accordance with a resolution of the Board of Directors.



PJ Gilchrist  
Director

Dated: 9 March 2015

**LAKE RESOURCES NL**

**ABN 49 079 471 980**

**DIRECTORS' DECLARATION**

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The Directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including

(a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and

(b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



PJ Gilchrist  
Director

Dated: 9 March 2015

**LAKE RESOURCES NL**  
ABN 49 079 471 980

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	31 December 2014 \$	31 December 2013 \$
Revenue	2	-	-
Less Expenses:			
Write-off of deferred exploration costs		-	(51,840)
Administrative costs		(9,493)	(9,814)
Exploration expenditure expensed		(22,426)	-
Corporate costs		(25,750)	(24,773)
Occupancy costs		-	(4,000)
Loss before income tax	3	(57,669)	(90,427)
Income tax expense		-	-
<b>Loss for the period, attributable to members of the company</b>		(57,669)	(90,427)
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the period, net of tax</b>		-	-
<b>Total comprehensive income for the period attributable to members of the company</b>		(57,669)	(90,427)
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		(0.00)	(0.13)
Diluted earnings per share (cents per share)		(0.00)	(0.13)
Dividends		-	-

The accompanying notes form part of these financial statements.

**LAKE RESOURCES NL**  
ABN 49 079 471 980

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		223,266	3,353
Trade and other receivables		-	21,866
Prepayments		17,550	1,070
<b>Total Current Assets</b>		<b>240,816</b>	<b>26,289</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		-	-
Exploration and evaluation expenditure	6	-	-
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>240,816</b>	<b>26,289</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		121,472	83,686
<b>Total Current Liabilities</b>		<b>121,472</b>	<b>83,686</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>121,472</b>	<b>83,686</b>
<b>NET ASSETS</b>		<b>119,344</b>	<b>(57,397)</b>
<b>EQUITY</b>			
Issued capital		8,925,345	8,690,935
Reserves		4,997	4,997
Accumulated losses		(8,810,998)	(8,753,329)
<b>TOTAL EQUITY</b>		<b>119,344</b>	<b>(57,397)</b>

The accompanying notes form part of these financial statements.

**LAKE RESOURCES NL**

ABN 49 079 471 980

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Issued Capital \$	Capital Profits Reserve \$	Asset Revaluation Reserve \$	Retained Earnings/ (Accumulated Losses) \$	Total \$
<b>Balance 1 July 2013</b>		8,690,935	4,997	-	(8,618,236)	77,696
Total comprehensive income/(loss) for period		-	-	-	(90,427)	(90,427)
Subtotal		8,690,935	4,997	-	(8,708,663)	(12,731)
Dividends paid or provided for		-	-	-	-	-
<b>Balance 31 December 2013</b>		8,690,935	4,997	-	(8,708,663)	(12,731)
<b>Balance 1 July 2014</b>		8,690,935	4,997	-	(8,753,329)	(57,397)
Total comprehensive income/(loss) for period		-	-	-	(57,669)	(57,669)
Subtotal		8,690,935	4,997	-	(8,810,998)	(115,066)
Shares issued during the period*		234,410	-	-	-	234,410
Dividends paid or provided for		-	-	-	-	-
<b>Balance 31 December 2014</b>		8,925,345	4,997	-	(8,810,998)	119,344

\* In the half year the company issued 23,441,008 shares at \$0.01 each. Total shares on issue at balance date is 93,764,034.

The accompanying notes form part of these financial statements.

**LAKE RESOURCES NL**

ABN 49 079 471 980

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	31 December 2014 \$	31 December 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(41,497)	(48,199)
Interest received	-	-
Net cash provided by (used in) operating activities	<u>(41,497)</u>	<u>(48,199)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration, evaluation and development expenditure	-	(16,117)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(16,117)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	234,410	-
Related entity advance	27,000	26,000
Net cash provided by (used in) financing activities	<u>261,410</u>	<u>26,000</u>
Net increase (decrease) in cash held	219,913	(38,316)
Cash at start of period	3,353	39,770
Cash at end of period	<u>223,266</u>	<u>1,454</u>

The accompanying notes form part of these financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Lake Resources NL. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the following half-year.

**b) Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The critical estimates and judgements in these financial statements are consistent with those applied in the June 2014 report.

**c) Continued Operations and Future Funding**

The financial report has been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

As outlined in previous financial reports and disclosures by the Company, the ongoing planned business activities have been focussed on the exploration program in Pakistan. Historically the Company has financed these activities through equity. However, the company is now re-assessing those tenements and its long term plans.

