QUARTERLY REPORT ENDING 31 MARCH 2020
LAKE RESOURCES NL ASX:LKE OTC:LLKKF

30 April 2020

Lake Resources N.L.
ASX:LKE OTC:LLKKF
ABN 49 079 471 980

Shares on Issue:
671,461,957

Options Listed:
52,512,693 (10c, Jun'21)

Options Unlisted:
18,300,000 (4.6c, Oct'22)
5,555,000 (8c, Feb'22)
15,000,000 (9c, Jul'21)

Market Capitalisation:
A$24.8 million (@3.7c)
[US$15.8 million]

Share Price Range:
A$0.023 – 0.115 (12mth)

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HIGHLIGHTS

- **Compelling and robust Pre-Feasibility Study (PFS) results for Kachi Lithium Brine Project in Argentina, show project capable of producing sustainable high-purity lithium carbonate to attract premium pricing.**
- **Long life, low cost operation with 25,500tpa LCE using Lilac Solutions' innovative sustainable direct extraction method at competitive operating and capital costs.**
- **Post-tax NPV8 of US$748 million (A$1,180m) and IRR of 22% with high margin EBITDA of US$155 million (A$245m) in first full year of production**
- **High purity battery grade lithium carbonate samples (99.9%) demonstrated from Kachi Project brines with more samples for off-takers in coming months.**
- **20,000 litres of brines from Kachi to Lilac's pilot plant module in California, with additional 20,000 litres in transit to meet demand from potential off-takers.**
- **Technology partner, Lilac Solutions, announced US$20m backing from Breakthrough Fund and MIT's The Engine fund.**
- **Discussions continue for debt funding of US$10m to US$25 million for DFS, permitting and lithium pre-production for the Kachi Project.**
- **Capital raising completed with a A$3.4m private placement and a Share Purchase Plan. The A$1.96m convertible securities facility was paid out.**
- **Limited impact from restrictions imposed due to COVID-19; operations continuing with increased personal protection and heightened security based on government guidelines.**

LAKE RESOURCES N.L.
QUARTERLY REPORT ENDING 31 MARCH 2020

Lake Resources NL (ASX:LKE) is an exploration and development company, developing its flagship 4.4mt LCE resource Kachi Lithium Brine Project in Argentina, to produce sustainable high purity lithium carbonate using an efficient, disruptive and low cost direct extraction technology from our partner, Lilac Solutions, in California. The pilot plant module is operating in California to produce sample for potential offtake partners using brines from the Kachi Project, and after completion, a full pilot plant will be constructed and transported for operation later in the year on site at Lake's Kachi Lithium Brine Project

Battery grade lithium carbonate (99.9% purity) with very low impurities was produced from the pilot plant and announced in January 2020 from lithium bearing brines sourced from the Kachi Project. Very low impurity products are demanded by the latest technologies used by lithium battery/cathode makers. Larger volume samples are expected to be delivered in Q2 2020 to a number of downstream participants for customer qualification purposes although this was delayed slightly due to COVID-19 operational adjustments.

Lilac Solutions technology gained the investment support of the Bill Gates-led fund, Breakthrough Energy, leading an investment round of US$20 million in February 2020. Breakthrough Energy Ventures looks to invest in startups that are capable of cutting emissions. The fund's investors include high profile investors who have successfully backed disruptive technologies. MIT's The Engine fund is another key investor in Lilac.

A robust and compelling pre-feasibility study (PFS) was delivered over the Kachi Lithium Brine Project, which hosts a major resource. A long-life, low cost operation was demonstrated with annual production target of 25,500 tpa of battery grade lithium carbonate by direct extraction using Lilac Solutions technology. The PFS showed the technology is cost competitive with other lithium brine projects but also showed the advantage of producing a premium product generating high operating (EBITDA) margins using conservative price forecasts. The results indicate the need for a definitive feasibility study looking at further opportunities to lower opex and capex costs potentially with a staged start at 10,000tpa.

The Flagship Kachi Project is one of three brine projects Lake owns 100% in the heart of the Lithium Triangle in Argentina, a world-class region alongside all 5 major lithium producers, which produces 40% of global production at the lowest cost. Lake owns over 200,000 hectares (0.5 million acres) of leases including one hard rock project.

Lake's Cauchari Project in Jujuy Province was drilled for the first time in 2019 and confirmed similar grades and lithium brines extend into Lake's properties from the adjoining Ganfeng/ Lithium Americas Cauchari project which is rapidly progressing to production in late 2020 at 40,000tpa LCE. The pilot plant, once having completed activities at Kachi, could be then used for the Cauchari project, or at Lake's mining titles at the Olaroz project, adjoining Orocobre's production (ASX:ORE).

OPERATIONS

Kachi Lithium Brine Project - Catamarca Province, Argentina

Summary

Lake Resources' 100%-owned Kachi Lithium Brine Project in Catamarca province, NW Argentina, covers 37 mining leases (70,400 hectares), centred around a previously undrilled salt lake within a large lithium brine-bearing basin. Kachi is one of the few salt lakes in Argentina with substantial identified lithium brines fully

controlled by a single owner. The project is located at ~3000 m altitude, south of Livent's (FMC) Hombre Muerto Lithium brine operation (NYSE:LTHM) which is Argentina's longest operating lithium brine project.

Lake aims to bring the project towards production by using the efficient, disruptive and low cost direct extraction technology from our partner, Lilac Solutions, in California. Brine samples from site have been sent to Lilac's pilot plant module and high purity (99.9%) battery grade lithium carbonate has been produced.

