

10 March 2020

**ASX WAIVER FROM LISTING RULE 7.40**

**\$2.5M SPP OFFER CLOSING 13 MARCH 2020 – SUPPLEMENTARY PROSPECTUS  
LODGED**

- **Share Purchase Plan (SPP) and Shortfall Offer to be closed this week**
- **Share Purchase Plan (SPP) Offer oversubscribed at \$2.5 million due to overwhelming shareholder demand.**

Lithium explorer and developer Lake Resources NL (ASX: LKE) is pleased to announce that the upsized Share Purchase Plan Offer has been well received by shareholders with over \$2.5 million in applications being received by the Company to date. Any scale back to applications will be made on a pro-rata basis after the Withdrawal Period ends on 28 March 2020.

The private placement was also previously increased by \$0.55 million before costs, to a total amount of \$3.9 million (as announced on 28 February 2020).

The Company refers to its prospectus dated 10 February 2020 (**Prospectus**) and the supplementary prospectus dated 28 February 2020 (**First Supplementary Prospectus**) in respect of:

- (a) its offer to all Eligible Shareholders to participate in the Company's Share Purchase Plan (**SPP**) by subscribing for up to \$30,000 worth of new Shares at an issue price of \$0.04 per Share (**SPP Shares**) to raise up to \$2.5 million (**SPP Offer**); and
- (b) a shortfall offer on the same terms as the SPP Offer which provides the Company with the ability to issue any shortfall under the SPP Offer up to the maximum available under the SPP Offer of \$2.5 million (**Shortfall Offer**).

Under the First Supplementary Prospectus, the Company provided details of the recent placement and upsized share purchase plan as well as providing withdrawal rights for all SPP applications received on or before 28 February 2020 for a period of one month (ending on 28 March 2020) (**Withdrawal Period**). As a result of the Withdrawal Period required by the Corporations Act, the Company was required to extend the closing date of the SPP Offer and the Shortfall Offer in order to comply with ASX Listing Rule 7.40 and the timetable requirements set out in Appendix 7A.

The Company is pleased to now advise that the ASX has granted the Company a waiver from ASX Listing Rule 7.40 (**Waiver**). ASX Listing Rule 7.40 provides that the Company must comply with the timetable requirements set out in Appendix 7A in respect of the SPP Offer. The Waiver permits the Company to close the SPP Offer and Shortfall Offer early, but does not require the Company to issue the SPP Shares and Shortfall Shares (if any) and apply for quotation of such shares until after the Withdrawal Period has passed (which would be beyond the 7 day period required by the Appendix 7A timetable). It is a condition of the Waiver that the Company issue the SPP Shares and Shortfall Shares (if any) no more than 7 business days after the Withdrawal Period has passed.

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ASX:LKE

**AT THE HEART OF THE  
LITHIUM TRIANGLE**

As a result of the oversubscriptions received in respect of the SPP Offer and in reliance on the Waiver, the Company now proposes to close the SPP Offer and Shortfall Offer early at 5.00pm (AEDT) on **Friday, 13 March 2020**. This will provide shareholders a final opportunity to provide their applications to the Company prior to the close of the SPP Offer and Shortfall Offer.

An updated timetable in respect of the SPP Offer is set out below:

Event	Date
SPP Offer and Shortfall Offer closes	5.00pm (AEDT) Friday, 13 March 2020
Announcement of results of SPP	Wednesday, 18 March 2020 (after market close)
End of the Withdrawal Period	Saturday, 28 March 2020
Last day for Company to issue SPP Shares and Shortfall Shares (if any)	Tuesday, 7 April 2020 (before noon)

Participation in the Share Purchase Plan is available to shareholders of the Company who are registered as holders of Shares at 7pm (AEDT) on the Record Date of 7 February 2020 and whose registered address is in Australia and New Zealand (Eligible Shareholders).

The Company has today lodged a second supplementary prospectus with the Australian Securities and Investments Commission which supplements the Prospectus and First Supplementary Prospectus to amend the closing date of the SPP Offer and Shortfall Offer (together with necessary amendments to the timetable as a result of the change to the closing date).

Lake's Managing Director, Steve Promnitz said: *"We are overwhelmed by the positive response from our current shareholders given the volatile markets and will keep shareholders updated with news in the coming months as the project progresses. The marketing in North America and the UK was well received."*

**For further information please contact:**

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**Authorised for release by:**

**Steve Promnitz - Managing Director**

**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/>