



LAKE RESOURCES

LAKE RESOURCES N.L. (ASX:LKE)

ASX Market Announcements Office

14 June 2018

Lake Resources N.L. (ASX:LKE, "Lake" or "LKE") has lodged the attached Short Form Prospectus with ASIC today whereby the Company intends to issue 16,666,667 Options to Placement Applicants who participated in the Placement by the Company in March 2018 and 16,650,000 Options to Noteholders who applied for Options under the Note Issue (**Offer**).

This Offer is conditional upon the Company obtaining Shareholder approval at a shareholder meeting scheduled for Friday 15 June 2018 for which a notice of meeting was dispatched on 14 May 2018.

Offer Statistics

Issue Price	Nil
Exercise Price	\$0.20
Maximum number of Options to be issued	16,666,667 to Placement Applicants 16,650,000 to Noteholders
Expiry Date of the Options	15 December 2018

Indicative Timetable

Lodgement of Prospectus with ASIC	14 June 2018
Lodgement of Prospectus and Appendix 3B with ASX	14 June 2018
Opening Date	14 June 2018
EGM	15 June 2018
Closing Date	18 June 2018
Issue Date and dispatch of holding statements	18 June 2018
Expected date of Official Quotation of the Options	19 June 2018

All dates may change without prior notice and accordingly are indicative only. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules.

Please direct enquiries to:

Andrew Bursill
Company Secretary
Lake Resources NL

Prospectus

Lake Resources N.L. ACN 079 471 980 (**Company**)

Offer

For an issue of up to 16,666,667 Options to Placement Applicants who participated in the Placement by the Company and 16,650,000 Options to Noteholders (**Offer**).

The Offer is conditional upon the Company obtaining Shareholder approval at a shareholder meeting scheduled for 15 June 2018 for which a notice of meeting was dispatched on or about 14 May 2018. Refer to section 1.4 for further details.

This document is important and it should be read in its entirety

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The Options offered by this Prospectus are considered to be speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth) (the **Corporations Act**).

Important information

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All dates may change without prior notice and accordingly are indicative only. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules.

Important notice

This Prospectus is dated 14 June 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX nor their respective officers takes any responsibility as to the contents of this Prospectus. No Options will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

The Company reserves the right to close the Offer before that date without prior notice to you.

The Offer is only available to those Placement Applicants who subscribed for and were issued Shares under the Placement and Noteholders who applied for Options under the terms of the Note Option Offer.

This Prospectus is a transaction specific prospectus for an offer of Listed Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. The Prospectus is intended to be read in conjunction with the publically available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an Initial Public Offering.

No person is authorised to give any information or to make any representation in connection with the Offer described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Foreign shareholders

This document does not constitute an offer of Options in any jurisdiction in which it would be unlawful. Options may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia in which the Company's Shareholders may reside. The Offer may only be accepted by Placement Applicants and Noteholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See Section 1.12 for further information.

Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Enquiries

If you are a Placement Applicant or Noteholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated please call the Share Registry on:

- 1300 554 474 for callers within Australia; or
- +61 1300 554 474 for overseas callers.

Currency

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These

statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

Warning

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Options. The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.

Exposure Period

No exposure period applies to the Offer.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Time

All references to time in this Prospectus are references to AEST, unless otherwise stated.

Definitions and Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the Definitions and Glossary in Section 6.

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1. Details of the Offer

1.1 Background to the Placement Option Offer

On 22 March 2018, the Company announced it had secured commitments to raise \$4.5 million (before costs) by way of the issue of 33,333,335 fully paid ordinary shares (**Share**) at an issue price of \$0.135 per Share (the **Placement**). On 27 March 2018, the Company issued the Shares under the Placement to investors under the Company's annual placement capacity under ASX Listing Rule 7.1 and additional placement capacity under ASX Listing Rule 7.1A.

Investors who subscribed for and were issued Shares pursuant to the Placement (**Placement Applicants**) were offered one attaching option for every two Shares subscribed for and issued in the Placement (**Placement Option Offer**).

The Options are extended to investors who subscribed for and were issued Shares under the Placement. The Company is seeking shareholder approval to issue the Options to Placement Applicants under ASX Listing Rule 7.1 at the upcoming General Meeting schedule for 15 June 2018.

1.2 Background to the Noteholder Option Offer

On 3 November 2017, the Company announced it had secured commitments to raise \$1.665 million (before costs) by way of the issue of 1,665,000 unsecured notes (**Notes**) with a face value of \$1.00 per Note (**Note Issue**).

Under the terms of the Notes, investors who subscribed for and were issued the Notes (**Noteholder**), were given the opportunity to apply for Options on the basis of ten (10) Options for every Note held, on the basis that such Notes were held up until immediately prior to the maturity date of the Notes (**Note Option Offer**).

The Company had an absolute discretion as to the issue of any Options in response to the receipt of an application from a Noteholder. The Company is seeking shareholder approval to issue the Options to Noteholders under ASX Listing Rule 7.1 at the upcoming General Meeting scheduled for 15 June 2018.

1.3 Options

Each Option issued under the Placement Option Offer and the Note Option Offer (together, Offer) is exercisable at \$0.20 each on or before 15 December 2018.

Based on the number of Placement Applicants, the maximum number of Options (subject to Shareholder approval) that will be issued pursuant to the Placement Option Offer is 16,666,667. Based on the number of applications received from Noteholders, the maximum number of Options (subject to Shareholder approval) that will be issued pursuant to the Note Option Offer is 16,650,000. Accordingly, the total number of Options that may be issued pursuant to the Offer (subject to shareholder approval) under this prospectus is 33,316,667. No funds will be raised as a result of the issue of the Options as they are being issued for nil consideration.

The Options offered under this prospectus will be issued on the terms and conditions set out in section 4.1. All Shares issued on exercise of the Options will rank equally with the Shares on issue as at the date of this Prospectus.

