

Renounceable issue of Additional Options and Placement Options

Lake Resources NL (**Lake Resources** or **Company**) is pleased to announce that it has today lodged a prospectus pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Prospectus**) with the Australian Securities and Investments Commission for the issue of:

- (a) 37,594,764 additional options (**Additional Options**) granted to Eligible Optionholders to acquire one (1) fully paid ordinary share in the Company at an exercise price of \$0.10 on or before 15 June 2021, at an issue price of nil (**Additional Option Offer**); and
- (b) 14,917,923 placement options (**Placement Options**) granted to Placement Shareholders on the basis of one Placement Option for every two shares allotted in the June 2019 Placement (**Placement**) to acquire one (1) fully paid ordinary share in the Company at an exercise price of \$0.10 on or before 15 June 2021, at an issue price of nil (**Placement Option Offer**).

The Offer is an offer to Eligible Optionholders and Placement Shareholders only. Eligible Shareholders who did not exercise their Bonus Options prior to the Bonus Option Expiry Date will not be Eligible Optionholders and will not be entitled to Additional Options.

The issue of the Placement Options to Placement Shareholders is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the EGM to be held at 11.00am AEST on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000. The Additional Options and Placement Options, subject to shareholder approval, will be issued on 16 August 2019.

The Company is conducting the Additional Option Offer with the objective of honouring the obligations of the Company contained in the prospectus dated 12 April 2019 in which the Company agreed it would offer one Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date. The Company is offering the Additional Options to Eligible Optionholders under this Prospectus to ensure any Shares issued following the exercise of the Additional Options are able to be traded freely on the ASX.

The Company is conducting the Placement Option Offer with the objective of honouring the obligations of the Company contained in the Terms of Issue of the June 2019 Placement in which the Company agreed it would offer one Placement Option for every two Shares allotted to Placement Shareholders. The Company is offering the Placement Options to Placement Shareholders under this Prospectus to ensure any Shares issued following the exercise of the Placement Options are able to be traded freely on the ASX.

Any funds raised upon the exercise of any of the Additional Options or Placement Options will be used to accelerate the drilling at the Cauchari project, followed by drilling at the Olaroz project, assist current funding for the PFS at the Kachi project, and for general working capital.

A copy of the Prospectus accompanies this announcement.

For further information please contact Stephen Promnitz, Director on +61 2 9188 7864. Alternatively visit the Company's website at www.lakeresources.com.au/.

Prospectus

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

An offer to Eligible Optionholders of a further Option (**Additional Option**) for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one fully paid ordinary Share at the Additional Option Exercise Price of \$0.10 on or before 15 June 2021 (**Additional Option Offer**); and

An offer to Placement Shareholders of one Option (**Placement Option**) for every two Placement Shares allotted to Placement Shareholders to acquire one fully paid ordinary Share at the Placement Option Exercise Price of \$0.10 on or before 15 June 2021 (**Placement Option Offer**),

(together, the **Offer**).

The Placement Option Offer is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the extraordinary general meeting (**EGM**) to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000.

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 securities 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) (**Corporations Act**).

Important information

Offer Statistics

Number of Bonus Options exercised	37,594,764
Number of Additional Options to be issued	37,594,764
Maximum number of Placement Options to be issued	14,917,929*
Issue Price of Additional Options	Nil
Issue Price of Placement Options	Nil
Additional Option Exercise Price	\$0.10
Placement Option Exercise Price	\$0.10
Maximum number of Shares to be issued following exercise of Additional Options and Placement Options	52,512,693**
Additional Options Expiry Date	15 June 2021
Placement Options Expiry Date	15 June 2021

* Assuming shareholder approval is received. Some allowance has been made for rounding, with fractional entitlements being rounded up.

** Assuming all Additional Options and Placement Options are exercised.

Indicative Timetable

Bonus Options expire	15 June 2019
Notice of extraordinary general meeting dispatched to Shareholders	16 July 2019
Announcement of Offer	23 July 2019
Lodgement of Prospectus with ASIC	23 July 2019
Lodgement of Prospectus and Appendix 3B with ASX	23 July 2019
Extraordinary general meeting to approve the issue of Placement Options to Placement Shareholders	15 August 2019 at 11:00am
Additional Options Issue Date	16 August 2019
Placement Options Issue Date*	16 August 2019
Additional Options expire	15 June 2021
Placement Options expire*	15 June 2021

* Assuming shareholder approval is received.

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. Further details regarding the timetable for the Offer are set out in section 2.2.

Important notice

This Prospectus is dated 23 July 2019 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. Neither ASIC nor the ASX nor their respective officers take any responsibility as to the contents of this Prospectus. No Additional or Placement Options will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus is a transaction specific prospectus which relates to:

- (a) an issue of Additional Options to acquire continuously quoted securities (as defined in the Corporations Act) to all Eligible Optionholders who exercised their Bonus Options prior to the Bonus Option Expiry Date; and
- (b) an issue of Placement Options to acquire continuously quoted securities (as defined in the Corporations Act) to all Placement Shareholders who were allotted Placement Shares in the Placement.

This Prospectus has been prepared in accordance with section 713 of the Corporations Act. This 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. 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.

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. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

Before deciding to invest in the Company, potential investors should read the entire Prospectus. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Company or the Additional Options or Placement Options offered under this Prospectus. The Offer does not take into account the investment objectives, financial situation and particular needs of the investor. You should carefully consider the risks that impact on the Company in the context of your personal requirements (including your financial and taxation position) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding whether to invest in the Company.

Some of the risks that you should consider are set out in section 3 of this Prospectus.

Foreign shareholders

This document does not constitute an offer of Additional Options or Placement Options in any jurisdiction in which it would be unlawful. Neither Additional Options nor Placement Options may be offered or sold in any country outside Australia and New Zealand except to the extent permitted below.

