

## Lake Resources N.L.

ABN 49 079 471 980

**14 November 2016**

Company Announcements Office  
Australian Securities Exchange

### **Lithium Brine Projects among the Majors in Argentina**

#### **Lake Resources Completes Transaction with Lith NRG Pty Ltd**

Lake Resources N.L. (ASX:LKE, Lake) is pleased to announce that the transaction has been completed to acquire the unlisted company Lith NRG Pty Ltd.

Lake now has exciting lithium brine projects in three large packages of tenement applications (over 90,000 Ha) around salt lakes in North West Argentina. These tenement packages are located among the major companies operating and developing lithium brine projects. The project names are Olaroz-Cauchari and Paso Projects in Jujuy province and Kachi project in Catamarca. The property portfolio has been established over a ten month period, mostly prior to the recent 'rush' by majors into Argentina due to its proven prospectivity and recently improved foreign investment climate.

The transaction was detailed in a Notice of AGM & Explanatory Statement released on 1 September 2016, approved by shareholders on 4 October 2016. Subsequent final due diligence and documentation has now been completed.

#### **Lithium Brine Projects in the Lithium Triangle**

The tenement applications (Tenements) are located within the prolific Andean Lithium Triangle of northern Chile and north west Argentina, which includes approximately 49% of global production of lithium, all sourced from lithium brine-bearing salt lakes. The Tenements comprise 53 mining lease applications (over 90,000 Ha) in Jujuy and Catamarca Provinces, Argentina. Most of the tenement applications in Jujuy province (~90%) have been reapplied for, as the moratorium has been lifted, while the appeal process will be continued on the original applications. A number of tenement applications have progressed substantially towards granting in Catamarca Province.

Tenements cover areas in and around Orocobre Limited, currently in production, and Lithium Americas Corporation, currently developing a project with the major lithium producer SQM, in the Cauchari/Olaroz basin in Jujuy Province, Argentina. Although data is limited within the properties, the tenements may cover potential extensions to the Cauchari/Olaroz projects with potential extensions to aquifers.

Work is anticipated to commence soon over the Kachi project In Catamarca province (over 45,000 Ha) in and around a recently identified lithium brine-bearing basin. The map attached shows the location of the Tenement Applications in relation to lithium producers and lithium projects in development in the Andean Lithium Triangle.

## **Issuance of Consideration Securities and Placement associated with Transaction**

Securities comprised of 50 million shares, with 25 million attached options (at \$0.05, 18 mth expiry) have been issued as vendor consideration for the acquisition, together with three tranches of performance rights (50 million in total) with attached options (25 million at \$0.05, 18 mth expiry) which vest upon completion of three future milestones. Two million shares were issued as consideration for the interest payment on a loan provided to Lith NRG Pty Ltd. A committed placement of \$0.5 million (25 million shares at \$0.02) was part of the transaction announced in May 2016 at a significant premium to the share price at the time. This placement was approved by shareholders and shares have been issued at the same time as closure of the transaction. There were no fees or costs incurred in connection with the issue. Details of the share issuance, placement, vendor consideration and use of funds was contained in the Notice of 1 September 2016, approved under Resolutions 3,4,5 and 11 by shareholders on 4 October 2016. A separate Appendix 3B sets out the details of the issuance of securities.

Funds raised under the Placement will be used to fund the Company's ongoing exploration programme together with corporate costs and working capital. New shares are anticipated to be available from commencement of trading on Tuesday 15 November 2016.

## **Board and Management Changes**

The Company has appointed two new Directors to the Board, together with Management changes.

Mr Stephen Promnitz has been appointed as Managing Director. He has considerable technical and commercial experience in Argentina, a geologist fluent in Spanish having spent years working in South America. Mr Promnitz has previously been CEO and 2IC of mid-tier listed mineral explorers and producers, in corporate finance roles with investment banks and held technical, corporate and management roles with major mining companies. A salary of \$250,000 has been agreed with a 3 month notice period by Mr Promnitz and a 6 month notice period by the Company, together with participation in the Company's LTI Plan. Mr Promnitz also conducts advisory services with Sentient Advisory.

Mr Stuart Crow has been appointed as a Non-Executive Director. Mr Crow has global experience in financial services, corporate finance, investor relations, international markets, salary packaging and stock broking. A salary of \$25,000 has been agreed together with participation in the Company's LTI Plan. He is currently CEO/Director at Salaris Consulting Pty Ltd, Non Executive Director at TNG Limited (ASX:TNG), Non Executive Director at AIM listed Iron Ridge Resources Limited (AIM:IRR) and Director at Ballyhoo Marketing and Communications.

Mr Peter Gilchrist remains on the Board and become Chairman, utilizing his breadth of experience over 30 years as an engineer in mining, construction and manufacturing in Australia and the USA. Mr Gilchrist has recent global experience as Executive Chairman of the Aquatec Maxcon Group, a successful manufacturer/installer of water treatment equipment in the municipal, power and mining industries.