The Company is seeking quotation of the Options, subject to meeting the listing requirements under the ASX Listing Rules. The Company will also seek quotation of 9,500,000 Advisor Options previously issued to advisors which have the same terms and conditions as the Options to be issued under the Placement Option Offer and the Note Option Offer. The

Company is seeking to ratify the issue of the Advisor Options at the upcoming General Meeting scheduled for 15 June 2018.

If all Options are exercised (including the Advisor Options), the Company will receive approximately \$8,563,333.

1.4 **Conditional Offer**

The Offer to the Placement Applicants and Noteholders are each conditional on the Company obtaining Shareholder approval for the issue of the Options. The Company also proposes to issue Options to Stuart Crow, a director of the Company and accordingly the offer of these Options is also subject to shareholder approval. The Company has scheduled a meeting for 15 June 2018 to obtain these approvals. If Shareholder approval is not obtained in relation to the issue of Options and/or the issue of Options to Stuart Crow (as applicable), those Options will not be issued.

1.5 **Advisor Options**

On 9 May 2018 the Company issued 9,500,000 unlisted options with an expiry date of 15 December 2018 and exercise price of \$0.20 to the company's corporate advisors, Patersons Securities Limited and Hunter Capital Pty Ltd, for their role as joint lead managers in relation to the Placement referred to above (**Advisor Options**). The Advisor Options have the same terms and conditions as the Options to be issued (subject to shareholder approval) to Placement Applicants and Noteholders.

The Advisor Options were issued without disclosure under Chapter 6D of the Corporations Act. Accordingly, one of the purposes of this Prospectus is to facilitate secondary trading of the Advisor Options and any Shares that may be issued by the Company upon the exercise of the Advisor Options.

As the Company is seeking quotation of the Placement Options and Note Options, given the terms of the Advisor Options are the same, the Company will also seek quotation of 9,500,000 Advisor Options.

1.6 **Applications**

The Prospectus will only be sent to Placement Applicants and Noteholders as set out in Schedule 1.

As the Options are only available to Placement Applicants and Noteholders no application for Options is made under this Prospectus and it is not necessary for any persons to make formal application for the Options.

1.7 **Issue Date and Dispatch**

All Options will be issued as soon as practicable after the Closing Date.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Options.

It is the responsibility of Placement Applicants and Noteholders to determine their allocation prior to trading in the Options. Applicants who sell Options before they receive their holding statements do so at their own risk.

1.8 **ASX quotation of the Options**

Within seven days after the date of this Prospectus, an application will be made to the ASX for the Options (including the Advisor Options) to be quoted on the ASX. The Options will remain unquoted until such time as the Company satisfies the quotation requirements.

As no application for Options is made under this Prospectus, and the Options are to be issued free of any consideration, irrespective of whether the ASX grants permission for the official quotation of the Options within 3 months after the date of issue of this Prospectus, the Options will be issued. In the event that the ASX does not so grant permission, the Options will not be tradeable or saleable via the ASX.

Recipients of Options are referred to section 3.3(m) dealing with Transferability of Options.

1.9 **Minimum Subscription**

There is no minimum subscription.

1.10 **Issue**

Options issued pursuant to this Offer will be issued in accordance with ASX Listing Rules and the timetable set out at the commencement of this Prospectus and are subject to Shareholder approval.

Holding statements for the Options issued under this Prospectus will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus as soon as practicable after their issue.

1.11 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Placement Applicants and Noteholders will not receive a certificate but will receive a statement of their holding of Options.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Link Market Services and will contain the number of Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to holders at the end of any calendar month during which the balance of their holding changes. Optionholders may request a statement at any other time; however, a charge may be made for additional statements.

1.12 **International Offer Restrictions**

The distribution of this Prospectus outside of Australia may be restricted by law. This Prospectus, does not, and is not intended to, constitute an offer of Options in any jurisdiction in which it would be unlawful.

In particular, this Prospectus may not be distributed to any person, and the Options may not be offered or sold, in any country outside Australia.

1.13 Notice to Nominees and Custodians

Nominees and custodians should note that the Offer is available only to investors resident in Australia. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

1.14 Major Activities and Financial Information

A summary of the major activities and financial information relating to the Company is outlined in the following documents:

- (a) Quarterly Activities and Cashflow Report for the quarter ended 31 March 2018 announced to ASX on 30 April 2018;
- (b) Half Yearly Report and Accounts for the half-year ended 31 December 2017 announced on ASX on 16 March 2018.
- (c) Quarterly Activities and Cashflow Report for the quarter ended 31 December 2017 announced to ASX on 31 January 2018;
- (d) Quarterly Activities and Cashflow Report for the quarter ended 30 September 2017 announced to ASX on 1 November 2017;
- (e) Annual Financial Report for the year ended 30 June 2017 announced on ASX on 27 October 2017;
- (f) Full Year Statutory Accounts for year ended 30 June 2017 announce to ASX on 29 September 2017;
- (g) Quarterly Activities and Cashflow Report for the quarter ended 30 June 2017 announced to ASX on 31 July 2017.

1.15 Rights attaching to Options

On exercise of an Option you will be issued a Share in the Company. Detailed provisions relating to the rights attaching to Shares are set out in the Company's Constitution and the Corporations Act. The Company's Constitution is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the Company's Constitution (or part thereof), which will be provided free of charge.

See section 4.1 for the rights attaching to the Options and section 4.2 for the rights attaching to the Shares.

1.16 Use of funds from the Offer

No funds will initially be raised by the Offer, as the Options will be issued free of any consideration.

1.17 Costs and expenses of the Offer

The Company estimates the costs of the Offer to be approximately \$36,925, inclusive of ASIC and ASX fees and legal costs.

1.18 Summary of Risks

The business and activities of the Company are subject to normal business risks and uncertainties, and there may be many factors that could affect the future performance of the Company.

Some of these risks and uncertainties may be mitigated by the use of safeguards, appropriate systems and contingencies.