The Company has decided that it is unreasonable to issue either Additional Options or Placement Options under the Offer to Shareholders with registered addresses outside of Australia and New Zealand, having regard to the number of Shareholders in those places, the number of either Additional Options or Placement Options they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and neither Additional Options nor Placement Options will be issued to Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Optionholders or Placement Shareholders and does not constitute an offer of either Additional Options or Placement Options 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 and New Zealand 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 2.4 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia or New Zealand.

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 either the Additional Options or the Placement 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.

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.

Acceptance of Offer

Additional Options

Additional Options will be issued to Eligible Optionholders after the Bonus Option Expiry Date on the Additional Option Issue Date i.e. 16 August 2019. The Company will issue to Eligible Optionholders one further Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date. Eligible Optionholders do not need to do anything to apply for or accept Additional Options.

Placement Options

The issue of the Placement Options to Placement Shareholders is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the extraordinary general meeting (**EGM**) to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000. If approved by Shareholders at the EGM, the Company will issue to Placement Shareholders one Placement Option for every two Shares allotted to Placement Shareholders. Placement Shareholders do not need to do anything to apply for or accept Placement Options. If the Company obtains Shareholder approval, Placement Options will be issued to Placement Shareholders on the Placement Option Issue Date i.e. 16 August 2019.

Enquiries

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.

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 7.

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Chairman's letter

23 July 2019

Dear Shareholder

On 24 April 2019, the Company issued 52,045,081 Bonus Options to Eligible Shareholders. The Bonus Options were issued on the basis of one free Bonus Option for every Seven Shares held on the Record Date. Each Bonus Option gave Eligible Shareholders the opportunity, but not the obligation, to subscribe for an additional Share in the Company at the Bonus Option Exercise Price of \$0.04 per Bonus Option at any time before 5:00pm on the Bonus Option Expiry Date.

On behalf of the Board of Lake Resources N.L. (**Company**), I am pleased to advise that 37,594,764 Bonus Options have been exercised, resulting in the issue of 37,594,764 Shares in the Company. Accordingly, I am pleased to provide to you this Prospectus for the issue to Eligible Optionholders of a further free Option for every Bonus Option exercised prior to the Bonus Option Expiry Date (**Additional Option Offer**). The Board recommends that you read this Prospectus in its entirety and consider the information it contains before making an investment decision.

The Additional Options will be issued to Eligible Optionholders on 16 August 2019. The Company will issue to Eligible Optionholders one Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date. Following the exercise of a Bonus Option, Eligible Optionholders do not need to take any further action in order to receive their Additional Options. Each Additional Option gives Eligible Optionholders the opportunity, but not the obligation, to subscribe for an additional Share in the Company at the Additional Option Exercise Price of \$0.10 per Additional Option at any time before 5:00pm on the Additional Option Expiry Date.

On 11 June 2019, the Company announced that it had secured commitments for the issue of 29,835,845 fully paid ordinary shares at a face value of \$0.09 per share (**Placement Shares**) for a subscription amount of \$2.7 million (before costs). Under the Terms of Issue, subject to shareholder approval, each two Placement Shares has a free attaching Placement Option.

The issue of the Placement Options to Placement Shareholders is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the EGM to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000. If approved by Shareholders at the EGM, the Company will issue to Placement Shareholders one Placement Option for every two Placement Shares allotted to Placement Shareholders. Each Placement Option gives Placement Shareholders the opportunity, but not the obligation, to subscribe for an additional Share in the Company at the Placement Option Exercise Price of \$0.10 per Placement Option at any time before 5:00pm on the Placement Option Expiry Date.

As the Additional Options and Placement Options will be issued for nil additional consideration, no funds will initially be raised from the Offer. If the maximum number of Additional Options and Placement Options are issued and then exercised, the Company will raise approximately \$5,251,269.30 which it intends to use to accelerate the drilling at the Cauchari project, followed by drilling at the Olaroz project, assist current funding for the pre-feasibility study at the Kachi project, and for general working capital purposes.

The Board takes this opportunity to thank all Shareholders for their ongoing support of the Company.

Yours sincerely



Stuart Crow
Chairman
Lake Resources N.L.

1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for:

- (a) the issue to Eligible Optionholders of one Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one fully paid ordinary Share at the Additional Option Exercise Price of \$0.10 on or before 15 June 2021 for no additional consideration; and
- (b) the issue to Placement Shareholders of one Placement Option for every two Placement Shares allotted to Placement Shareholders to acquire one fully paid ordinary Share at the Placement Option Exercise Price of \$0.10 on or before 15 June 2021.

The Offer of the Placement Options is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the EGM to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000.

The Offer is an offer to Eligible Optionholders and Placement Shareholders only. Eligible Shareholders who did not exercise their Bonus Options prior to the Bonus Option Expiry Date will not be Eligible Optionholders and will not be entitled to Additional Options.

1.2 Purpose of the Offer

Additional Options

The Company is conducting the Additional Option Offer with the objective of honouring the obligations of the Company contained in the prospectus dated 12 April 2019 in which the Company agreed it would offer one Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date. The Company is offering the Additional Options to Eligible Optionholders under this Prospectus to ensure any Shares issued following the exercise of the Additional Options are able to be traded freely on the ASX.

Each Eligible Shareholder had the potential to fully participate in the Offer by exercising, at their discretion, the Bonus Options issued to them in order to qualify for the issue of Additional Options. Each Eligible Shareholder who exercised their Bonus Options prior to the Bonus Option Expiry Date will be an Eligible Optionholder.

Each Eligible Optionholder has the potential to benefit from the Offer by exercising, at their discretion, any Additional Options they have been issued following the exercise of their Bonus Options.