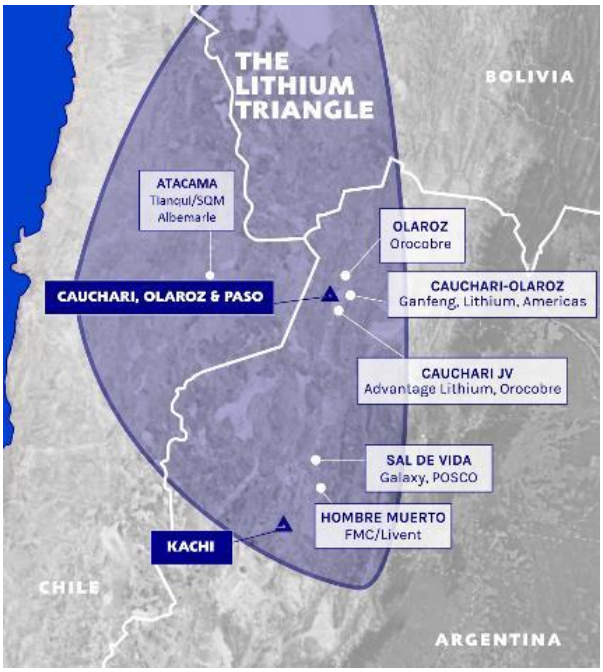


Figure 1: Location of Lake projects in NW Argentina.

A pilot plant is planned to operate on site at Kachi, targeting later in 2020, after high purity lithium carbonate samples have been produced from the pilot plant module in California and distributed to potential off-takers in Q2, 2020. Replicate brines were used in the commissioning process this year prior to a batch of 20,000 litres of brines from Kachi, which arrived at Lilac's pilot plant module in early March. An additional 20,000 litres is in transit to meet demand from potential off-takers and is selected from a range of wells on site at Kachi to provide consistency in results. The advent of COVID-19 in March forced both Lilac and Lake to use more personal protective equipment and tighter security controls and operating procedures, which has delayed progress by a few weeks.

A compelling Pre-Feasibility Study (PFS) was completed for the Kachi Project to produce sustainable, high purity, low impurity lithium carbonate to attract premium pricing. A long-life (25 years), low cost operation was demonstrated with annual production target of 25,500 tonnes of battery grade lithium carbonate by direct extraction using Lilac's technology, based on the Indicated Resource of 1.0 million tonnes LCE at 290 mg/L lithium (22% of current total resource). The study focused on the engineering and costing of preferred process design options supported by direct lithium extraction test work by Lilac Solutions, with Hatch appointed to provide engineering and design services.

A post-tax NPV8 of US$748 million (A$1,180m) and IRR of 22% was generated in the PFS. A high margin operation was shown with an EBITDA of US$155 million (A$245m) in first full year of production, and an operating margin of 62%, using forecast of US$11,000/t Li2CO3 CIF Asia. A competitive capital cost (capex) estimate of US$544 million was estimated, including contingency, and operating cost (opex) of US$4178/tonne Li2CO3.

Next steps involve delivering product samples from the pilot plant to potential off-takers, targeting lower up-front costs, and further resource development to extend project life. Financing and off-take discussions continue. The PFS consumes the 1.0Mt LCE indicated resource over 25 years of operation but the JORC mineral resource statement of 27 November 2018 showed substantial upside to extending the resource at depth and laterally with further drilling,) within consolidated mining leases of 70,000 hectares over almost an entire salt lake. This positions the project among Top 10 lithium brine resources globally.

Significantly, Lilac's direct extraction process offers a sustainable solution for Lake Resources. The technology is environmentally friendly, as the salty water (brine) is reinjected into the aquifer once the lithium has been removed, without adjusting its chemistry or adding any reagents. Traditional evaporation ponds are not required. This offers a potential ethical, sustainable solution for an industry at the forefront of the global clean energy revolution. This addresses increasing interest from electric vehicle makers (OEM's) and battery makers to demonstrate they have access to a sustainable scalable supply chain for raw materials.

Financially Robust Project

The key conclusions of the PFS of the Kachi Lithium Brine Project's commercial viability are presented in Table 1. The unlevered project delivers an attractive prospective financial performance, with conservative long term future price assumptions of US$11,000/t for battery grade lithium carbonate, with a pre-tax NPV_8 of US$1050 million and an 25% IRR and post-tax NPV_8 of US$748 million and an 22% IRR based on an annual production target of 25,500 tpa LCE which is supported by the Indicated Mineral Resource for an initial 25 years. The annual EBITDA for the project is US$155 million, with life of project EBITDA of US$3,890 million.

Production Parameters	**Units**	**Values**	
Construction Period (from end DFS)	years	2	
Project Life	years	25	
Production Rate – Lithium Carbonate	tonnes LCE per year	25,500	
Mineral Resource (Indicated) fully utilised	Million tonne LCE	1.01	
Lithium Grade to Direct Extraction Plant	Mg/L	250	
Production Rate – Brine Extracted	Million m^3/year	23	
Recovery	%	83.2	
Key Financial Parameters			
Capital Investment (at start-up)	US$ million	544	
Operating Cost (annual)	US$ million	107	
Cash Cost (Opex, C1)	US$/tonne LCE	4178	
Cash Cost (AISC)	US$/tonne LCE	5100	
IRR pre-tax	%	25%	
IRR post-tax	%	22%	
NPV_8 (NPV @ 8% discount rate) Pre-tax	US$ million	1050	[A$1660m]
NPV_8 (NPV @ 8% discount rate) Post-tax	US$ million	748	[A$1180m]
Payback period from 1st product delivery	years	5	
Sales, annual	US$ million	280	[A$442m]
Sales, life of project	US$ million	7,030	[A$11,105m]
EBITDA, annual	US$ million	155	[A$245m]
EBITDA, life of project	US$ million	3,890	[A$6,145m]
US Dollars in constant 2020 terms (real)			*[USD/AUD 0.633]*

Table 1: Key Project Metrics and Financial Parameters

Operating and capital costs are presented on Tables 2 and 3. These are in October 2019 United States dollars, and estimated to an accuracy of about *minus* 20% to *plus* 30%. Australian dollars are for comparison only. Capital costs exclude owner's costs whereas operating costs exclude corporate overheads, taxes and royalties. All costs associated with the direct extraction process were provided by Lilac Solutions, with the remainder based on engineering designs supported by OEM quotation, industry enquiries and supplier databases.

