



LAKE RESOURCES

LAKE RESOURCES N.L. (ASX:LKE)

ASX Market Announcements Office
3 November 2017

LAKE RESOURCES RAISES \$1.66 MILLION IN UNSECURED NOTE OFFER

- **Lake pleased with oversubscribed support for unsecured debt security of \$1.66 million**
- **Debt security avoids dilution of shareholders and allows drilling to advance**

Lithium exploration company Lake Resources N.L. (ASX:LKE, "Lake" or "LKE") announces that it has secured commitments to raise \$1.665 million in an oversubscribed offer by way of the issue of 1,665,000 unsecured notes (**Notes**) to sophisticated and professional investors. The intention was to raise \$1.5 million but due to demand, the offer was upsized.

The funds received from the issue of the Notes will be used by Lake for exploration expenditure, including the costs of advancing drilling, and working capital.

A diamond drill rig will commence a maiden drilling programme in the coming days, with formal approval, over the Kachi Lithium Brine Project in Catamarca.

Lake Resources' Managing Director Steve Promnitz, said: "Lake is grateful for the financial support to advance drilling over the Kachi Project to unlock further value. This allows time for the company to provide further results showing the scale and potential of the project."

As the Notes will only be issued to eligible sophisticated and professional investors, the Company does not currently intend to issue a prospectus or other disclosure document in relation to the Notes. However, under the terms of the Notes the Company may elect to do so in the future to facilitate further transferability of the Notes.

A further announcement will be made in due course once the Notes are issued. As the Notes are debt securities and are otherwise not convertible into ordinary shares, the Company does not intend to seek shareholder approval for their issue.

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

Issuer:	Lake Resources N.L. ACN 079 471 980
Eligible Investors:	The Notes will only be issued to eligible investors who qualify as sophisticated and professional investors within the meaning of the <i>Corporations Act 2001</i> (Cth) (Corporations Act).
Type and class of securities:	The Notes are debt securities and constitute direct, unsubordinated and unsecured debt obligations of the Issuer.
Quotation:	The Notes will be unlisted and accordingly, will not be quoted on ASX.
Denomination:	The Notes will be issued fully paid with a face value of \$1.00 per Note.
Maturity Date:	23 March 2018 (Maturity Date).



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Interest Rate:	The Notes attract interest at 5.0% per annum, payable at maturity (or any earlier redemption).
Status and Ranking:	The Notes rank equally amongst themselves and at least equally with all other direct, unsubordinated and unsecured obligations of the Issuer.
Negative Pledge:	Notes will have the benefit of a negative pledge as regards the encumbrance of its present and future assets or revenues, other than in certain specified circumstances (i.e. where such encumbrance already exists, or arises in the ordinary course of business) (Negative Pledge) .
Transfer:	<p>The Notes are initially non-transferrable, except to other Sophisticated Investors or Professional Investors (within the meaning of the Corporations Act).</p> <p>The Issuer may, at its discretion, issue a prospectus pursuant to section 713 of the Corporations Act to facilitate further transferability of the Notes.</p>
Ability to apply for issue:	<p>Subject to compliance with the law , ASX Listing Rules and relevant regulations, during the 30 days prior to the Maturity Date (Election Period), a Holder may elect to apply for ten (10) options for every Note held (Application), on the basis that such Notes are held through the Election Period and up until immediately prior to the Maturity Date.</p> <p>The Issuer has absolute discretion as to the issue of any options in response to the receipt of an Application, and may take into account such matters as the number of Notes originally subscribed for by the relevant Note Holder, the number of Notes held immediately prior to the Maturity Date by the relevant Note Holder and the prevailing share price of the Issuer at the relevant time.</p> <p>The Issuer expressly reserves the right to scale-back Applications or to issue no options in respect of an Application, in its sole and unfettered discretion.</p> <p>The theoretical maximum number of options that could be issued, if all Applications are accepted, is 16,650,000 options.</p> <p>Note Holders must represent and warrant to the Issuer that they are, and will be, a Sophisticated Investor or Professional Investor at both the time of the Application and the time of issue of the options.</p> <p>The options, if issued, will:</p> <ul style="list-style-type: none"> - be exercisable at \$0.20 each at any time until their expiry; - unless earlier exercised, expire on 30 November 2018; - be subject to the same restrictions on transfer as the Notes;



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	<ul style="list-style-type: none">- be unlisted; and- contain standard terms as to participation in new issues, reconstructions and pro-rata issues.
Redemption:	<p>The Notes must be redeemed on the Maturity Date unless earlier redeemed or cancelled.</p> <p>Should the Issuer fail to comply with its payment obligations as regards the Notes, breach the Negative Pledge (and such breach is not remedied) or suffer insolvency, then the Holders may elect to redeem all or any of its Notes.</p> <p>Should a takeover bid or similar merger/scheme (Takeover Event) be made, and the relevant Takeover Event become unconditional with the bidding entity acquiring at least 50% of the voting power in the Issuer, then the Issuer may elect to redeem all of the Notes.</p>

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Background on Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is undertaking an aggressive exploration programme to explore and develop prime lithium projects in Argentina, owned 100%, among some of the largest players in the lithium sector. Lake holds one of the largest lithium tenement packages in Argentina (~170,000Ha) secured prior to a significant 'rush' by major companies with three key lithium brine projects located in the Lithium Triangle which produces half of the world's lithium. Lake also holds one large package of lithium pegmatite properties which were an unappreciated source of lithium in Argentina until recently.

The three key brine projects, Olaroz/Cauchari, Paso and Kachi, have similar settings to major world class brine projects being developed in the highly prospective Jujuy and Catamarca Provinces. One project is located next to Orocobre's Olaroz lithium production and SQM/Lithium Americas Cauchari project. The Kachi project covers 50,000 Ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project. Exploration and permitting will provide several catalysts for the company's growth as these areas are assessed for major discoveries

Significant corporate transactions continue in adjacent leases with development of SQM/Lithium Americas Olaroz/Cauchari project with an equity/debt investment over \$300 million and Advantage Lithium's equity transaction in some of Orocobre's leases. LSC Lithium has also raised over \$60 million on a large lease package in similar areas as Lake's properties.



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