No funds will be raised from the issue of the Additional Options pursuant to this Prospectus. The Additional Options are contingent on the exercise of the Bonus Options on a 1:1 basis. Accordingly, as 37,594,764 Bonus Options were exercised prior to the Bonus Option Expiry Date, 37,594,764 Additional Options will be issued under this Prospectus. If the Additional Options are exercised in full, the Company will raise approximately \$3,759,476.40.

Any funds raised upon the exercise of any of the Additional Options will be used to accelerate the drilling at the Cauchari project, followed by drilling at the Olaroz project, assist current funding for the pre-feasibility study at the Kachi project, and for general working capital purposes.

Placement Options

The issue of the Placement Options to Placement Shareholders is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the EGM to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000.

The Company is conducting the Placement Option Offer with the objective of honouring the obligations of the Company contained in the Terms of Issue of the Placement Shares in which the Company agreed it would offer one Placement Option for every two Placement Shares allotted to Placement Shareholders. The Company is offering the Placement Options to Placement Shareholders under this Prospectus to ensure any Shares issued following the exercise of the Placement Options are able to be traded freely on the ASX.

If approved by Shareholders, no funds will be raised from the issue of the Placement Options pursuant to this Prospectus. As 29,835,845 Shares were issued to Placement Shareholders under the Terms of Issue of the Placement Shares, a maximum of 14,917,929 Placement Options may be issued under this Prospectus. If the maximum number of Placement Options are issued and then exercised in full, the Company will raise approximately \$1,491,792.90.

Any funds raised upon the exercise of any of the Placement Options will be used to accelerate the drilling at the Cauchari project, followed by drilling at the Olaroz project, assist current funding for the pre-feasibility study at the Kachi project, and for general working capital.

1.3 Risk factors

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 4 of this Prospectus.

1.4 Rights attaching to securities

You will be issued a Share in the Company on exercise of an Additional Option and on exercise of a Placement Option.

Detailed provisions relating to the rights attaching to Shares are set out in the Company's Constitution and 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 5.1 for the rights attaching to the Additional Options and Placement Options and section 5.2 for the rights attaching to the Shares.

1.5 Exercising your Options

(a) Additional Options

Additional Options will be issued to Eligible Optionholders after the Bonus Option Expiry Date. The Company will issue to Eligible Optionholders one further Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date.

You can exercise your Additional Options by completing the Additional Options Exercise Notice, paying \$0.10 per Additional Option exercised and returning the Additional Options Exercise Notice along with the appropriate amount of money to the Company at the Registered Office.

The Company must receive your Additional Option Exercise Notice by 5:00pm on the Additional Option Expiry Date.

(b) Placement Options

If Shareholder approval is obtained for the issue of the Placement Options, Placement Shareholders do not need to do anything to apply for or accept Placement Options. Following the Company obtaining Shareholder approval at the EGM, Placement Options will be issued to Placement Shareholders.

You can exercise your Placement Options by completing the Placement Option Exercise Notice, paying \$0.10 per Placement Option exercised and returning the Placement Option Exercise Notice along with the appropriate amount of money to the Company at the Registered Office.

The Company must receive your Placement Option Exercise Notice by 5:00pm on the Placement Option Expiry Date.

(c) Other information

Subject to the Corporations Act, Listing Rules and any requirements of the ASX:

- (1) Additional Option Exercise Notices received after 5:00pm on the Additional Option Expiry Date will be rejected; and
- (2) Placement Option Exercise Notices received after 5:00pm on the Placement Option Expiry Date will be rejected.

The Company will enter details of the holdings of Options of each Eligible Optionholder to whom Additional Options are issued and each Placement Shareholder to whom Placement Options are issued in a register of Options to be maintained by the Company in accordance with section 170 of the Corporations Act.

2. Details of the Offer

2.1 Offer to Eligible Optionholders and Placement Shareholders

The Directors of Lake Resources have approved an offer for:

- (a) the issue to Eligible Optionholders of an Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one fully paid ordinary Share at the Additional Option Exercise Price of \$0.10 on or before 15 June 2021 for no additional consideration; and
- (b) the issue to Placement Shareholders of one Placement Option for every two Placement Shares allotted to Placement Shareholders to acquire one fully paid ordinary Share at the Placement Option Exercise Price of \$0.10 on or before 15 June 2021.

The Offer of the Placement Options is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the EGM to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000.

No funds will be raised from the issue of the Additional Options pursuant to this Prospectus. The Additional Options are contingent on the exercise of the Bonus Options on a 1:1 basis. Accordingly, as 37,594,764 Bonus Options have been exercised prior to the Bonus Option Expiry Date, 37,594,764 Additional Options will be issued under this Prospectus.

If the Additional Options are exercised in full, the Company will raise approximately \$3,759,476.40.

Only those Eligible Shareholders who exercised their Bonus Options prior to the Bonus Option Expiry Date will be entitled to participate in the Offer. Each Eligible Shareholder had the potential to fully participate in the Offer by exercising at their discretion, the Bonus Options issued to them in order to qualify for the issue of Additional Options. Each Eligible Shareholder who exercised their Bonus Options prior to the Bonus Option Expiry Date will be an Eligible Optionholder. Eligible Shareholders who are not Eligible Optionholders do not have an entitlement to Additional Options, meaning they must have disposed of and not exercised their Bonus Options. Each Eligible Optionholder has the potential to benefit from the Offer by exercising, at their discretion, any Additional Options they have been issued following the exercise of their Bonus Options.

The issue of the Placement Options to Placement Shareholders is subject to the Company obtaining Shareholder approval in accordance with ASX Listing Rule 7.1 at the EGM to be held at 11.00 am (AEST) on 15 August 2019 at Level 5, 126 Phillip Street Sydney NSW 2000. Only those Shareholders who were allotted Placement Shares will be entitled to participate in the Placement Option Offer.