However, some of these inherent risks are outside the control of the Company and, subsequently, the Directors will be unable to mitigate those risks.

Details of the risks relevant to the Company are described in more detail in section 3 of this Prospectus.

1.19 Electronic prospectus

An electronic version of this Prospectus is available on the Internet at <http://www.lakeresources.com.au/home/>.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

1.20 Taxation Implications

The Directors do not consider it appropriate to give Placement Applicants and Noteholders advice regarding taxation consequences of being issued the Options.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences to Placement Applicants and Noteholders. Placement Applicants and Noteholders should consult their own professional tax advisor to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

1.21 Enquiries

Any enquiries concerning this Prospectus should be directed to the Company Secretary on (02) 9299 9690.

2. Purpose and Effect of the Offer

2.1 Purpose of the Offer

The primary purpose of this Prospectus is:

- (a) to facilitate the offer to Placement Applicants who participated in the Placement one (1) Option for every two Shares subscribed for under the Placement;
- (b) to facilitate the offer to Noteholders who participated in the Note Issue ten (10) Options for every one Note subscribed for under the Note Issue;
- (c) to allow the Options and Advisor Options previously issued to be on-sold without disclosure and to ensure that the Shares that are issued on exercise of the Options may be on-sold without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80).

2.2 Effect of the Offer

The main effect of the Offer will be that the Company will have up to 33,316,667 new Options on issue.

No funds will be raised through the issue of the Options pursuant to this Prospectus, however if the maximum number of Options were issued and all such Options (including the Advisor Options) were exercised, the Company would receive approximately \$8,563,333.

As announced to the ASX on 22 March 2018, the Company did raise \$4.5 million from the Placement pursuant to which these Options are being offered and will use the funds for further exploration at its Olaroz Cauchari and Paso Lithium Brine Projects and for ongoing drilling and initial scoping studies at the Kachi Lithium Brine Project. The funds will also be used to repay all outstanding notes and for working capital.

The costs of the Offer, being approximately \$36,925 will be met from the Company's existing cash reserves.

Should the all Options be exercised (including the Advisor Options), the Company will have a further 42,816,667 Shares on issue.

2.3 Pro-forma balance sheet

No funds will be raised from the Offer as the Options are issued for nil consideration. Accordingly, there will be no effect on the Company's balance sheet.

2.4 Effect on Capital Structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

Securities	Number
Ordinary Shares currently on issue	305,683,867
Shares issued under this Prospectus	Nil
Total after completion of the Offer	305,683,867

Options

Securities	Number
Options currently on issue:	
Listed Options (LKEO)	19,200,000
Subtotal Listed	19,200,000
Unlisted Class C exercisable at \$0.05 on or before 30 November 2018	5,042,494
Unlisted Class D exercisable at \$0.05 on or before 21 October 2019	6,250,000
Unlisted exercisable at \$0.10 on or before 14 June 2018	1,539,250
Unlisted exercisable at \$0.28 on or before 31 December 2020	9,500,000
Unlisted exercisable at \$0.20 on or before 15 December 2018 ²	9,500,000
Subtotal Unlisted	31,831,744
Options offered pursuant to the Placement Option Offer and Note Option Offer ¹²	33,316,667
Total options (Listed and Unlisted) on issue after completion of the Offer	84,348,411

Note:

1. Assumes that all Options under the Offer are issued.
2. An application will be made to ASX to seek quotation of these Options

Performance Rights

	Number
Performance Rights under LTI Plan	2,500,000
Performance Rights issued under this Prospectus	Nil
Total performance rights after completion of the Offer	2,500,000

3. Risk factors

3.1 Introduction

The Options offered under this Prospectus should be considered speculative because the Company is involved in the Mining Industry. Investors should consider whether the Options offered are a suitable investment having regard to their own personal investment objectives and financial circumstances, and the risk factors set out below.

Activities of the Company as in any business, are subject to risks, which may impact upon the company's future performance. The Company has appropriate actions, systems and safeguards for known risks, however some are outside the Company's control.

This list is not exhaustive and subscribers should examine the contents of this Prospectus and consult their professional advisers.

3.2 General Risks

A summary of the major general risks are described below:

(a) Investment Risk

The issue of the Options is conditional on the Company obtaining Shareholder approval at the meeting scheduled for 15 June 2018. There is a risk that Shareholders may not approve the issue of the Options in which case, the Options will not be issued under the Prospectus.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions. The Options (once exercised) carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, tax reform, industrial disruption, terrorism or other hostilities and other economic factors. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company.

(e) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

(f) Litigation risks

Litigation risks to the Company include, but are not limited to, employee claims, contractual claims, environmental claims, occupational health and safety claims, regulatory disputes, legal actions from special interest groups, as well as third party damage or losses resulting from operations.

(g) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

3.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 3.2, Applicants should be aware of risks specific to a mining company, which may include, but are not limited to those risks described below.

(a) Operational Risks

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological conditions, environmental hazards, technical and equipment failures, flooding and extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of consumables or parts and equipment, fire, explosions and other incidents beyond control of the Company.

(b) Political

The Company's operations could be affected by changes in the economic or other policies of the Government of Argentina or other political, regulatory or economic authorities of Argentina. Argentina is presently a relatively stable democracy but the Company cannot guarantee access, surety of title and tenure of its Argentinian based assets.

(c) Emerging Market

Argentina is considered to be an emerging market economy. Emerging markets are generally more vulnerable to market volatility as well as political and economic instability more so than developed markets. As such, investments in securities of issuers with all or substantially all of its interests in an emerging market are subject to certain risks which may affect economic and fiscal results. These risks include:

- (1) currency fluctuations and devaluations;
- (2) inflation;
- (3) exchange controls;
- (4) high interest rates;
- (5) wage and price controls;
- (6) economic and political instability;
- (7) the imposition of trade barriers
- (8) expropriation and political violence or disturbance; and
- (9) changes in economic, tax and other policies.