At 31 December 2014, the Company's balance sheet shows net assets of \$119,344 (30 June 2014: \$(57,397)). The Company was funded in the period from a capital raising and an additional advance from a related entity.

The Directors have formed the view that it is appropriate to prepare the financial report on a going concern basis.

**d) Fair value of assets and liabilities**

The Company may measure some of its assets and liabilities at fair value on either recurring or non-recurring basis after initial recognition, depending on the requirements of the applicable Accounting Standard. Currently though there are no assets or liabilities measured at fair value.

**LAKE RESOURCES NL**  
**ABN 49 079 471 980**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE</b>		
Interest received from other parties	-	-
Total revenue	-	-

**NOTE 3: LOSS FOR THE HALF YEAR**

The following expense items are included in the financial performance for the interim period:

Key management personnel remuneration	-	-
Depreciation	-	368
Rental expense on operating leases	-	4,000

**NOTE 4: COMMITMENTS FOR EXPENDITURE AND CONTINGENT LIABILITIES**

**Exploration Commitments**

Under the terms of the Company's licences for its exploration tenements it has to meet annual rent and undertake exploration. The commitments are as follows:

	Rent \$	Exploration \$	Total \$
<b>31 December 2014</b>			
Not later than 1 year	17,000	22,000	39,000
Later than 1 year but not later than 5 years	-	-	-
	17,000	22,000	39,000
<b>30 June 2014</b>			
Not later than 1 year	16,500	17,150	33,650
Later than 1 year but not later than 5 years	-	-	-
	16,500	17,150	33,650

**Contingent liabilities**

Under the terms of the exploration licences originally granted on 10 September 2012, the Company must elect to grant the Balochistan Government 25% investment in the licences.

There were no other material contingent liabilities at the end of the reporting period.

LAKE RESOURCES NL

ABN 49 079 471 980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

**NOTE 5: SEGMENT INFORMATION**

The Company operates entirely in the mineral exploration industry with all tenements in 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 Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position.

(a) Performance by geographical region	Australia		Pakistan		Economic Entity	
	31 December		31 December		31 December	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Interest	-	-	-	-	-	-
Total segment revenue	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-
Segment Result	(57,669)	(38,587)	-	(51,840)	(57,669)	(90,427)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	(57,669)	(38,587)	-	(51,840)	(57,669)	(90,427)

31 December 2014 \$	30 June 2014 \$
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**(b) Assets by geographical region**

Australia	225,236	1,934
Pakistan	15,580	24,355
	<u>240,816</u>	<u>26,289</u>

**LAKE RESOURCES NL**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

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**NOTE 6: ECONOMIC DEPENDENCY**

The Company is dependent on the Government of Pakistan continuing to allow exploration on tenements which have been granted to the Company.

**NOTE 7: RELATED PARTY TRANSACTIONS**

The Company undertakes transactions with related parties in the normal course of business. In the current period arrangements with related parties continue to be in place, consistent with those reported in the 30 June 2014 annual financial report. Note however that in the period the Company received a further advance of \$27,000 from a director related entity, 202 Limited, on an unsecured and interest free basis; the total loan at 31 December 2014 is \$82,000.

During the half year the company incorporated a wholly owned subsidiary entity, Lake Mining Pakistan (PVT.) Limited. That company had no operations in the period.

**NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE**

As announced by the company in May 2014, the company has entered into an Exclusivity Agreement with Colt Resources Middle East (CRME) whereby CRME can earn a majority interest in the company's licences. These negotiations have progressed and remain in place at the date of signing these financial statements.



**Hayes Knight**  
Accountants, Advisors & Auditors

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## **Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001**

### **To the Directors of Lake Resources NL**

As lead auditor for the review of Lake Resources NL for the half-year ended 31 December 2014 I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions to the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Hayes Knight Audit (Qld) Pty Ltd*

**Hayes Knight Audit (Qld) Pty Ltd**

*Nigel Bamford*

**N D Bamford**  
Director

Date: 9 March 2015



**Hayes Knight**  
Accountants, Advisors & Auditors

Hayes Knight Audit (Qld) Pty Ltd  
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## **INDEPENDENT AUDITOR'S REVIEW REPORT** **To the members of Lake Resources NL**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Lake Resources NL (the company), which comprises the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year-ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Half-year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Lake Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Lake Resources NL as attached to the directors' report, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Independent auditor's review report to the members of Lake Resources NL  
(continued)**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lake Resources NL is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Hayes Knight Audit (Qld) Pty Ltd*

**Hayes Knight Audit (Qld) Pty Ltd**

*Nigel Bamford*

**N D Bamford**  
Director

Level 23, 10 Eagle Street,  
Brisbane, QLD, 4000

Date: 9 March 2015