If approved by Shareholders, no funds will be raised from the issue of the Placement Options pursuant to this Prospectus. As 29,835,845 Shares were issued to Placement Shareholders under the Terms of Issue of the Placement Shares, a maximum of 14,917,929 Placement Options may be issued under this Prospectus. If the Placement Options are exercised in full, the Company will raise approximately \$1,491,792.90.

Any funds raised upon the exercise of any of the Additional Options or Placement Options will be used to accelerate the drilling at the Cauchari project, followed by drilling at the Olaroz project, assist current funding for the pre-feasibility study at the Kachi project, and for general working capital.

All Additional Options and Placement Options offered under this prospectus will be issued on the terms and conditions set out in section 5. All Shares issued on exercise of the Additional Options will rank equally with the Shares on issue as at the date of this Prospectus.

2.2 Important dates

Bonus Options expire	15 June 2019
Notice of extraordinary general meeting dispatched to Shareholders	16 July 2019
Announcement of Offer	23 July 2019
Lodgement of Prospectus with ASIC	23 July 2019
Lodgement of Prospectus and Appendix 3B with ASX	23 July 2019
Extraordinary general meeting to approve the issue of Placement Options to Placement Shareholders	15 August 2019 at 11:00am
Additional Options Issue Date	16 August 2019
Placement Options Issue Date*	16 August 2019
Additional Options expire	15 June 2021
Placement Options expire*	15 June 2021

* Assuming shareholder approval is received.

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

2.3 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, Eligible Optionholders and Placement Shareholders 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 Additional Options and Placement Options which will be issued to you 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 Additional Options and Placement 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 Additional Options and/or Placement Options issued to you under this Prospectus and your security holder reference number.

A CHESSE 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.

2.4 **International Offer Restrictions**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of Additional Options or Placement Options in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Prospectus in places outside of Australia and New Zealand 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 those restrictions may violate applicable securities laws.

The Company has decided that it was unreasonable to make offers under the Bonus Option Prospectus to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the Options they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer under this Prospectus cannot and will not be extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no Additional Options will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

2.5 **Notice to Nominees and Custodians**

Nominees and custodians should note that the Offer is available only to investors resident in Australia and New Zealand. 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.

3. Effect of the Offer on the Company

The principal and immediate effect of the Offer, assuming the Company obtains Shareholder approval for the issue of the Placement Options and assuming all Additional Options and Placement Options offered under the Prospectus are issued, will be to introduce a new class of securities, being a maximum of 52,512,693 Additional Options and Placement Options.

3.1 Financial position

The Additional Options and Placement Options to be issued pursuant to this Prospectus will be issued for nil additional consideration. Accordingly, there will be no immediate effect on the Company's balance sheet. However, capital will be raised if the Additional Options and Placement Options are exercised. This will affect the Company's balance sheet.

If the maximum number of Additional Options are issued and then exercised, and if the maximum number of Placement Options are approved, accordingly issued and then exercised, the Company will receive approximately \$5,251,269.30 in current assets. However, the Company is not able to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the Company obtaining Shareholder approval for the issue of the Placement Options and whether and when any of the Additional Options or Placement Options will be exercised.

The Company's Annual Report for the financial year ended 30 June 2018 was released to ASX on 11 October 2018. The Annual Report can be viewed at <http://www.lakeresources.com.au/investors/?page=asx-announcements> and at www.asx.com.au (ASX:LKE).

The Company's Half Yearly Report and Accounts for the financial half year ended 31 December 2018 was released to ASX on 15 March 2019. These financial statements can be viewed <http://www.lakeresources.com.au/investors/?page=asx-announcements> and at www.asx.com.au (ASX:LKE).

Additional information, including copies of ASX releases and investor presentations, is also available on the Company's website: <http://www.lakeresources.com.au/>.

3.2 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Additional Options and Placement Options offered under the Prospectus are issued, is set out below:

(a) Shares

As a direct result of the Offer, there will be no change to the number of Shares expected to be on issue as at the date of this Prospectus. If the number of Additional Options are issued and subsequently exercised, the number of Shares on issue will increase by approximately 37,594,764. If Shareholder approval is obtained for the issue of Placement Options, and if the maximum number of Placement Options are issued and subsequently exercised, the number of Shares on issue will increase by approximately 14,917,929.

(b) Change in control

The Company considers that in the event of the exercise of all Bonus Options, all Additional Options and all Placement Options, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company. If an Eligible Shareholder did not exercise their Bonus Options prior to the Bonus Option Expiry Date, their percentage holding in the Company may be diluted by the Offer. If an

Eligible Optionholder does not exercise their Additional Options it may result in their percentage holding in the Company being diluted by the Offer. If a Placement Shareholder does not exercise their Placement Options it may result in their percentage holding in the Company being diluted by the Offer. Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia or New Zealand and the holdings of those Shareholders in the Company may be diluted.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which Eligible Optionholders and Placement Shareholders exercise their Options, the Company expects that the potential effect of the issue of Additional Options and Placement Options under the Offer on the control of the Company will be minimal.

4. Risk factors

4.1 Introduction

This section identifies the risks that the Board considers are the major risks associated with an investment in the Company. The list of risks below is in no way exhaustive and there may be other risks (either general or specific) that have not been identified. 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.

The Company's business is subject to a high degree of risk due to a number of factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company. The Company has appropriate actions, systems and safeguards for known risks, however some are outside the Company's control.

The Additional Options and Placement Options offered under this Prospectus (and any Shares issued upon exercise) should be considered highly speculative.