Capital Cost area	US$M	%
Direct Costs:	***399***	***73%***
Wellfield	25	5%
Processing	161	30%
Site infrastructure	18	3%
Site works (construction)	195	36%
Indirect Costs:	***145***	***27%***
EPCM	54	10%
Owner's costs	Excluded	
Contingency	91	17%
Total	**544**	

Table 2: Summary Capital Cost Estimate Breakdown

Operating Cost Factor	US$M/y	US$/t LCE	%
Labour	10	394	10%
Utilities (electricity, gas, water)	42.9	1,677	40%
Reagents	16.1	630	15%
Consumables	22.4	876	21%
Maintenance	4.7	185	4%
General & Administration	10.6	416	10%
Total	**106.8**	**4,178**	**100%**
Corporate costs, royalties and taxes excluded			

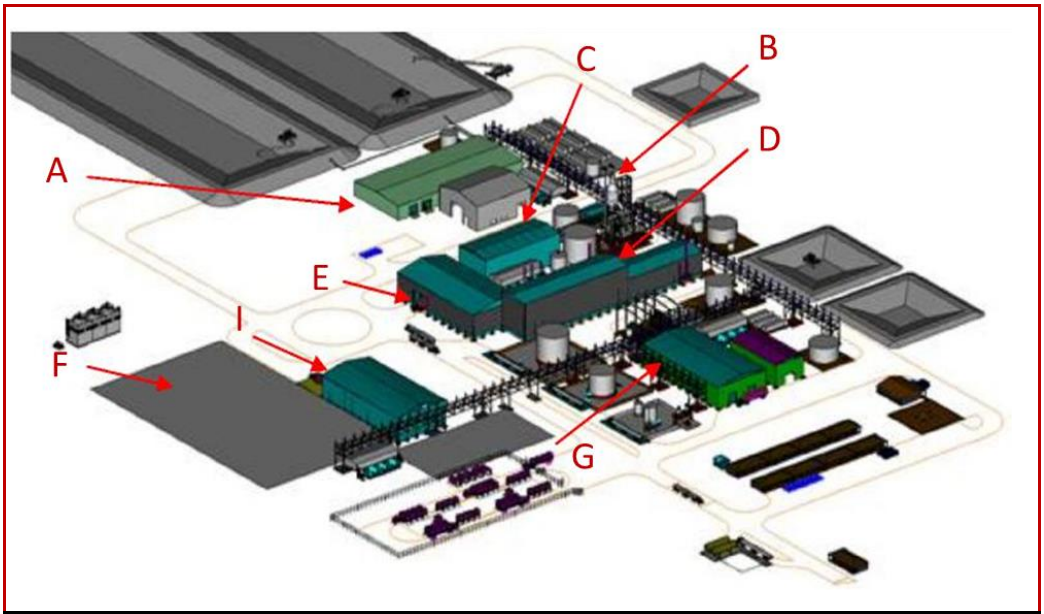
Table 3: Summary Annual Operating Cost Estimate Breakdown by Factor

Note: PFS completed to an approximate -20 +30% level of accuracy for capital and operating costs

Plant Design and Extraction Method

The plant design targets production of 25,500 tpa of battery grade lithium carbonate through the treatment of brine with direct lithium extraction technology based on ion exchange (IX) with the concept shown in Figure 1. The process involves the annual treatment of about 23 million cubic metres of brine at 250 g/L lithium, with an overall plant recovery of 83.2%. The eluate from the process is further concentrated and purified and fed into a conventional lithium carbonate plant. No solvent extraction plant is required to remove boron. While the study was based on 24,000 mg/L feedstock to the lithium carbonate plant (LCP), subsequent development by Lilac has shown that concentration to 60,000 mg/L lithium feedstock is possible for shipping of the lithium concentrate off site. No evaporation ponds are used. The lithium-depleted brine is free of any contaminants and can be reinjected underground to support the salar's water balance and protect the environment.

The purified lithium concentrate was reacted with sodium carbonate to produce lithium carbonate. The plant layout is shown on Figure 2. Extraction test work has demonstrated that a 99.9% lithium carbonate product with low impurities (battery grade) can be produced by the Lilac process (Table 4) within several hours of extraction as opposed to 18 to 24 months for conventional evaporative concentration processes.



Area	Description
A	Direct extraction (Lilac IX plant)
B	Eluate concentration
C	Impurity removal
D	Lithium production
E	Bagging plant and product storage
F	Chlor-alkali plant
G	Warehouse, reagents and water treatment
I	Salt storage for Chlor-Alkali plant

Figure 2: Layout of the Kachi Lithium Carbonate Plant

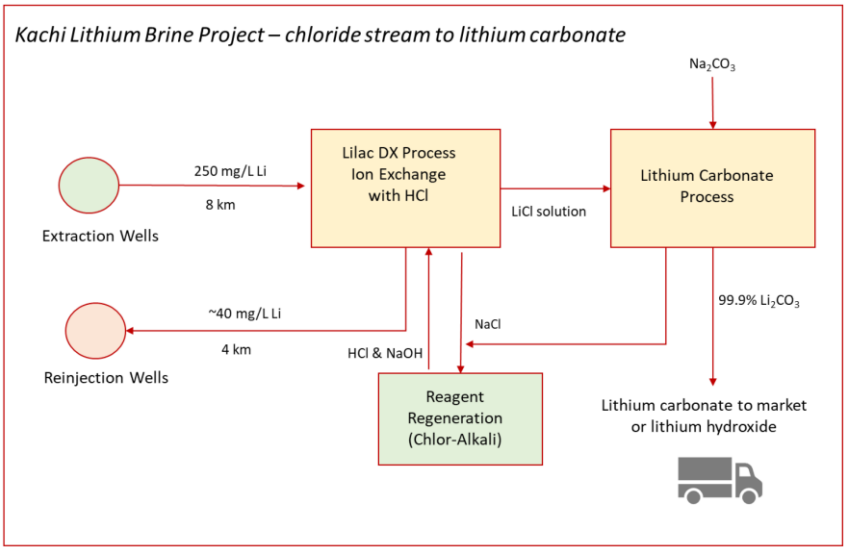


Figure 3: Schematic of Proposed Lithium Carbonate Flowsheet

Chemical Component	Actual (wt%)	Target
Lithium (Li)	99.9	99.5 Min
Sodium (Na)	0.024	0.025 Max
Magnesium (Mg)	<0.001	0.008 Max
Calcium (Ca)	0.0046	0.005 Max
Iron (Fe)	<0.001	0.001 Max
Silicon (Si)	<0.001	0.003 Max
Boron (B)	<0.001	0.005 Max

