

24 February 2020

PLACEMENT UPSIZED BY \$1.9M TO \$3.4M FOLLOWING STRONG DEMAND

- **Lake upsizes private placement by a further \$1.9 million before costs to sophisticated and professional investors, as investors show support for Company's development plans and partner Lilac's technology backed by Bill Gates-led fund.**
- **Share Purchase Plan (SPP) still has capacity available and remains open until Friday 28 February; participants to be scaled back on pro-rata basis in event SPP is oversubscribed.**
- **Production of significant lithium carbonate samples by Lilac Solutions ion exchange pilot plant for potential offtake partners is Lake's and Lilac's immediate focus, as Lake advances development of scalable and sustainable lithium extraction.**
- **A video interview for investors with MD Steve Promnitz is available for access at:**
<https://www.youtube.com/watch?v=ulhfAvA5kE&feature=youtu.be>

Placement Extended

In a sign of renewed investor confidence, lithium explorer and developer **Lake Resources NL (ASX:LKE)** announced today it has extended and upsized its private placement, with commitments received to raise a further \$1.9 million before costs, which will result in the issue of approximately 47.5 million shares, at an offer price of \$0.04 per share, to sophisticated and professional investors. Settlement is anticipated to be Wednesday, 26 February 2020. This will bring the total amount raised under the placement to an amount of approximately \$3.37 million with the issue of approximately 84.02 million new placement shares in total (refer to announcements of 14 and 20 February 2020 for information on prior placement share issues). The Company is preparing a supplementary prospectus which will address these matters which is anticipated to be lodged on or around 26 February 2020.

Share Purchase Plan (SPP) Update

The Share Purchase Plan Offer, to raise up to \$1.5 million before costs, has received strong support following the Company's 21 February 2020 announcement, "Bill Gates-Led Fund Back's Lake's Technology Partner Lilac."

However, the SPP still has capacity available and closes on Friday 28 February. In the event that the SPP is oversubscribed, all participants will be scaled back on a pro-rata basis.

Eligible Shareholders can subscribe for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share up until the SPP Offer closes. The issue price of \$0.04 per Share is the same as the private placement, at a 20% discount to the 10 trading day VWAP (\$0.05) as at the close of Friday 21 February 2020 and at a 20% discount to the 5 day VWAP prior to the date of announcing the capital raising program.

Please see the relevant documentation under a Prospectus lodged on 10 February 2020, which is available on the Company's website www.lakeresources.com.au. The supplementary prospectus which is anticipated to be

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**AT THE HEART OF THE
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lodged on or around 26 February 2020 will set out details of the rights of applicants under the SPP to withdraw their application within one month and be repaid their funds

Kachi Pilot Plant and PFS Update

Production of significant lithium carbonate samples by Lilac Solutions ion exchange pilot plant for potential offtake partners is Lake's and Lilac's immediate focus, as Lake advances development of scalable and sustainable lithium extraction. The Pre-Feasibility Study (PFS) is in the final stages of completion, pending final data around the incorporation of improved design features from the Company's technical provider regarding the direct extraction plant. This will illustrate the cost efficiency of the technology at the project.

Lake looks forward to reporting on progress to first large lithium samples being produced late next month, together with the PFS release during the same month.

On February 21, Lake announced that its technology partner, California-based Lilac Solutions, had received some US\$20 million in funding from investors including Breakthrough Energy Ventures, which is backed by sustainability-focused investors including household names such as Microsoft founder Bill Gates, Amazon's Jeff Bezos and Alibaba's Jack Ma, together with Michael Bloomberg, founder of Bloomberg LP.

The funding will support Lilac's commercialisation of its new ion exchange technology for the direct extraction of lithium from brine resources, which is significantly faster, cheaper and more scalable than current technology, while offering a potentially sustainable solution for the lithium brine industry.

Lake's Managing Director, Steve Promnitz said: *"We are delighted by the response from investors, particularly following the announcement that some of the best known successful investors of the global business community is backing our key technology partner, and that Lake's Kachi project is the first brine project where this technology will be actively developed on site"*.

"These are exciting times for Lake and Lilac as we advance this new, sustainable solution and we welcome the support from all investors in helping make this a reality."

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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 a 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 40% of the world's lithium is produced at the lowest cost. Lake holds one of the largest

lithium tenement packages in Argentina (~200,000Ha) which provides the potential for consistent security of supply, scalable as required.

Lake considers it is in a strong position to benefit from the market opportunity in electric vehicles and the batteries that power the energy revolution due to:

1. **High Purity Lithium Carbonate** samples (99.9%) with very low impurities, recently produced from the pilot plant using a direct extraction process (ion exchange);
2. **Increased Engagement with Off-takers** as larger samples are produced, anticipated from late March 2020 onwards, for off-takers to commence qualification testing to then engage to assist in financing;
3. **Kachi Project PFS**, in the final stages of completion which is anticipated to show projected production costs at the lower end of the cost curve similar to current lithium brine producers. The Kachi project has a resource (announced Nov 2018) considered large enough for long term production and could be potentially scaled to a much larger project is required as leases cover an area 10 times Manhattan.
4. **Sustainable and Scalable Future Lithium Production**, demanded by the larger Electric Vehicle makers and an increasing number of battery/cathode makers, who need to show both the quality and provenance of battery materials for ESG/sustainability and carbon footprint reporting. The direct extraction process reinjects brine once the lithium has been removed using ion exchange beads without affecting the chemistry. This means a much smaller footprint and less water usage because evaporation ponds are not used.

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

A direct extraction technique has been tested in partnership with Lilac Solutions, supported by Bill Gates – led Breakthrough Fund and MIT's The Engine fund. A pilot plant is being commissioned, which has shown 80-90% recoveries and lithium brine concentrations over 60,000 mg/L lithium. Battery grade lithium carbonate (99.9% purity) 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) in the final stages of completion. The Lilac pilot plant in California will produce samples for downstream participants in March/April/May prior to being 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 adjoins 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) with up to 540 mg/L lithium. These results are similar to lithium brines in adjoining leases scheduled for production in late 2020 and infer an extension and continuity of these brines into Lake's leases (refer ASX announcements 28 May, 12 June 2019).

Significant corporate transactions have occurred in adjacent leases with development of Ganfeng Lithium/Lithium Americas Cauchari project as Ganfeng announced a US\$397 million investment for 50% of the Cauchari project, 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. Orocobre has announced on 19 Feb 2020 the acquisition of all shares in Advantage Lithium, valued at around C\$63 million, which holds leases next to Lake at Cauchari. 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/>