4.2 General Risks

A summary of the major general risks are described below:

(a) **Share Market Risk**

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the resources sector and exploration companies in particular. Any Shares issued following the exercise of the Additional Options or Placement Options, 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 price of the Company's securities and neither the Company nor its Directors have control of those factors.

(b) **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, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. 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.

(c) **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. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

(d) **Legislative change**

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

(e) 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.

(f) 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.

4.3 Risks specific to the Additional Options and Placement Options

Additional Options and Placement Options entitle an Optionholder to subscribe for a Share at a price of \$0.10. As Shares are readily available on the market, an Additional Option or Placement Option is only valuable if it allows its holder to acquire a Share for a price less than the holder can acquire the Share on-market. Shares are currently trading at a price of approximately \$0.064.

Eligible Optionholders and Placement Shareholders should have regard to the fact that their Options will only have value if and to the extent that at a particular time, the Option allows the holder to acquire a Share at less than the market price, or if, and to the extent at the time there is, a prospect that the Option will in the future, but prior to the relevant Option Expiry Date, allow the holder to acquire a Share at less than the prevailing market price.

The Options are transferable in whole or in part, subject to any restriction or escrow arrangements imposed under applicable Australian Securities laws, and may be exercised by any other person. The Additional Options and Placement Options will be issued as unlisted securities. The Company makes no representation or warranty in this Prospectus that the Additional Options and the Placement Options are to be quoted on the ASX. Accordingly, there is no guarantee that Eligible Optionholders and Placement Shareholders will be able to trade or sell their options via the ASX.

4.4 Risks specific to the Shares

Following their issue, the Additional Options and Placement Options may be exercised and entitle the holder to participate in an increase in the value of LKE.

LKE, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Recent global political and economic events, including the continuing threat of terrorism and the global financial climate, may cause share price fluctuations in the Australian share market and globally. Fluctuations in the price of the Shares are therefore a key risk for recipients of the Additional Options and Placement Options.

4.5 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 4.2, Eligible Optionholders and Placement Shareholders should be aware of risks specific to an investment in the 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 to 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.

5. Rights and liabilities attaching to securities

5.1 Rights and liabilities attaching to Additional Options and Placement Options

A maximum of 52,512,693 Additional Options and Placement Options may be issued to Eligible Optionholders and Placement Shareholders pursuant to this Prospectus, for nil additional consideration.

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

- (a) The Additional Options and Placement Options will be exercisable at \$0.10 each (**Exercise Price**).
- (b) Unless exercised earlier, the Additional Options and Placement Options will expire at 5:00pm AEST on 15 June 2021 (**Additional Option Expiry Date or Placement Option Expiry Date**). Additional Options not exercised before the Additional Option Expiry Date will expire. Placement Options not exercised before the Placement Option Expiry Date will expire.
- (c) The Additional Options and Placement Options will entitle the holder to subscribe for one fully paid ordinary Share in the Company.
- (d) The Additional Options are exercisable at any time prior to the Additional Option Expiry Date. The Placement Options are exercisable at any time prior to the Placement Option Expiry Date.
- (e) The Additional Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise (**Additional Option Exercise Notice**) together with a cheque or electronic funds transfer for the full payment of the Exercise Price to the Registered Office of the Company at any time prior to the Additional Option Expiry Date. The Placement Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise (**Placement Option Exercise Notice**) together with a cheque or electronic funds transfer for the full payment of the Exercise Price to the Registered Office of the Company at any time prior to the Placement Option Expiry Date.
- (f) Upon the valid exercise of the Additional Options or Placement 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 Additional Options and Placement Options will be freely transferrable at any time before the Additional Option and Placement Option Expiry Date and may be exercised by any other person (including, in the case of the Optionholder's death, by his or her legal personal representative).
- (h) Eligible Optionholders and Placement Shareholders will be permitted to participate in new issues of securities of the Company on the prior exercise of the Additional Options or Placement Options, in which case holders of the Additional Options and/or Placement Options will be afforded such period of notice as prescribed under the ASX Listing Rules prior to and inclusive of the book's closing date (to determine entitlements to the issue) to exercise the Additional Options and/or Placement Options.
- (i) 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.

(j) 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:

$$O^n = O - E [P - (S + D)]$$

$$N + 1$$

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.

- (k) 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 Eligible Shareholder would have received if the Option had been exercised before the record date for the bonus issue.
- (l) 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.
- (m) The Options are transferable in whole or in part, subject to any restriction or escrow arrangements imposed under applicable Australian Securities laws, and may be exercised by any other person.

5.2 Rights and liabilities attaching to 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

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.

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.

6. Additional information

6.1 Transaction specific prospectus

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 terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the Additional Options and Placement Options, and the Shares to be issued on exercise of the Additional Options or Placement Options.

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.

6.2 Availability of information regarding the Company

Copies of documents lodged with the 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 Eligible Optionholder or Placement Shareholder who asks for it in the period prior to the Additional Option and Placement Option Expiry Date, a copy of any of the following documents:

- (a) the Company’s annual financial report for the year ending 30 June 2018 (being the last annual financial report to be lodged with ASIC before the issue of this Prospectus);
- (b) the financial statements of the Company for the half-year ended 31 December 2018 (being the last financial statements to be lodged with the 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 2018, and ending on the date of lodgement of this Prospectus with ASIC.