In addition, economic conditions in Argentina are, to some extent, influenced by economic and securities market conditions in other emerging market countries.

Although economic conditions are different in each country, investors' reaction to developments in one country can have effects on the securities of issuers in other countries, including Argentina. There can be no assurance that the economic conditions in Argentina will not continue to be affected negatively by events elsewhere, especially in emerging markets.

(d) Community issues

Parts of Argentina are sensitive to community issues and the authorities in some regions are politically not pro-investment but rather sympathisers of populist claims of organised groups and with anti-mining attacks. Risk factors to be considered include the nationwide protests and demonstrations over the past years.

(e) Environmental Regulation and Risks

The operations and proposed activities of the Company are subject to laws and regulations in Argentina concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, complying with environmental laws may be difficult, costly and result in delays to any project activities.

(f) Government Policy and Taxation

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and Government policies in Australia (at both Federal and State level), may have an adverse effect on the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(g) Reliance on Key Personnel and Consultants

Whilst the Company has a small senior management and consultant technical team, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of key personnel or consultants. The resulting impact from such loss would be dependent upon the quality and timing of the replacement of such personnel or consultants.

Although the key personnel and consultants of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring, evaluating and developing mineral prospects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

(h) Financing

In order to proceed with the development of any of its projects, and (unless the Company elects to reduce its tenement portfolio) in order to comply with the minimum expenditure requirements in respect of its tenements, the Company is likely to be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital when it is required or that the terms associated with providing such capital will be satisfactory to the Company, which may prejudice the Company's ongoing ability to participate in these projects.

(i) Exploration and Production

Tenements in which the Company has an interest are at various stages of exploration and potential investors should understand that mineral exploration is a high risk undertaking. There can be no assurance that exploration of the project areas described in this Prospectus, or any other permits that the Company may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited.

Even if the Company recovers potentially commercial minerals, there is no guarantee that the Company will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return.

In addition, with respect to operations, the Company operates in some remote locations within Argentina and challenging geographical conditions. Therefore, some exploration and development costs may be higher in such jurisdictions due to a number of factors including limitations on the number of available suppliers of services required by the Company, climatic and geographical conditions. The Company has review processes for all exploration and drilling programs. The Company also has a transparent review and auditing process for all tenders received. However, no assurances can be given that the Company will be successful in mitigating all of these risks and there is a risk that exploration costs may escalate beyond budget anticipations.

(j) Tenement Applications

All tenement applications and mining leases ("minas") follow a series of steps to granting of exploration and the ongoing maintenance of the mining leases and continued access over the areas which may include, among others, formal notation in the cartographic section which may adjust boundaries and areas, applications and approvals of exploration related environmental impact statements, discussions with local communities and consideration by the legal section and administrative section of the mines departments. These steps would reasonably be expected to lead to approval for non-invasive exploration and approvals for drill testing and the ongoing maintenance of mining leases which requires ongoing approvals for drilling and development which may take months or years. However, approvals may not be granted. Exploration on the Company's tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of exploration tenements. Any of these issues may have a material adverse effect on the Tenements and their value.

(k) Resource Estimations

Resource estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change and no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(l) Speculative Nature of Investment

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. Shareholders should consider that the

investment in the Company is speculative and should consult their professional advisors before deciding whether to apply for the new securities.

Whether or not future income will result from projects undergoing exploration, programmes are dependent on the successful results of that exploration and on the subsequent establishment of development and production operations or sale of the projects. Factors including costs, equipment availability, and mineral prices affect successful project development as does the design and construction of efficient exploration facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect the Company's operations and particularly the trading price of the Shares on the ASX.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisors. The Options to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

(m) Transferability of Options

In the event that the ASX does not grant approval for official quotation of the Options, the Options would not be listed and therefore would not be able to be traded on the ASX. If that were to occur, the Options may be difficult to sell.

4. Rights and liabilities attaching to securities

The following sets out the terms and conditions of the Options to be issued under this Prospectus and a summary of the more significant rights and liabilities attaching to the Shares to be issued on exercise of the Options.

4.1 Terms and conditions of the Options

The Options, issued pursuant to this Prospectus will have the following terms and conditions:

- (a) The Options will be exercisable at \$0.20 each (**Exercise Price**).
- (b) Unless exercised earlier, the Options will expire at 5:00pm AEDT on 15 December 2018 (**Expiry Date**). Options not exercised before the Expiry Date will expire.
- (c) The Options will entitle the holder to subscribe for one Share in the Company.
- (d) The Options are exercisable at any time prior to the Expiry Date.
- (e) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque or electronic funds transfer for the full payment of the Exercise Price to the registered address of the Company at any time prior to the Expiry Date.
- (f) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the existing Shares of the Company.
- (g) The Company will apply to have the Options admitted to the official list of the ASX and the Options listed on ASX.
- (h) The Options will be freely transferrable at any time before the Expiry Date and may be exercised by any other person (including, in the case of the Option holder's death, by his or her legal personal representative).
- (i) The Optionholder will be permitted to participate in new issues of securities of the Company on the prior exercise of the Options, in which case the holder of the Options will be afforded such period of notice as prescribed under the ASX Listing Rules prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (1) the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on Shareholders; and
 - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (k) If there is a pro rata issue (except a bonus issue), then:
 - (1) at the time of the pro rata issue (except a bonus issue), the exercise price of an Option may be reduced according to the following formula:

$$O^n = O - E \frac{[P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying securities into which one Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Otherwise the exercise price of the Option shall remain unchanged.

- (l) If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (m) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- (n) The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian Securities laws.

4.2 Terms and conditions of the Shares

The Company's constitution (the **Constitution**) is of the kind usually adopted by a public company. A summary of the rights attaching to Shares under the Constitution is set out below. The summary is qualified by the full terms of the Constitution (copies of the Constitution may be inspected at the registered office of the Company during normal business hours by appointment with the Company Secretary). This summary is not intended to be exhaustive.