Table 4: Specifications of lithium carbonate product with 99.9% purity. Very low impurities in Iron (Fe) and Boron (B) from the Kachi Lithium Brine Project using Lilac's direct extraction ion exchange process. Sample preparation methodology is included in Appendix 1 (JORC Table 1).

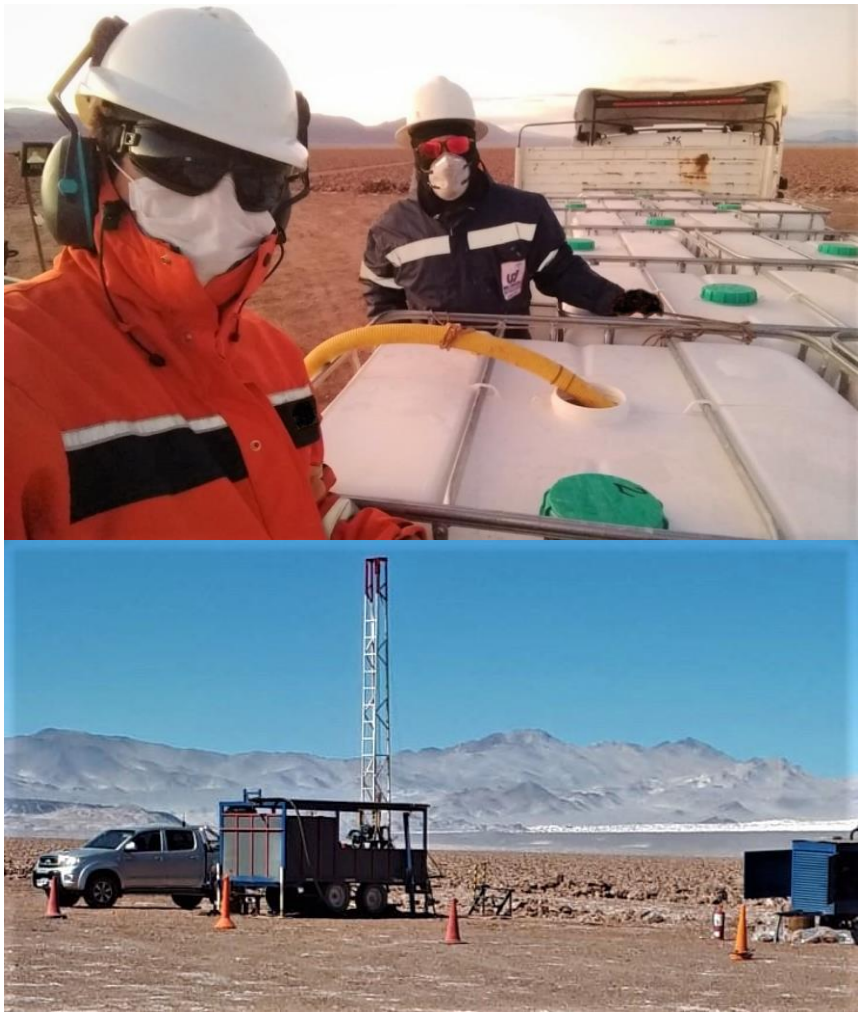


Figure 4: Lithium bearing brines being pumped into containers at the Kachi Lithium Brine Project.

Figure 5: Vehicles being sprayed and cleaned at the Kachi Lithium Brine Project, as part of new COVID-19 regulations, prior to trucking containers of brines to port for dispatch to California.

Figure 6: Kachi Project brines being delivered to the Lilac pilot plant in California, USA**.**

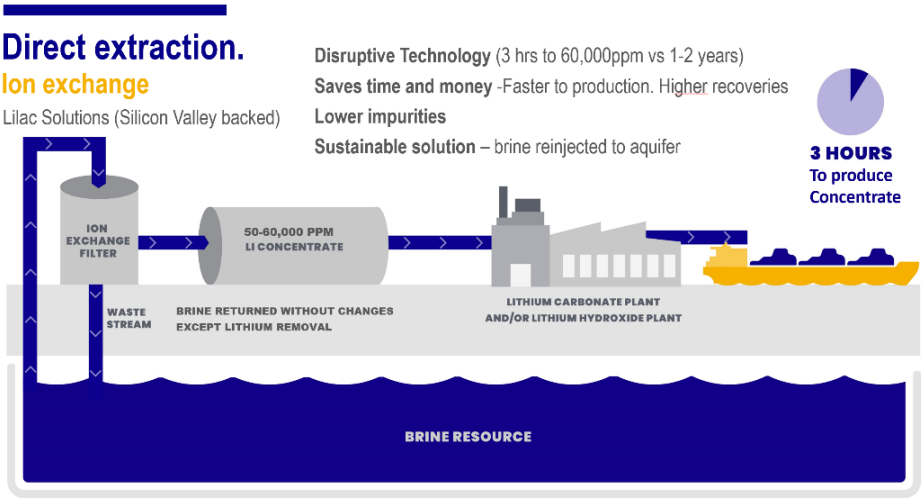


Figure 7. Lilac Solutions direct extraction process for lithium from brines using ion exchange.