6.3 ASX Information and Share information

The Company has made several ASX announcements continuous disclosure notices after the date of lodgement of the annual financial report for the Company for the year ending 30 June 2018 (on 11 October 2018), and before the lodgement of this Prospectus with ASIC. A Summary of these announcements made is as follows:

Date	Subject of ASX release
12/10/2018	Notice of Annual General Meeting/Proxy Form
18/10/2018	Drilling underway at Cauchari lithium brine project
22/10/2018	Drilling advances at Kachi with consistent assay results
29/10/2018	Engineering works confirm high lithium recoveries at Kachi
1/11/2018	Quarterly Activities Report and Appendix 5B
2/11/2018	Drilling advances at Cauchari Lithium Brine Project
5/11/2018	Pause in Trading
5/11/2018	Trading Halt
7/11/2018	Expansion of Leases as Kachi Brine Project continues to grow
13/11/2018	2018 AGM Presentation
13/11/2018	AGM Results
16/11/2018	Notice of expiry of Listed Options
27/11/2018	Large maiden 4.4mt LCE resource estimate for Kachi Project
27/11/2018	Investor Presentation
30/11/2018	Appendix 3B
3/12/2018	Amended Appendix 3B
7/12/2018	Appendix 3Y - SP
7/12/2018	Appendix 3Y - SC
10/12/2018	Lilac extraction process shows potential
17/12/2018	Cleansing Notice and Appendix 3B
19/12/2018	Appendix 3Y - SC
21/12/2018	Financing commitments for Lake Resources
21/12/2018	Appendix 3B
17/01/2019	Cauchari Drilling and Corporate Update
17/01/2019	Investor Presentation
22/01/2019	LKE Investor Briefing and Webinar
25/01/2019	Notice of Extraordinary General Meeting/Proxy Form
31/01/2019	Quarterly Report and Appendix 5B
7/02/2019	Response to ASX Query
27/02/2019	Results of Meeting
28/02/2019	U.S financial backing to advance key projects
8/03/2019	Appendix 3B

Date	Subject of ASX release
11/03/2019	Cleansing Notice
11/03/2019	Appendix 3B
22/03/2019	Cauchari Drilling update
26/03/2019	Cauchari Drilling update
03/04/2019	Kachi PFS to unlock Top 10 Global Lithium Brine Resource
04/04/2019	Pause in Trading
04/04/2019	Trading Halt
08/04/2019	Suspension from Official Quotation
08/04/2019	Issue of Bonus Options to Shareholders
09/04/2019	Kachi PFS to unlock Top 10 Global Lithium Brine Resource - UPDATE
09/04/2019	Reinstatement to Official Quotation
09/04/2019	Lake raises \$1m in Placement
11/04/2019	S.708A (12C) Cleansing Notice
11/04/2019	Appendix 3B
11/04/2019	Cleansing Notice
11/04/2019	LR7.1A Notice
12/04/2019	Appendix 3B
12/04/2019	Appendix 3B Amended
12/04/2019	Prospectus
15/04/2019	FNN Interview with Managing Director
18/04/2019	Foraco drill rig commences drilling at Cauchari
24/04/2019	Appendix 3B
30/04/2019	Quarterly Report and Appendix 5B
1/05/2019	New Drill Rig Advances at Cauchari
6/05/2019	Presentation - Bloomberg / Benchmark Minerals World Tour NYC
6/05/2019	Response to ASX Appendix 5B Query
6/05/2019	Appendix 3B
7/05/2019	Pilot Plant Engineering underway at Kachi Lithium Project
14/05/2019	Cauchari Drilling Update
21/05/2019	International Engineering Firm appointed for Kachi
22/05/2019	Cauchari - Further Conductive Brines Intercepted
24/05/2019	Appendix 3B
28/05/2019	Strong Cauchari results confirm Proof of Concept
29/05/2019	FNN Interview with Managing Director
31/05/2019	High Flow Brines at Cauchari
4/06/2019	Trading Halt

Date	Subject of ASX release
5/06/2019	Appendix 3B
6/06/2019	\$2.4m to accelerate drilling at Cauchari
11/06/2019	Lake Raise upsized to \$2.7m to accelerate Cauchari drilling
12/06/2019	High Grade Brines from Cauchari Drilling
12/06/2019	s708A Notice
12/06/2019	Appendix 3B
12/06/2019	LR 7.1A Notice
12/06/2019	Clarification on Exploration Target
13/06/2019	Interview - High Grade Cauchari Brine Results
13/06/2019	Interview - High Grade Cauchari Brine Results (Revised)
17/06/2019	Appendix 3B
24/06/2019	Appendix 3B
25/06/2019	Appendix 3B - Amended
26/06/2019	Cauchari Drilling Progresses - Video Update
28/06/2019	Appendix 3Y
02/07/2019	Appendix 3Y
02/07/2019	Company Secretary Appointment/Resignation
02/07/2019	Appendix 3B
03/07/2019	Further Conductive Brines Cauchari
03/07/2019	Appendix 3B
15/07/2019	Cauchari Discovery Multiple Lithium Zones
16/07/2019	Appendix 3B
16/07/2019	Notice of Extraordinary General Meeting/Proxy Form
18/07/2019	High Grade Brines Increase at Cauchari
18/07/2019	Presentation at Noosa Conference
23/07/2019	Quarterly Report and Appendix 5B

6.4 Share and Option Information

The highest and lowest prices of shares in the Company on the ASX in the six 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	0.10	0.057	0.075
Three months	0.115	0.044	0.066
Six months	0.115	0.044	0.062

The last market sale price of Shares as at the last practical date prior to lodgement was \$0.064.

