

14 February 2020

PLACEMENT SHARES ISSUED
CONSIDERABLE INTEREST IN SHARE PURCHASE PLAN (SPP)

- **Lake has issued the first tranche of the placement shares. The smaller second tranche of Shares will be issued early next week.**
- **Considerable interest has been shown in the Share Purchase Plan (SPP) to date.**
- **Funds raised will be primarily used to fast track delivery of larger samples from the Kachi project pilot plant to offtakers and to close out the convertible securities facility. Updates will be provided on progress.**

Placement

Lithium explorer and developer **Lake Resources NL (ASX: LKE)** has today issued 36,521,850 shares at an issue price of \$0.04 per share to raise approximately A\$1.47 million before costs, in a private placement to sophisticated and professional investors (**Placement**) using its existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The Company anticipates a further tranche of 12,500,000 Shares under the Placement will be issued early next week. This will result in a total of 49,021,850 shares being issued under the Placement which will raise a total of \$1,960,874 (before costs).

The Company has also reached an agreement with the Convertible Securities holder, SBI Investments (PR), LLC to extend the date for payment of the Cash Portion from 14 February 2020 to 18 February 2020 to close out the Convertible Securities facility.

Share Purchase Plan

Considerable interest has been shown to date in the Share Purchase Plan (**SPP**) Offer which is now available to all Eligible Shareholders to participate by subscribing for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share up until the SPP Offer closes on 28 February 2020. The issue price of \$0.04 per Share is the same as the private placement, at a 20% discount to the 5 trading day VWAP prior to the date of announcing the capital raising program (\$0.050). Please see the relevant documentation under a Prospectus lodged on 10 February 2020 and available on the Company's website www.lakeresources.com.au

Funds raised through the Placement and the SPP will be used by Lake to make part of the cash payment required for the early close-out of the Convertible Securities facility, produce further high purity samples from the pilot plant for downstream participants (off-takers) to conduct qualification testing using the Lilac direct extraction process, the development, construction, transport and operation of the direct extraction pilot plant, the optimisation of the Pre-Feasibility Study (PFS), general exploration, the costs of the SPP Offer and the Placement and to provide additional working capital.

Lake looks forward to reporting on progress through to first large samples being produced late next month.

For further information please contact:

LAKE RESOURCES NL

Level 5, 126 Phillip Street,
Sydney, NSW 2000
+61 2 9299 9690

LAKERESOURCES.COM.AU

ASX:LKE

**AT THE HEART OF THE
LITHIUM TRIANGLE**

Steve Promnitz, Managing Director
+61 2 9188 7864
steve@lakeresources.com.au

Follow Lake on Twitter: https://twitter.com/Lake_Resources
Follow on LinkedIn: <https://www.linkedin.com/company/lake-resources/>
Website: <http://www.lakeresources.com.au>

About Lake Resources NL (ASX:LKE)

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

The Kachi project covers 70,000 ha over a salt lake south of FMC/Livent's lithium operation and near Albemarle's Antofalla project in Catamarca Province. Drilling at Kachi has confirmed a large lithium brine bearing basin over 20km long, 15km wide and 400m to 800m deep. Drilling over Kachi (currently 16 drill holes, 3100m) has produced a maiden indicated and inferred resource of 4.4 Mt LCE (Indicated 1.0Mt and Inferred 3.4Mt) (refer ASX announcement 27 November 2018).

A direct extraction technique is being tested in partnership with Lilac Solutions, which has shown 80-90% recoveries and lithium brine concentrations 30-60,000 mg/L lithium. Battery grade lithium carbonate has been produced from Kachi brine samples with very low impurities (Fe, B, with <0.001 wt%). Phase 1 Engineering Study results have shown operating costs forecast in the lowest cost quartile (refer ASX announcement 10 December 2018). Test results have been incorporated into a Pre-Feasibility Study (PFS) aimed to be released soon. The Lilac process is being trialed with a pilot plant in California which will then be transported to site to produce larger battery grade lithium samples. Discussions are advanced with downstream entities, mainly battery/cathode makers, as well as financiers, to jointly develop the project.

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

The Cauchari project has shown lithium brines over 506m interval with high grades averaging 493 mg/L lithium (117-460m) and high flow rates, with up to 540 mg/L lithium. These results are similar to lithium brines in adjoining pre-production areas under development and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 28 May, 12 June 2019).

Significant corporate transactions continue in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project with Ganfeng announcing a US\$237 million for 37% of the Cauchari project previously held by SQM, followed by a further US\$160 million to increase Ganfeng's equity position to 50% on 1 April 2019, together with a resource that had doubled to be the largest on the planet. Ganfeng then announced a 10 year lithium supply agreement with Volkswagen on 5 April 2019. Nearby projects of Lithium X were acquired via a takeover offer of C\$265 million completed March 2018. The northern half of Galaxy's Sal de Vida resource was purchased for US\$280 million by POSCO in June-Dec 2018. LSC Lithium was acquired in Jan-Mar 2019 for C\$111 million by a mid-tier oil & gas company with a resource size half of Kachi. These transactions imply an acquisition cost of US\$55-110 million per 1 million tonnes of lithium carbonate equivalent (LCE) in resources.

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