Cauchari and Olaroz Lithium Brine Projects - Jujuy Province, Argentina

Lake holds mining leases over ~45,000 hectares in two areas in Jujuy Province in NW Argentina, both 100% owned by Lake. First drilling occurred in early 2019 at Lake's 100% owned Cauchari Lithium Brine Project. Confirmation of multiple high-grade lithium brines over 506m interval (102m to 608m depth) was demonstrated in results returned in late August 2019. This drilling confirmed similar grades and lithium brines extending into Lake's properties from the adjoining Ganfeng/ Lithium Americas Cauchari project (NYSE:LAC) which is rapidly progressing to production in late 2020 at 40,000tpa LCE. The high-grade results averaged* 493 mg/L lithium over 343m (from 117m to 460m), up to 540 mg/L, with a Li/Mg ratio of 2.9.

The major adjoining Cauchari project of Ganfeng/Lithium Americas has a Measured and Indicated Resource of 17.9Mt LCE at 581 mg/L lithium for a 23MT total resource (Apr 2019 NI 43-101) (3). This resource was doubled in size in April 2019 to become the largest in the world. Lake's results lead to an interpretation of an extension of the adjoining lithium brines in the same basin, only with a marginal difference in grade. Ganfeng paid US$160 million in April to increase its stake to 50% in the Cauchari project of Lithium Americas, after paying US$237 million last August to acquire a position of 34% (including debt). Lake's project also adjoins the Advantage Lithium / Orocobre Cauchari project which has a Measured and Indicated Resource of 4.8Mt LCE at 476 mg/L lithium for a 6.3MT total resource (March 2019 NI 43-101) (4) and has released a PFS (Nov 2019).

At Olaroz, which is north of Cauchari, Lake's leases extend over 30 kilometres east and north of the adjoining Orocobre's Olaroz lithium production leases. Drilling is anticipated when all planned holes are approved.

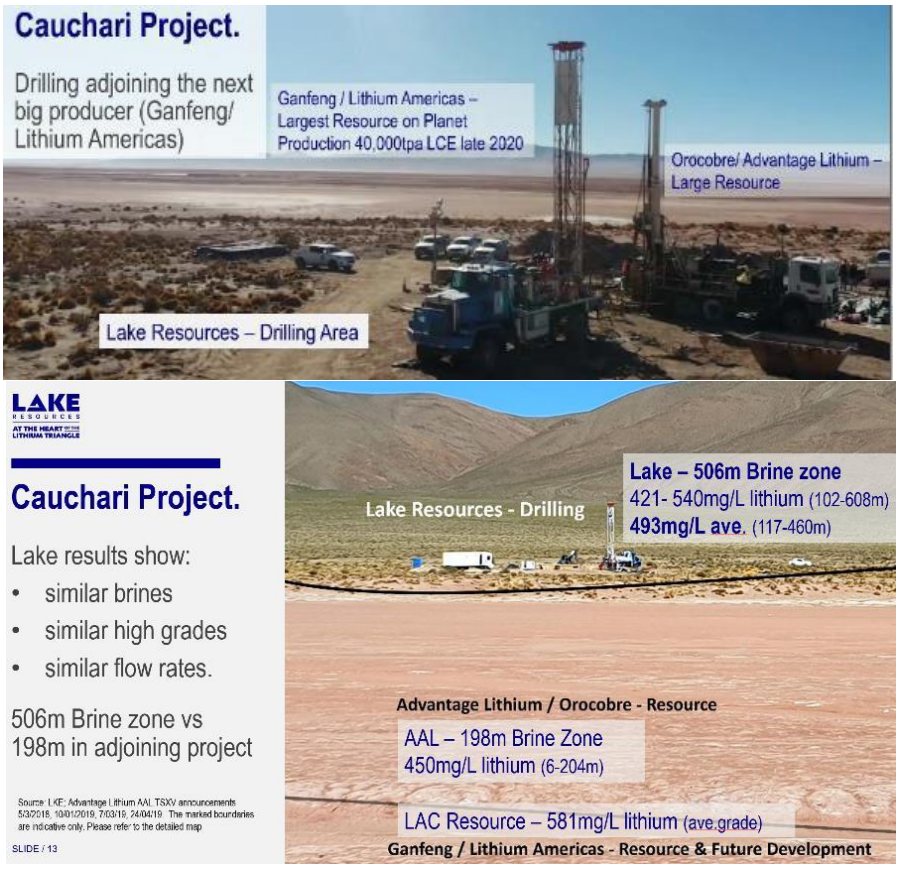


Figure 8: LKE's drill operations at Cauchari in relation to Advantage Lithium/Orocobre & Ganfeng/Lithium Americas leases. (Note: The marked boundaries are indicative only. Please refer to the detailed map).

CORPORATE

Cash Position

Lake held cash of $2.0 million as at 31 March 2020 (in AUD, USD and Argentine Pesos).

Discussions are underway to secure debt funding of US$10 to US$25 million for pre-production, definitive feasibility studies (DFS) and initial production of lithium products [announced 9 October 2019].

Financing

An equity private placement was conducted in February 2020 under a prospectus which was lodged 10 February 2020. A supplementary and 2nd supplementary prospectus were lodged in Feb/Mar 2020. Shares were issued at an offer price of $0.04 per share, for approximately 91 million new ordinary shares, to sophisticated and professional investors for approximately $3.4 million. Announcements were made on 14, 20 and 24 February 2020. The issue price of $0.04 per Share was 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.