A summary of the rights which relate to all Shares which may be issued pursuant to this Prospectus are set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them. In the case of a partly paid share, a fraction of a vote equivalent to the proportion which the amount paid up on that member's share bears to the total amounts paid and payable *excluding amounts credited) on that share.

(b) Dividends

Subject to law and any special rights and restrictions **attached** to any Shares:

- (1) the directors may declare and pay dividends as appear to them to be justified by the profits of the Company; and
- (2) all dividends shall be paid to Shareholders in proportion to the number of Shares held by them irrespective of the amount paid or credited as paid on the Shares on which the dividend is to be paid.

(c) Winding up

If the Company is wound up and after payment of all debts and satisfaction of liabilities a surplus remain, it may be distributed amongst Shareholders entitled to it in proportion to the number of Shares held by each of them regardless of the amounts paid up on the Shares.

(d) Further Increases in Capital

Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, ASX Settlement Operating Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit.

Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise, as the directors think fit.

(e) Variation of Rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- (1) with the written consent of the holders of 75% of the shares of the class; or
- (2) by a special resolution passed at a separate meeting of the holders of shares of the class.

(f) Transfer of securities

Generally, the shares and options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

(g) Sale of non-marketable holdings

- (1) The Company may take steps in respect of non-marketable holdings of shares in the Company to effect an orderly sale of those shares in the event that holders do not take steps to retain their holdings.
- (2) The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules.

(h) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. Additional information

5.1 Disclosing Entity

As Shares in the Company are quoted on the ASX, the Company is a “disclosing entity” for the purposes of the continuous disclosure regime under the Corporations Act. Amongst other consequences, this means that the Company is subject to regular reporting and disclosure obligations under the Corporations Act in addition to the ASX Listing Rules.

The Corporations Act requires the Company, as a disclosing entity, to comply with the reporting and disclosure obligations of the ASX Listing Rules and makes it an offence for the Company not to comply in certain circumstances. In addition, the Corporations Act requires the Company, as a disclosing entity, to comply with the accounting and financial reporting requirements of the Corporations Act for the half-year and full-year accounting periods. These financial statements, together with a Directors' statement and report and an audit or review report must be lodged with ASIC.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities.

It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to exercise their Options to acquire additional Shares in the Company.

5.2 Availability of information regarding the Company

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

In addition, the Company will make available, free of charge, to any Placement Applicant and Noteholder who asks for it in the period prior to the issue date of the Options, a copy of any of the following documents:

- (a) the Company's annual financial report for the year ending 30 June 2017 (being the last annual financial report to be lodged with ASIC before the issue of this Prospectus);
- (b) the financial report of the Company for the half-year ending 31 December 2017 (being the last half yearly financial statements to be lodged with ASIC before the issue of this Prospectus); and
- (c) any other financial statements or reports lodged in relation to the Company with ASIC, and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the year ending 30 June 2017, and ending on the date of lodgement of this Prospectus with ASIC.

5.3 ASX Announcements

The Company has made several ASX announcements after the date of lodgement of the half yearly accounts of the Company for the half year ending 31 December 2017 (on **16 March**

2018), and before the lodgement of this Prospectus with ASIC. A Summary of these announcements made is as follows:

Date	Subject of ASX release
14/06/2018	Kachi Drilling Reinforces Confidence in Scale of Discovery
22/05/2018	Drilling confirms large scale Lithium Brine Basin Kachi
14/05/2018	Notice of General Meeting and Proxy Form
09/05/2018	Appendix 3B
09/05/2018	Appendix 3B
03/05/2018	Appendix 3Y - SC and SP
30/04/2018	Quarterly Activities and Cashflow Report Q1/2018
26/04/2018	Cleansing Notice and Appendix 3B
16/04/2018	Appendix 3Y - SC and SP
12/04/2018	Additional Drill Rig at Kachi Lithium Brine Project
09/04/2018	Cleansing Notice and Appendix 3B
27/03/2018	ASX LR7.1A Notice - Placement
27/03/2018	Cleansing Notice and Appendix 3B
22/03/2018	\$4.5 million raised in oversubscribed placement
20/03/2018	Trading Halt

5.4 Share and Option Information

The highest and lowest prices of shares in the Company on the ASX in the three month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (A\$)	Low (A\$)	Volume weighted average (A\$)
One month	\$0.14	\$0.096	\$0.118
Three months	\$0.17	\$0.1	\$0.124

The last market sale price of Shares as at the last practical date prior to lodgement was \$0.105.

5.5 Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholders	No. of Shares held as at the date of the Prospectus	Relevant interest (%)	Option Entitlement under the Offer
Lambrecht Investment Trust	19,538,647	6.39%	3,000,000

5.6 Top 20 Shareholders

The top 20 Shareholders of the Company as at the last practical date prior to lodgement (being 13 June 2018) are as follows:

No	Name	Number of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
1.	MS JUSTINE MICHEL	19,538,647	6.39
2.	MR STEPHEN PROMNITZ	14,008,124	4.58
3.	202 LIMITED	13,190,758	4.32
4.	OUTBACK FORMWORK PTY LTD	9,854,686	3.22
5.	WILLATON PROPERTIES PTY LTD	9,658,548	3.16
6.	RAYMOND JAMES	8,333,333	2.73
7.	FLUID INVESTMENTS PTY LTD	6,474,999	2.12
8.	M & E EARTHMOVING PTY LTD	5,263,158	1.72
9.	KEMKAY PTY LTD	5,122,560	1.68
10.	MISS KATRINA FOURRO	4,791,667	1.57
11.	MS AINSLEY RUTH WILLIAMS	4,783,333	1.56
12.	BUSHFLY AIR CHARTER PTY LTD	4,357,445	1.43
13.	COVE STREET PTY LTD	3,768,339	1.23
14.	MR GEOFFREY STUART CROW	3,500,000	1.14
15.	BENSONS OF BRISBANE PTY LTD	3,432,224	1.12
16.	NATIONAL NOMINEES LIMITED	3,280,634	1.07
17.	ROTOITI VENTURES PTY LTD	3,200,000	1.05
18.	CITICORP NOMINEES PTY LIMITED	3,184,571	1.04
19.	MRS ELIZABETH MARGARET GILCHRIST	3,090,730	1.01
20.	MR ANDREW STEPHEN WILLIAM BROWN & MR IAIN RAYMOND BROWN	2,827,891	0.93