6.5 Substantial Holders

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 in which the Shareholder holds a relevant interest as at the date of the Prospectus	Relevant interest (%)	Additional Option Entitlement under the Offer
Ms Justine Michel Lambrecht Investment	26,372,563	5.51%	3,296,570

6.6 Top 20 Shareholders

The top 20 Shareholders of the Company as at the last practical date prior to lodgement (being 17 July 2019) are as follows:

No	Name	Number of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
1.	Ms Justine Michel	26,372,563	5.51
2.	Mr Stephen Promnitz	15,381,293	3.22
3.	202 Limited	15,075,152	3.15
4.	Acuity Capital Investment Management Pty Ltd	15,000,000	3.14
5.	BNP Paribas Nominees Pty Ltd	11,329,436	2.37
6.	Raymond James	10,119,046	2.12
7.	Mr Daniel Ruben Bonafede	9,500,000	1.99
8.	Outback Formwork Pty Ltd	9,317,364	1.95
9.	Willaton Properties Pty Ltd	8,513,097	1.78
10.	Mr Adam Furst	8,446,628	1.77
11.	Fluid Investments Pty Ltd	7,160,118	1.50

No	Name	Number of Ordinary Fully Paid Shares	% Held of Issued Ordinary Capital
12.	Mr Andrew Stephen William Brown & Mr Iain Raymond Brown	6,972,705	1.46
13.	Citicorp Nominees Pty Limited	6,162,718	1.29
14.	M & E Earthmoving Pty Ltd	6,015,037	1.26
15.	SBI Investments (Pr) Llc	5,898,214	1.23
16.	Comsec Nominees Pty Limited	5,859,430	1.23
17.	Ms Ainsley Ruth Williams	5,722,618	1.20
18.	Mr Simon James Kalinowski	5,239,469	1.10
19.	Mr Lucas James Cavanagh	5,120,752	1.07
20.	Mr Dominic Mak	5,078,116	1.06
	TOTAL	188,283,756	39.37

6.7 The Directors

The Directors of Lake Resources bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed with Lake Resources that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, of Lake Resources, without undue constraints from other commitments.

The Board considers that Stuart Crow and Nick Lindsay are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the role of an Independent Director for the purposes of the Corporate Governance Principles and Recommendations.

Stephen Promnitz is not currently considered by the Board to fulfil the role of Independent Directors due to his executive positions with the Company.

Details of the current interests of the Directors in the Company are set out in section 6.8.

6.8 Directors' 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	No of Shares	No of unlisted Options (exercise price of \$0.28 and expiry date of 31 December 2020)	No of unlisted Options (exercise price of \$0.05 and expiry date of 21 October 2019) - Class D	Entitlement to Options under the Offer
Stephen Promnitz	15,281,293	5,000,000	625,508	2,447,661
Stuart Crow	4,358,964	3,000,000	156,250	544,870
Nick Lindsay	-	1,500,000	-	-

6.9 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 \$350,000 per annum in aggregate (**Remuneration Cap**) and may only be increased with the approval of Shareholders.

The following tables show the approximate total annual remuneration paid to Directors for the period ended 30 June 2018. The proposed annual remuneration for the Financial Year ending 30 June 2019 is the same as the previous period:

Director	Financial Year ending 30 June 2018				
	Cash Salary and Fees	Cash bonus	Non-Monetary	Superannuation	Options/Performance Rights
Stephen Promnitz	230,384	50,000	29,535	24,366	691,723
Stuart Crow	36,667	-	-	-	415,034
Nick Lindsay	28,900	-	-	-	207,517

During the Financial Year ended 30 June 2018, the consolidated entity paid Salaris Consulting Pty Ltd, a company associated with Stuart Crow (Director), consultancy services relating to capital raising. Total fees paid (excluding GST) to Salaris Consulting Pty Ltd for the consultancy services was \$27,645. During the Financial Year ended 30 June 2019, the Company has paid to Salaris Consulting Pty Ltd an amount of \$100,000 for consultancy services.

During the Financial Year ended 30 June 2018, the Company engaged Franks & Associates Pty Ltd, a company associated with Andrew Bursill (former Company Secretary) to provide company secretarial and accounting services. Total fees paid (excluding GST) to Franks & Associates Pty Ltd during the Financial Year ended 30 June 2018 was \$123,588. In October 2018, Franks & Associates Pty Ltd became part of Automic Group. During the Financial Year ended 30 June 2019, the Company has paid to Automic Group an amount of \$22,951.11 for company secretarial and accountancy services.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

6.10 Related party transactions

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.

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

The Company, to the extent permitted by law, indemnifies the Directors 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 as an officer of the Company. The indemnity applies to any liability or legal costs incurred, provided the Director 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.

6.11 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 \$22,000 (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.

6.12 Subsequent events

Save for the information contained in the documents set out in sections 6.2 and 6.3 and otherwise as disclosed to ASX, there has not arisen in the interval between 31 December 2018 and the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus 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.

6.13 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.

6.14 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.

6.15 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 15 June 2021 or when all Additional Options and Placement Options have been exercised, whichever is the earlier to occur. The Offer constituted by this Prospectus in electronic form is made only to Eligible Shareholders 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 Eligible Optionholder or Placement 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.

6.16 Privacy

By submitting an Exercise Notice you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited (**Link**), 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.

6.17 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	\$3,206
Legal expenses	\$22,000 (ex. GST)
TOTAL	\$25,206

6.18 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 issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

6.19 **Directors' statement**

This Prospectus is issued by Lake Resources N.L.. Each of the Directors has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Lake Resources N.L. by

A handwritten signature in black ink, appearing to read 'Stuart Crow', is positioned above the printed name and title.

Stuart Crow
Non-Executive Director
Lake Resources N.L.

