



LAKE RESOURCES N.L. (ASX:LKE)

ASX Market Announcements Office

8 April 2019

ISSUE OF BONUS OPTIONS TO SHAREHOLDERS

- **Bonus Options will be issued for nil consideration to Eligible Shareholders at a ratio of one (1) free Bonus Option for every seven (7) shares held at 5:00 pm (Sydney time) on the Record Date (indicatively 17 April 2019).**
- **Bonus Options will have an exercise price \$0.04 each, expiring on 15 June 2019 and, if exercised, will result in the issue of a second option (Additional Options) and each Additional Option will have an exercise price \$0.10 each, expiring on 15 June 2021 and Lake intends to seek approval to list and trade the Additional Options on the ASX.**

In recognition of the support from its shareholders **Lake Resources NL (ASX: LKE)** ACN 079 471 980 (Lake) wishes to advise that it intends to undertake a bonus issue of options (Bonus Options) to all shareholders with an address in Australia or New Zealand (Eligible Shareholders) at 5:00 pm (Brisbane time) on the Record Date (set out in the indicative timetable set out below).

As the Bonus Options will be issued for nil consideration, Lake is raising no capital from their issue. For every seven (7) shares held at 5:00 pm (Sydney time) on the Record Date, Eligible Shareholders will be issued with one (1) free Bonus Option.

The Bonus Options will have an exercise price \$0.04 each, expiring on 15 June 2019 and, if exercised, each will result in the allotment and issue of one (1) fully paid ordinary share in Lake. Lake will not seek listing of the Bonus Options on ASX.

Each Bonus Option, when exercised, will result in the issue of a second option (Additional Options).

The Additional Options will have an exercise price \$0.10 each, expiring on 15 June 2021 and if exercised each will result in the allotment and issue of one (1) fully paid ordinary share in Lake. Lake intends to seek approval to list and trade the Additional Options on ASX.

The indicative timetable for the issue of Bonus Options and Additional Options is as follows:

Announcement of Option Offer to ASX	8 April 2019
Lodgement of Prospectus with ASIC	12 April 2019
Record Date for determining entitlements under the Bonus Options issue 5:00 pm (Sydney time)	17 April 2019
Issue of Bonus Options and despatch of new holding statements	18 April 2019
Bonus Options Expire	15 June 2019
Additional Options Expire	15 June 2021

As the dates set out above are indicative only, the Company reserves the right to amend them subject to the requirements of the Corporations Act and the ASX Listing Rules. The Prospectus will be available for download from the Company's website www.lakeresources.com.au as from the date of lodgement of the Prospectus with ASIC. A paper copy may be obtained from that time free of charge, by contacting Andrew Bursill, the Company

Secretary, or Sinead Teague between 8.30am and 5.00pm Sydney time) Monday to Friday on 02 9299 9690 if calling within Australia, or +61 2 9299 9690 if calling from outside Australia.

Eligible Shareholders are not obliged to take any action in relation to the issue of the Bonus Options. Holders of Existing Options will not be entitled to participate in the Bonus Option issue in respect of the Existing Options that they hold, unless those Existing Options have been validly exercised (and resulting Shares are allotted and issued) before the Record Date.

Lake's Managing Director Steve Promnitz said: "Today's announcement is aimed to thank supportive shareholders as Lake embarks on a significant milestone of the PFS for the Kachi project, the most advanced of Lake's four wholly owned lithium projects in Argentina, together with drilling at Cauchari in the same basin as the next major producer in Argentina, Ganfeng Lithium."

For further information please contact:

Steve Promnitz
Managing Director
+61 2 9188 7864

steve@lakeresources.com.au

Follow Lake Resources on Twitter:

https://twitter.com/Lake_Resources



<http://www.lakeresources.com.au>

Released through: Ben Jarvis, Six Degrees Investor Relations: +61 (0) 413 150 448

About Lake Resources NL (ASX:LKE)

For more information on Lake, please visit <http://www.lakeresources.com.au/home/>

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on developing its three lithium brine projects and hard rock project in Argentina, all owned 100%. The leases are in a prime location among the lithium sector's largest players within the Lithium Triangle, where half of the world's lithium is produced. Lake holds one of the largest lithium tenement packages in Argentina (~200,000Ha) secured in 2016 prior to a significant 'rush' by major companies. The large holdings provide the potential to provide consistent security of supply demanded by battery makers and electric vehicle manufacturers.

The Kachi project covers 69,000 ha over a salt lake south of FMC's lithium operation and near Albemarle's Antofalla project in Catamarca Province. Drilling at Kachi has confirmed a large lithium brine bearing basin over 20km long, 15km wide and 400m to 800m deep. Drilling over Kachi (currently 16 drill holes, 3100m) has produced a maiden indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt and Inferred 3.4Mt) (refer ASX announcement 27 November 2018).

A direct extraction technique is being tested in partnership with Lilac Solutions, which has shown 80-90% recoveries and lithium brine concentrations in excess of 25000 mg/L lithium. Phase 1 Engineering Study results have shown operating costs forecast at US\$2600/t LCE in the lowest cost quartile². This process is planned to be trialled on site in tandem with conventional methods as part of a PFS to follow the resource statement. Scope exists to unlock considerable value through partnerships and corporate deals in the near term.

The Olaroz-Cauchari and Paso brine projects are located adjacent to major world class brine projects either in production or being developed in the highly prospective Jujuy Province. The Olaroz-Cauchari project is located in the same basin as Orocobre's Olaroz lithium production and adjoins Ganfeng Lithium/Lithium Americas Cauchari project, with high grade lithium (600 mg/L) with high flow rates drilled immediately across the lease boundary.

An additional new rig is being deployed to increase the depth capacity and speed of the drill rig currently at Cauchari. High fluid pressures, while encouraging, have meant that conditions are challenging. Results are expected to extend the proven resources in adjoining properties into LKE's area. This will be followed by drilling extensions to the Olaroz area in LKE's 100% owned Olaroz leases.

Significant corporate transactions continue in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project with Ganfeng announcing a US\$237 million for 37% of the Cauchari project previously held by SQM. Nearby projects of Lithium X were acquired via a takeover offer of C\$265 million completed March 2018. The northern half of Galaxy's Sal de Vida resource was purchased for US\$280 million by POSCO in June 2018. LSC Lithium is under offer for C\$111 million with a resource size half of Kachi. These transactions imply an acquisition cost of US\$55-110 million per 1 million tonnes of lithium carbonate equivalent (LCE) in resources.

The demand for lithium continues to be strong for lithium ion batteries in electric vehicles, according to recent data from the leading independent battery minerals consultant, Benchmark Mineral Intelligence. Supply continues to be constrained suggesting good opportunities for upstream lithium companies.

Footnotes:

(*1): Kachi Mineral Resource Statement in ASX market release titled "Large Maiden 4.4mt LCE Resource Estimate for Kachi Project" on 27 November 2018.

(*2): Phase 1 Engineering Study in ASX market release titled "Lilac Extraction Process Shows Potential For High Lithium Recoveries At Lowest Quartile Costs At Kachi" on 10 December 2018.