5.7 Disclosure of interests

Other than set out below in section 5.8 and 5.9 or elsewhere in this Prospectus:

- (a) No Director or proposed Director of the Company has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of the Company, or the Offer, or in any property proposed to be acquired by the Company in connection with formation or promotion of the Offer; and

- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of the Company either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of the Company or the Offer.

Set out below are details of the interests of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with ASIC. Interest includes those securities held directly and indirectly. The table includes their respective entitlement to Options pursuant to the Offer, is set out in the table below:

Director	Shares (held directly and indirectly)	Options (held directly and indirectly)	Performance Rights (held directly or indirectly)	Entitlement to Options under the Offer
Stuart Crow	3,534,600	3,312,500	Nil	500,000 ¹
Steve Promnitz	14,008,124	5,625,508	2,500,000	Nil
Nick Lindsay	Nil	1,500,000	Nil	Nil

1. The issue of Options to Stuart Crow is subject to Shareholder Approval at the meeting scheduled for 15 June 2018

5.8 Directors' fees and remuneration

Set out below is the remuneration paid or accrued to the current Directors of the Company and their associated entities for the stated periods. The maximum total remuneration of the Directors has been set at \$60,000 per annum in aggregate (the Remuneration Cap) and may only be increased with the approval of Shareholders. The Company proposes to seek shareholder approval to increase the Remuneration Cap at the upcoming Shareholders Meeting to \$350,000 per annum.

The following tables show the approximate total annual remuneration paid to Directors for the period ended 30 June 2017 and the proposed annual remuneration for this financial year:

Director	Financial Year ending 30 June 2017			
	Cash Salary and Fees	Non-Monetary	Superannuation	Options/Performance Rights
Stephen Promnitz	\$153,590	\$4,430	\$13,077	\$412,500
Stuart Crow	\$14,000			\$55,000
Nick Lindsay	N/A	N/A	N/A	N/A

Director	Proposed for Financial year ending 30 June 2018			
	Cash Salary and Fees	Non-Monetary	Superannuation	Options/Performance Rights
Stephen Promnitz	\$280,384		\$26,635	\$691,723
Stuart Crow	\$30,409			\$415,034
Nick Lindsay	\$29,107.32			\$207,517

5.9 Interests of experts and advisers

Other than set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$15,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

5.10 **Transactions with related parties**

In addition to the fees and benefits that the Directors are entitled to receive set out above, the Company has also entered into a Deed of Access and Indemnity with each Director and the Company Secretary.

The Deed sets out the basis for the Company to indemnify the Directors and the Company Secretary for personal liability and associated legal costs which result from their role as a Director or Company Secretary.

The Company, to the extent permitted by law, indemnifies the Directors and Company Secretary of the Company against a liability incurred by that person in their capacity as such an officer of the Company and all reasonable legal costs incurred by the officer in defending an action for a liability incurred or allegedly incurred by the Director or Company Secretary as an officer of the Company. The indemnity applies to any liability or legal costs incurred, provided the Director or Company Secretary is not indemnified against that liability or legal costs by an insurance policy (other than the director and officer insurance maintained by the Company).

The Deed also deals with matters such as access to documents and insurance.

5.11 **Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.12 **Subsequent Events**

Save for information contained in the documents set out in section 5.2 and 5.3 and otherwise as disclosed to ASX, there has not arisen in the interval between 31 December 2017 and the date of this Prospectus any item, transaction or event of a material or unusual nature which it would be reasonable for investors and their professional advisers to expect to find disclosed in the Prospectus which is not already disclosed in this Prospectus and which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company in the financial year subsequent to 30 June 2017.

5.13 **Liability of Other Persons Named in this Prospectus**

Notwithstanding that they may be referred to elsewhere in this Prospectus:

- (a) HopgoodGanim Lawyers are named in the Corporate Directory as Solicitors to the Offer. As such, they have been involved in providing advice to the Company on the law relating to the Offer. However, they do not make any other statement in this Prospectus and did not authorise or cause the issue of this Prospectus.
- (b) Link Market Services Limited has given, and as at the date hereof has not withdrawn, its consent to be named as the Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than recording of its name as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

5.14 **Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing Options.

5.15 **Electronic Prospectus**

This Prospectus is available in a paper version and in electronic form. The electronic version will be available on the Company's website, www.lakeresources.com.au, from the date of this Prospectus until the Expiry Date or where all Options have been exercised, whichever is the earlier to occur. The Offer constituted by this Prospectus in electronic form is made only to Placement Applicants and Noteholders receiving this Prospectus in electronic form in Australia. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus.

While the Company believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not occur. Any Shareholder in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company.

5.16 **Privacy**

The Company maintains the register of members of the Company through Link Market Services Limited an external service provider. The Company requires Link to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the LKE group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link, except in limited circumstances. If you wish to access, update or correct

your personal information held by Link or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

5.17 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. The approximate costs of the Offer payable by the Company (exclusive of GST) are listed below:

Expense	Cost (A\$)
ASIC lodgement fee	\$2,400
ASX quotation fee	\$19,525
Legal expenses	\$15,000
TOTAL	\$36,925

5.18 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name. They do not make any other statement in this Prospectus and did not authorise or cause the issue of this Prospectus HopgoodGanim Lawyers will be paid for work performed in accordance with usual time based charge out rates and estimate that their fees at the date of this Prospectus are in the order of \$15,000 exclusive of GST.