7. Definitions and glossary

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

Additional Option	An Option granted upon exercise of a Bonus Option pursuant to this Prospectus to acquire one fully paid Share, exercisable no later than 5:00pm on the Additional Option Expiry Date
Additional Option Exercise Notice	The Exercise Form for the Additional Options accompanying this Prospectus
Additional Option Exercise Price	\$0.10
Additional Option Expiry Date	15 June 2021
Additional Option Issue Date	16 August 2019
Additional Option Offer	The offer to Eligible Optionholders of an Additional Option for every Bonus Option exercised prior to the Bonus Option Expiry Date to acquire one fully paid ordinary Share at the Additional Option Exercise Price on or before the Additional Option Expiry Date
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691
ASX Listing Rules	The official listing rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd ABN 49 008 504 532
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Bonus Option	The option issued on 24 April 2019 for no consideration pursuant to the Prospectus dated 12 April 2019 to acquire one fully paid ordinary Share, exercisable no later than 5:00pm on the Bonus Option Expiry Date
Bonus Option Expiry Date	15 June 2019
Bonus Option Exercise Price	\$0.04
Bonus Option Offer	The pro-rata non-renounceable offer to Eligible Shareholders of one Bonus Option for every seven Shares held on the Record Date to acquire one fully paid ordinary Share at the Bonus Option Exercise Price, exercisable no later than 5:00pm on the Bonus Option Expiry Date
Company or Lake Resources or LKE	Lake Resources N.L. ACN 079 471 980
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendation	Corporate Governance Principles and Recommendation 4 th Edition released by the ASX Corporate Governance Council in February 2019
Corporations Act	<i>Corporations Act 2001</i> (Cth)

Directors or Board	The Board of directors of Lake Resources from time to time
Eligible Optionholder	An Eligible Shareholder of the Company who exercised a Bonus Option prior to the Bonus Option Expiry Date.
Eligible Shareholder	A shareholder of the Company who had a registered address in Australia or New Zealand and who was registered as Shareholder at 5:00pm on the Record Date and was issued a Bonus Option.
Exercise Notice	A notice given to the Company by a Recipient requiring the Company to issue Shares on exercise of the Option
Existing Convertible Notes	All existing convertible notes currently on issue as at the date of this Prospectus
Existing Optionholder	A person who is registered as a holder of Options as at the date of this Prospectus
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus
Group	The Company and each of its wholly owned subsidiaries
Ineligible Shareholders	Shareholders as at the Record Date who are not Eligible Shareholders
Issue Price of Bonus Options	Nil
Issue Price of Additional Options	Nil
Law	The Corporations Act or any relevant and applicable law in Australia
Offer or Issue	The Additional Option Offer and the Placement Option Offer
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	The official quotation of securities by the ASX in accordance with the ASX Listing Rules
Options	Options on issue in the Company from time to time
Placement Option	An Option granted to Placement Shareholders pursuant to this Prospectus to acquire one fully paid Share, exercisable no later than 5:00pm on the Placement Option Expiry Date
Placement Option Exercise Notice	The Exercise Form for the Placement Options accompanying this Prospectus
Placement Option Exercise Price	\$0.10
Placement Option Expiry Date	15 June 2021
Placement Option Issue Date	16 August 2019. NB: The issue of the Placement Options is subject to shareholder approval.
Placement Option Offer	The offer to Placement Shareholders of a Placement Option for every two Placement Shares allotted to Placement Shareholders to acquire one fully paid ordinary Share at the Placement Option Exercise Price on or before the Placement Option Expiry Date

Placement Shares	The placement of 29,835,845 fully paid ordinary shares at a face value of \$0.09 per share as announced by the Company on 6 June 2019 and 11 June 2019
Placement Shareholders	Shareholders who were issued Placement Shares
Prospectus	This Prospectus dated 23 July 2019 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Recipient	A person who holds Options issued pursuant to this Prospectus
Record Date	18 April 2019
Register	Company Register of Lake Resources
Securities	Has the same meaning as in section 92 of the Corporations Act
Share Registry or Link	Link Market Services Limited
Shares	The ordinary shares on issue in Lake Resources from time to time
Shareholders	The holders of Shares from time to time

Corporate Directory

Directors	Solicitors to the Offer
Stuart Crow (Non-Executive Chairman) Stephen Promnitz (Executive Director) Nick Lindsay (Non-Executive Director)	HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: + 61 7 3024 0000 www.hopgoodganim.com.au
Administration and Registered Office	Share Registry
Level 5 126 Phillip Street Sydney NSW 2000 Tel: +61 2 8098 1163 www.lakeresources.com.au/	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Tel: 1300 554 474 www.linkmarketservices.com.au

Notice of exercise of options

To Lake Resources NL ACN 079 471 980 (**Company**)
 Address Level 5, 126 Phillip Street, Sydney NSW 2000

I/We **[Full name of Eligible Optionholder]**
 Address [Address of Eligible Optionholder]
 SRN/HIN (if applicable) _____

hereby exercise my/our option to apply for [insert number] ordinary fully paid shares in the capital of the Company.

I/We **enclose** my/our cheque for [insert cheque exercise value] being payment at the rate of \$0.10 per option to be exercised. Alternately I/we **attach** a copy of the proof of funds transfer/electronic payment into the account noted below:

Lake Resources NL ACN 079 471 980	
Bank	National Australia Bank Limited
Account name	Lake Resources NL
BSB	082-167
Account number	30-594-4379

I/We request that you allot such shares to me/us and I/we undertake to be bound by the constitution of the Company. If this application is signed by an attorney, the attorney declares that they have no notice of revocation of the power of attorney under authority of which this application is signed.

Dated 2019

.....
 [Eligible Optionholder]

Joint applications must be signed by all applicants and if the applicant is a company by either:

- two directors of the company; or
- a director and company secretary of the company; or
- for an Australian proprietary company that has a sole director who is also the sole company secretary - that director, together with a statement that this person is the sole director and secretary.

This notice with the appropriate remittance should be lodged with the company secretary at the following address:

Attention: Company Secretary
 Lake Resources NL ACN 079 471 980
 Level 5, 126 Phillip Street, Sydney NSW 2000