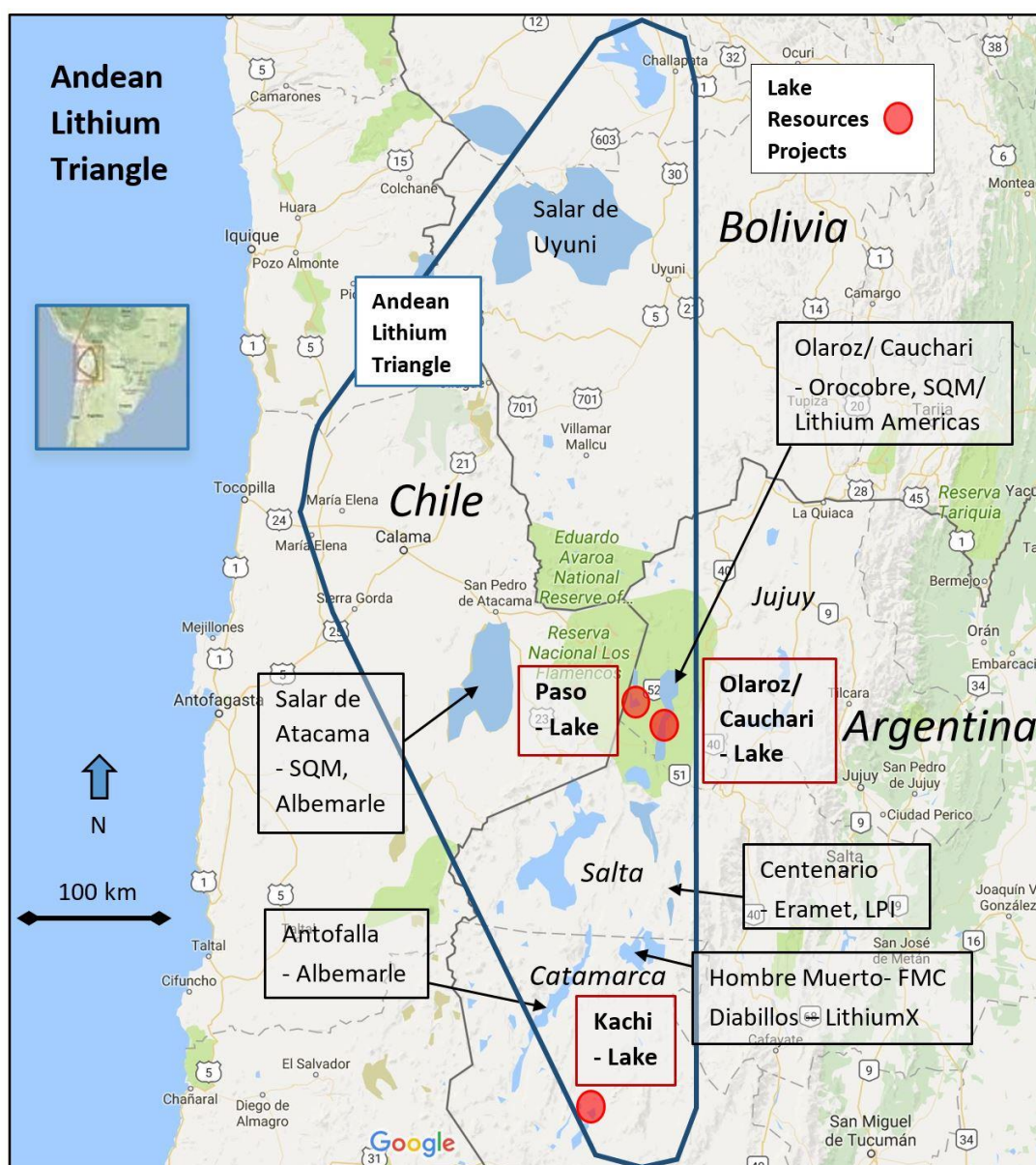
Mr Andrew Bursill has become the Company Secretary. Mr Bursill is a qualified Chartered Accountant and has held the position of outsourced CFO and Company Secretary with numerous ASX listed companies covering mineral and oil and gas exploration, biotechnology, technology, medical devices and retail. He is currently a director of Argonaut Resources NL and ShareRoot Limited and the Company Secretary of Aguia Resources Limited, Argonaut Resources NL, Austral Gold Limited, Eagle Nickel Limited, Netcentric Limited, ShareRoot Limited, and zipMoney Limited.

Lake's board considers it preferable to continue with a three member Board to keep corporate costs low and that the new skill sets on the Board, with the appointments of Mr Crow and Mr Promnitz, were a complementary fit with the new venture in Argentina.

With the successful acquisition of Lith NRG Pty Ltd, Mr Ross Johnston and Mr Jim Clavarino have stepped down from the Board. Mr Johnston and Mr Clavarino were thanked for their assistance and good guidance of the company.

Steve Promnitz  
Managing Director  
02 91887864

[steve@lakeresources.com.au](mailto:steve@lakeresources.com.au)



Location map of Lake Resources lithium brine projects in NW Argentina