Link Market Services Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

5.19 **Authorisation**

The Prospectus is issued by the Company. Each of the Directors has consented to the lodgement of the Prospectus with the ASIC.

Signed on behalf of the Directors of Lake Resources N.L. by:



Geoffrey Stuart Crow
Non-Executive Chairman
Lake Resources N.L.

6. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

AEST	Australian Eastern Standard Time
Applicant	Placement Applicant or Noteholder (as applicable)
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited and the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Brisbane
Closing Date	The date referred to as such in the Indicative Timetable
Company or LKE	Lake Resources N.L. ACN 079 471 980
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act</i> 2001 (Cth)
Directors or Board	The Board of directors of the Company from time to time
Entitlements	The entitlement to subscribe for Options under the Offer
Exercise Price	\$0.20 per Option
Expiry Date	5:00pm AEDT on 15 December 2018, unless exercised earlier
Maturity Date	23 March 2018
Note	An unsecured note issued by the Company
Noteholder	A noteholder who participated in the Note Issue and applied for Options prior to the Maturity Date and listed in Part B of Schedule 1.
Note Issue	The issue of 1,665,000 Notes with a face value of \$1.00 per Note by the Company to Noteholders
Note Option Offer	The offer of up to 16,650,000 Options for nil consideration to Noteholders
Note Options	The options to be issued to Noteholders on the basis of ten (10) options for every one Note held
Notice of Meeting	The Company's notice of meeting dated 14 May 2018
Offer	The Placement Option Offer and the Note Option Offer
Official Quotation	Official quotation on the ASX
Options	The options to be issued to Placement Applicants and Noteholders under the Offer
Optionholder	A registered holder of an Option

Placement	The placement of 33,333,335 Shares at an issue price of \$0.135 per Share together with one attaching options for every two Shares subscribed for and issued to raise up to \$4,500,000.
Placement Applicant	An applicant who participated in the Placement and listed in Part A of Schedule 1
Placement Options Offer	The offer of up to 16,666,667 Options for nil consideration to Placement Applicants
Prospectus	This prospectus in relation to the Offer dated 16 May 2018
Share	Fully paid share in the capital of the Company
Shareholder	A holder of a Share in the Company
Shareholder Meeting	The meeting of Shareholders of the Company to consider the resolutions set out in the Company's Notice of Meeting scheduled for 15 June 2018

Corporate Directory

Directors	Share Registry
Mr Stuart Crow (Non-executive Chairman) Mr Stephen Promnitz (Executive Director) Dr Nick Lindsay (Non-executive Director)	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Tel: 1300 554 474 www.linkmarketservices.com.au
Registered Office	Solicitors to the Offer
Suite 2, Level 10, 70 Phillip Street Sydney NSW 2000 Tel: (02) 9299 9690 http://lakeresources@lakeresources.com.au	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: +61 7 3024 0000 Fax: +61 7 3024 0300 www.hopgoodganim.com.au

Schedule 1 - Option Recipients

PART A - Placement Applicants

No.	Recipient
1.	HARTNELL NOMINEES PTY LTD <PLACEMENT A/C>
2.	WELLSFORD HOLDINGS PTY LTD ATF BB PROPERTIES UNIT TRUST
3.	LIMITS PTY LTD
4.	SKY ROCKET INVESTMENTS PTY LTD <SKY ROCKET INVESTMENTS A/C>
5.	PHILLIP DICKINSON
6.	JUSTINE MICHEL <LAMBRECHT INVESTMENT A/C>
7.	AJMVM PTY LTD
8.	P&S CHALLMAN SUPER FUND
9.	BENJAMIN ROBERTS SKUBRIS
10.	NATALIE ROBERTS SKUBRIS
11.	WILLATON PROPERTIES PTY LTD
12.	ADAM FURST
13.	MR KERRY HARRIS & MS KATRINA FOURRO <DIG DEEP SUPER FUND>
14.	PETEL NOMINEES PTY LTD <DAVIES RETIREMENT FUND A/C>
15.	MULTIBUILD PTY LTD
16.	NORTH OF THE RIVER INVESTMENTS PTY LTD
17.	JAYART FUNDS MANAGEMENT PTY LTD
18.	CHERIE DAWN BRIGGS
19.	KIM GREEN
20.	BENJAMIN & KIM GREEN BENJAMIN GREEN FAMILY ACCOUNT
21.	DAVID CECE
22.	HI TEC GLASS NOMINEES PTY LTD
23.	KEVIN D'SOUZA
24.	DON BIANCHINO
25.	ROLAND TRADING PL
26.	SSRA PTY LIMITED SCULLY FAMILY A/C
27.	SAMANTHA BLOOM
28.	IAN ROBERT FORSTER M/S ELIZABETH JANET MOORE <MATAMATA SUPER FUND A/C>
29.	CHRISTOPHER STEWART MACDONALD & MRS KYLIE JANE MACDONALD <MACDONALD FAMILY S/F A/C>
30.	WHITE SWAN NOMINEES PTY LTD <LEVERAGED>
31.	AKJ SUPER PTY LTD <JENKINS SUPER FUND A/C>
32.	MR CHRISTOPHER STEWART MACDONALD
33.	SILKMAGIC PTY LIMITED <THE BAKER SUPER FUND A/C>
34.	STONECOT PTY LIMITED <HOSB SUPER FUND A/C>
35.	LTL CAPITAL PTY LTD
36.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED A/C 2
37.	FARINWAY PTY LTD <FARINWAY SUPER FUND A/C>
38.	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>
39.	HIRSCH FINANCIAL PTY LTD
40.	KEACH & CO PTY LTD
41.	ALBERT ROBERT TAYLOR
42.	LOCOPE PTY LTD
43.	SANCOAST PTY LTD
44.	SUCLU PTY LTD
45.	MACQAURIE RIVER HOLDINGS PTY LTD
46.	BAM COOLABAH INVESTMENTS PTY LTD <BAM COOLABAH FUND A/C>
47.	RICKIRK PTY LTD