A Share Purchase Plan Offer (SPP) was made to eligible shareholders under the prospectus which was lodged 10 February 2020, and the supplementary prospectus. Eligible Shareholders could subscribe for up to $30,000 worth of new Shares at an issue price of $0.04 per Share. The aim was to allow retail shareholders to participate under the same terms as the private placement to raise up to $1.5 million before costs and was to close on Friday 28 February. The SPP was significantly oversubscribed which led the company to upsize the offer to a maximum of $2.5 million, which was also oversubscribed. The period was extended to 13 March 2020. However, withdrawals could be lodged for a month after 28 February until 28 March 2020 under the Corporations Act and ASX guidelines for SPP Offers. The COVID-19 pandemic adversely impacted the markets during March which led to significant withdrawals. $1.55 million was raised from the SPP and 38,975,000 shares were issued.

The Company entered into a formal agreement with SBI Investments (PR), LLC, for the early close out of the Convertible Securities funding facility, through a combination of both a cash payment and the issue of shares to SBI (which includes an equity based fee in consideration for the facility's early termination). The Company made a cash payment of A$1,959,615 and issued SBI with 11,558,021 ordinary shares in February 2020

An unsecured $0.8 million short term facility was established with three large existing shareholders which was emplaced to deal with any potential timing issues over the transactions in February.

The London headquartered financial advisor, SD Capital Advisory Limited, was appointed to secure debt funding of up to US$25 million for pre-production, definitive feasibility studies (DFS), permitting and pre-production of lithium products from the first stage of a commercial plant from the Kachi Lithium Brine and Cauchari Lithium Brine Projects in Argentina (see announcement 9 October 2019). Lake is assessing a range of funding solutions through debt or investment directly at the project level in order to minimise any potential dilution to Lake's equity investors.

EGM, Secondary Listing

An Extraordinary General Meeting of Shareholders will be held at 11:00am AEDT on 14 May 2020. Due to restrictions on physical meetings as a result of COVID 19, attendance at the meeting will be by weblink. Shareholders may register to attend the weblink by emailing the Company Secretary at cosec@lakeresources.com.au and including your Holder Name Address and HIN or SRN.

Lake Resources gained a secondary compliance listing on the OTC QB market with the ticker code LLKKF in December 2019. Compliance requirements are essentially the same as the requirements on the ASX and disclosure are automatically uploaded onto the OTC platform. The company is nearing the completion of a DTC to allow real time electronic trading.

Capital Structure

Lake has 671,461,957 shares on issue as at 24 April 2020.

Listed Options include 52,512,693 options with an exercise price of $0.10 (expiry June 2021). Unlisted options include 18,300,000 options with an exercise price of $0.046 (expiry October 2022), 5,555,000 options with an exercise price of $0.08 (expiry Feb 2022), 15,000,000 options with an exercise price of $0.00 (expiry July 2021) and 9,500,000 unlisted options with an exercise price of $0.28 (expiry 31 December 2020). 15,000,000 performance shares with various hurdles were approved at the shareholder meeting in August 2019.

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Released through: Henry Jordan, Six Degrees Investor Relations: +61 (0) 431 271 538

Footnotes:

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

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

(*3): Cauchari-Olaroz Updated Mineral Resource Estimate of Lithium Americas/Ganfeng joint venture in a NI 43-101 Technical Report filed 1 April 2019 on the TSX-V, prepared by Ernest Burga (P.Eng), David Burga (P.Geo), Wayne Genck (P.Eng) and Daniel Weber (P.G., RM-SME) each of whom is a qualified person for the purposes of NI 43-101, available publicly on SEDAR.

(*4): Cauchari-Olaroz Project Updated Mineral Resource Estimate of Advantage Lithium/Orocobre Cauchari joint venture in a NI 43-101 Technical Report filed 31 March 2019 on the TSX-V, prepared by David Burga (P.Geo), Ernest Burga (P.Eng), Wayne Genck (P.Eng) and Daniel Weber (P.G., RM-SME) each of whom is a qualified person for the purposes of NI 43-101, available publicly on SEDAR.

KACHI LITHIUM BRINE PROJECT	**MINERAL RESOURCE ESTIMATE**					
JORC Code 2012 Edition	**Indicated**		**Inferred**		**Total Resource**	
Area, km^2	17.1		158.3		175.4	
Aquifer volume, km^3	6		41		47	
Brine volume, km^3	0.65		3.2		3.8	
Mean drainable porosity %	10.9		7.5		7.9	
Element	Li	K	Li	K	Li	K
Weighted mean concentration, mg/L	289	5,880	209	4,180	211	4,380
Resource, tonnes	188,000	3,500,000	638,000	12,500,000	826,000	16,000,000
Lithium Carbonate Equivalent (LCE), tonnes	**1,005,000**		**3,394,000**		**4,400,000**	
Potassium Chloride, tonnes	6,705,000		24,000,000		30,700,000	

Lithium is converted to lithium carbonate (Li2CO3) with a conversion factor of 5.32
Potassium is converted to potassium chloride (KCl) with a conversion factor of 1.91

Table 6: Mineral resource estimate for the Kachi Lithium Brine Project – JORC Code 2012 Edition

Competent Person's Statement – Kachi Lithium Brine Project

The information contained in this ASX release relating to Exploration Results, Mineral Resource estimates, and the associated Indicated Resource, which underpins the production target utilised in the Pre-Feasibility Study, have been compiled by Mr Andrew Fulton. Mr Fulton is a Hydrogeologist and a Member of the Australian Institute of Geoscientists and the Association of Hydrogeologists. Mr Fulton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Andrew Fulton is an employee of Groundwater Exploration Services Pty Ltd and an independent consultant to Lake Resources NL. Mr Fulton consents to the inclusion in this announcement of this information in the form and context in which it appears. The information in this announcement is an accurate representation of the available data from the Kachi project.