48.	BSUT PTY LTD <BSUT FAMILY A/C>
49.	WELLSSB MARKETING + PROMOTIONS PTY LTD
50.	789 PTY LTD
51.	MR ANDRE MARTIN SZARUKAN + MS ROSE BRANISKA <THE A & R SUPER FUND A/C>
52.	MR KEVIN DANIEL LEARY + MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>
53.	FEDE CORPORATION PTY LTD<RED FAMILY A/C>
54.	LEVEL 1 PTY LTD <THE LEVEL ONE A/C>
55.	BENSONS OF BRISBANE PTY LTD <BENSONS JEWELLERY S/F>
56.	MISHTALEM PTY LTD
57.	MR ERROL ARNOLD BOME + MRS MELANIE JILL BOME <BOME SUPERANNUATION FUND A/C>
58.	ACN 112940057 PTY LTD
59.	MR KEVIN DANIEL LEARY& MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>
60.	AL ROWE PTY LTD<AL ROWE SUPER FUND A/C>
61.	JJAK INVESTMENTS PTY LTD
62.	STEPHEN GEORGE LEARY & PENELOPE JOAN LEARY <NO 2 ACCOU A/C>
63.	MR BEN SUTTON & MRS DEBRA SUTTON <SEAL ISLAND SUPER FUND A/C>
64.	OODACHI PTY LTD <P & M KERR FAMILY A/C>
65.	TEEKAY PRODUCTIONS PTY LTD <TEEKAY SUPER FUND A/C>
66.	DR PETER ANDREW KENDALL & MR TIMOTHY KENDALL <SUPER FUND A/C>
67.	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <SUPERANNUATION ACCOUNT>
68.	KOBIA HOLDINGS PTY LTD
69.	BLU BONE PTY LTD
70.	MR AARON MATTHEW HAWKE
71.	OCEAN VIEW WA PTY LTD
72.	LANGSFORD ST PTY LTD <COY BAY A/C>
73.	HINONA PTY LTD <H WALLACE CONSULT SUPER A/C>
74.	DANPALO INVESTMENTS PTY LTD <DANPALO INVESTMENT A/C>
75.	DIDCAL PRTY LTD <ABCHAPMAN FAMILY SUPER A/C>
76.	BURLEY WA PTY LTD
77.	SIX DEGREES HUB PTY LTD <VALIUKAS>
78.	MR BRADLEY <BV PATERSONS #1 A/C>
79.	ROWIL NOMINEES PTY LTD <WILSON FAMILY A/C>
80.	HORN RESOURCES PTY LTD
81.	MRS HENDRIKA CHAPMAN
82.	CLELAND PROJECTS PTY LTD <CT A/C>
83.	QUEENSLAND M M PTY LTD<SUPERANNUATION A/C>
84.	TOLTEC HOLDINGS PTY LTD <NUMBER 2 A/C>
85.	TALEX INVESTMENTS PTY LTD <A F WYLIE SUPER FUND A/C>
86.	TALEX INVESTMENTS PTY LTD
87.	RAGGED HOLDINGS PTY LTD <JON YOUNG FAMILY FUND A/C>
88.	MR MAURICE DOMINIC MATICH
89.	MR TOBIAS ROSS DENNISS
90.	PIPPIN DRYSDALE PTY LTD <PIPPIN DRYSDALE S/F A/C>
91.	ROTHERWOOD ENTERPRISES PTY LTD
92.	LOCOPE PTY LTD
93.	MR GEORGE HENRY MILLER GARNETT
94.	BREMERTON PTY LTD <THE BARTLETT FAMILY FUND A/C>
95.	MR BRETT MITCHELL & MRS MICHELLE MITCHELL <MITCHELL SPRING FAMILY A/C>
96.	MR WILLIAM MURRAY MITCHELL & MRS DIANE JOAN MITCHELL

	<MITCHELL SUPER FUND A/C>
97.	MR RICHARD ARTHUR LOCKWOOD
98.	T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>
99.	MR ANDREW ROSS CHILDS
100.	AC YOUNG PTY LTD <AC YOUNG A/C>
101.	JSJA HOLDINGS PTY LTD <THE CARLTON FAMILY A/C>
102.	MOSES ROCK INVESTMENTS PTY LTD <AARON CHARLES YOUNG SF A/C>
103.	MR CESARE DANIEL SCALISE
104.	ALLORA EQUITIES PTY LTD <C & E RETIREMENT FUND A/C>

PART B - Noteholders

No.	Recipient
1.	WILLATON PROPERTIES PTY LTD
2.	LAMBRECHT INVESTMENT TRUST <JUSTINE MICHEL>
3.	GEOFFREY STUART CROW
4.	COVE STREET PTY LTD <ATF THE COVE STREET TRUST>
5.	KERRY WILLIAM JOHN HARRIS AND KATRINA FOURRO <DIG DEEP SF A/C>
6.	AJMVM PTY LTD
7.	FLUID INVESTMENTS PTY LTD <ATF KC DISCRETIONARY TRUST>
8.	JAMES SUPERANNUATION FUND <TRUSTEE: RAYMOND JAMES>
9.	ADAM FURST
10.	P & S CHALLMAN SUPERANNUATION FUND
11.	BENJAMIN ROBERT SKUBRIS
12.	NATALIE ROBERTS SKUBRIS
13.	CIMOTA PROJECTS PTY LTD ATF THE MAXWELL FAMILY TRUST
14.	MARY-ANNE ANDERSON
15.	BREALEY INVESTMENTS PTY LTD
16.	JARED MICHAEL POOLE
17.	HELEN LYNETTE & VILNIS SKUBRIS
18.	MYOORA PTY LTD