APPENDIX 1 - JORC Code, 2012 Edition

JORC Table 1 Report: Kachi Lithium Brine Project

Criteria	Section 1 - Sampling Techniques and Data
Sampling techniques	• Brine samples were taken from the diamond drill hole with a bottom of hole spear point during advance and using a straddle packer device to obtain representative samples of the formation fluid by purging a volume of fluid from the isolated interval, to minimize the possibility of contamination by drilling fluid then taking the sample. Low pressure airlift tests are used as well. The fluid used for drilling is brine sourced from the drill hole and the return from drillhole passes back into the excavator dug pit lined to avoid leakage. • The brine sample was collected in a clean plastic bottle (1 litre) and filled to the top to minimize air space within the bottle. A duplicate was collected at the same time for storage and submission of duplicates to the laboratory. Each bottle was taped and marked with the sample number. • Drill core in the hole was recovered in 1.5 m length core runs in core split tubes to minimize sample disturbance. • Drill core was undertaken to obtain representative samples of the sediments that host brine.
Drilling techniques	• Diamond drilling with an internal (triple) tube was used for drilling. The drilling produced cores with variable core recovery, associated with unconsolidated material, in particularly sandy intervals. Recovery of these more friable sediments is more difficult with diamond drilling, as this material can be washed from the core barrel during drilling. • Rotary drilling has used 8.5" or 10" tricone bits and has produced drill chips. • Brine has been used as drilling fluid for lubrication during drilling.
Drill sample recovery	• Diamond drill core was recovered in 1.5m length intervals in the drilling triple (split) tubes. Appropriate additives were used for hole stability to maximize core recovery. The core recoveries were measured from the cores and compared to the length of each run to calculate the recovery. Chip samples are collected for each metre drilled and stored in segmented plastic boxes for rotary drill holes. • Brine samples were collected at discrete depths during the drilling using a double packer over a 1 m interval (to isolate intervals of the sediments and obtain samples from airlifting brine from the sediments within the packer). • As the brine (mineralisation) samples are taken from inflows of the brine into the hole (and not from the drill core – which has variable recovery) they are largely independent of the quality (recovery) of the core samples. However, the permeability of the lithologies where samples are taken is related to the rate and potentially lithium grade of brine inflows.
Logging	• Sand, clay, silt, salt and cemented rock types was recovered in a triple tube diamond core drill tube, or as chip samples from rotary drill holes, and examined for geologic logging by a geologist and a photo taken for reference. • Diamond holes are logged by a senior geologist who also supervised taking of samples for laboratory porosity analysis as well as additional physical property testing. • Logging is both qualitative and quantitative in nature. The relative proportions of different lithologies which have a direct bearing on the overall porosity, contained and potentially extractable brine are noted, as are more qualitative characteristics such as the sedimentary facies and their relationships. When cores are split for sampling they are photographed.
Sub-sampling techniques and sample preparation	• Brine samples were collected by packer and spear sampling methods, over a metre. Low pressure airlift tests are used as well to purge test interval and gauge potential yields. • The brine sample was collected in one-litre sample bottles, rinsed and filled with brine. Each bottle was taped and marked with the sample number.

Quality of assay data and laboratory tests	• The Alex Stewart Argentina/Nor lab SA in Palpala, Jujuy, Argentina, is used as the primary laboratory to conduct the assaying of the brine samples collected as part of the sampling program. The SGS laboratory in Buenos Aires has also been used for both primary and check samples. They also analysed blind control samples and duplicates in the analysis chain. • The Alex Stewart/Norlab SA laboratory and the SGS laboratory are ISO 9001 and ISO 14001 certified, and are specialized in the chemical analysis of brines and inorganic salts, with experience in this field. This includes the oversight of the experienced Alex Stewart Argentina S.A. laboratory in Mendoza, Argentina, which has been operating for a considerable period. • The quality control and analytical procedures used at the Alex Stewart/Norlab SA laboratory or SGS laboratory are considered to be of high quality and comparable to those employed by ISO certified laboratories specializing in analysis of brines and inorganic salts.
Verification of sampling and assaying	• Field duplicates, standards and blanks will be used to monitor potential contamination of samples and the repeatability of analyses. Accuracy, the closeness of measurements to the "true" or accepted value, will be monitored by the insertion of standards, or reference samples, and by check analysis at an independent (or umpire) laboratory. • Duplicate samples in the analysis chain were submitted to Alex Stewart/Norlab SA or SGS laboratories as unique samples (blind duplicates) during the process • Stable blank samples (distilled water) were used to evaluate potential sample contamination and will be inserted in future to measure any potential cross contamination • Samples were analysed for conductivity using a hand-held Hanna pH/EC multiprobe. • Regular calibration using standard buffers is being undertaken.
Location of data points	• The diamond drill hole sample sites and rotary drill hole sites were located with a hand-held GPS. • The properties are located at the junction of the Argentine POSGAR grid system Zone 2 and Zone 3 (UTM 19) and in WGS84 Zone 19 south.
Data spacing and distribution	• Brine samples were collected over 1m intervals every 6 m intervals within brine producing aquifers, where this was possible.
Orientation of data in relation to geological structure	• The salt lake (*salar*) deposits that contain lithium-bearing brines generally have sub-horizontal beds and lenses that contain sand, gravel, salt, silt and clay. The vertical diamond drill holes will provide a better understanding of the stratigraphy and the nature of the sub-surface brine bearing aquifers
Sample security	• Samples were transported to the Alex Stewart/Norlab SA laboratory or SGS laboratory for chemical analysis in sealed 1-litre rigid plastic bottles with sample numbers clearly identified. Samples were transported by a trusted member of the team. • The samples were moved from the drillhole sample site to secure storage at the camp on a daily basis. All brine sample bottles sent to the laboratory are marked with a unique label not related to the location.
Review (and Audit)	• No audit of data has been conducted to date. However, the CP has been onsite periodically during the programme. The review included drilling practice, geological logging, sampling methodologies for water quality analysis and, physical property testing from drill core, QA/QC control measures and data management. The practices being undertaken were ascertained to be appropriate.
Criteria	**Section 2 - Mineral Tenement and Land Tenure Status**
Mineral tenement and land tenure status	• The Kachi Lithium Brine project is located approximately 100km south-southwest of Livent' (FMC's) Hombre Muerto lithium operation and 45km south of Antofagasta de la Sierra in Catamarca province of north western Argentina at an elevation of approximately 3,000m asl. • The project comprises approximately 70,462 Ha in thirty seven mineral leases (minas) of which five leases (9,445 Ha) are granted for drilling, twenty two leases are granted for initial exploration (44,328 Ha) and ten leases (16,689 Ha) are applications pending granting. • The tenements are believed to be in good standing, with statutory payments completed to relevant government departments.
Exploration by other parties	• Marifil Mines Ltd conducted sparse near-surface pit sampling of groundwater at depths less than 1m during 2009. • Samples were taken from each hole and analysed at Alex Stewart laboratories in Mendoza Argentina. • Results were reported in an NI 43-101 report by J. Ebisch in December 2009 for Marifil Mines Ltd. • NRG Metals Inc commenced exploration in adjacent leases under option. Two diamond drillholes intersected lithium bearing brines. The initial drillhole intersected brines from 172-198m and below with best results to date of 15m at 229 mg/L Lithium, reported in December 2017. The second hole, drilled to 400 metres in mid-2018, became blocked at 100 metres and could not be sampled. A VES ground geophysical survey was completed prior to drilling. A NI 43-101 report was released in February 2017. • No other exploration results were able to be located

Geology	• The known sediments within the *salar* consist of salt/halite, clay, sand and silt horizons, accumulated in the *salar* from terrestrial sedimentation and evaporation of brines. • Brines within the Salt Lake are formed by solar concentration, interpreted to be combined with warm geothermal fluids, with brines hosted within sedimentary units. • Geology was recorded during the diamond drilling and from chip samples in rotary drill holes.
Drill hole Information	• 15 drill holes completed, totalling 3150 metres with varying depths up to 403 metres. • Lithological data was collected from the holes as they were drilled and drill cores or chip samples were retrieved. Detailed geological logging of cores is ongoing. • All drill holes are vertical, (dip -90, azimuth 0 degrees).
Data aggregation methods	• Assay averages have been provided where multiple sampling occurs in the same sampling interval.
Relationship between mineralisation widths and intercept lengths	• Mineralisation interpreted to be horizontally lying and drilling perpendicular to this.
Diagrams	• A drill hole location plan is provided showing the locations of the drill platforms. Individual drill locations are provided in Table 1.
Balanced reporting	• Brine assay results are available from 15 drill holes from the drilling to date, reported here.
Other substantive exploration data	• There is no other substantive exploration data available regarding the project.
Further work	• Further water well drilling is planned to expand the resource and test pumping rates.
Criteria	**Section 3 – Estimation and Reporting of Mineral Resources**
Database integrity	• Data was transferred directly from laboratory spreadsheets to the database. • Data was checked for transcription errors once in the database to ensure coordinates, assay values, and lithological codes were correct • Data was plotted to check the spatial location and relationship to adjoining sample points • Duplicates and standards have been used in the assay process • Brine assays and porosity test work have been analysed and compared with other publicly available information for reasonableness • Comparison of original and current datasets were made to ensure no lack of integrity
Site visits	• The Competent Person visited the site multiple times during the drilling and sampling program • Some improvements to procedures were made during visits by the Competent Person
Geological Interpretation	• The geological model is continuing to develop. There is a high level of confidence in the interpretation of the exploration results to date. There are relatively consistent geological units with relatively uniform clastic sediments • Any alternative interpretations are restricted to smaller scale variations in sedimentology, related to changes in grain size and fine material in units • Data used in the interpretation includes rotary and diamond drilling methods • Drilling depths and geology encountered has been used to conceptualise hydro-stratigraphy • Sedimentary processes affect the continuity of geology, whereas the concentration of lithium and potassium and other elements in the brine is related to water inflows, evaporation and brine evolution in the Salt Lake.
Dimensions	• The lateral extent of the resource has been defined by the boundary of the Company's properties. The brine mineralisation subsequently covers 175 km2 • The top of the model coincides with the topography obtained from the Shuttle Radar Topography Mission (SRTM). The original elevations were locally adjusted for each borehole collar with the most accurate coordinates available. The base of the resource is limited to a 400 m depth. The basement rocks underlying the Salt Lake sediments have been intercepted in drilling • The resource is defined to a depth of 400 m below surface, with the exploration target immediately extending beyond the aerial extent of the resource
Estimation and modelling techniques	• No grade cutting or capping was applied to the model • No assumptions were made about correlation between variables. Lithium and potassium were estimated independently • The geological interpretation was used to define each geological unit and the property limit was used to enclose the reported resources.
Moisture	• Moisture content of the cores was not Measured (porosity and density measurements were made), but as brine will be extracted by pumping not mining this is not relevant for the resource estimation. • Tonnages are estimated as elemental lithium and potassium dissolved in brine.

Cut-off parameters	• No cut-off grade has been applied
Mining factors or assumptions	• The resource has been quoted in terms of brine volume, concentration of dissolved elements, contained lithium and potassium and their products lithium carbonate and potassium chloride. • No mining or recovery factors have been applied although the use of the specific yield (drainable porosity) is used to reflect the reasonable prospects for economic extraction with the proposed mining methodology. (Recoveries of 83% lithium have been used in the PFS for the direct processing method) • Dilution of brine concentrations may occur over time and typically there are lithium and potassium losses in both the storage ponds and processing plant in brine extraction operations. However, potential dilution will be estimated in the groundwater model simulating brine extraction. • The conceptual mining method is recovering brine from the Salt Lake via a network of wells, the established practice on existing lithium and potash brine projects. • Detailed hydrological studies of the lake are being undertaken (groundwater modelling) to define the extractable resources and potential extraction rates.
Metallurgical factors or assumptions	• Lithium carbonate is targeted as the commercial product • It would be obtained by the brines being subjected to direct lithium extraction (ionic exchange and reverse osmosis) to produce a high grade LiCl eluate (30,000 to 60,000 mg/L lithium), which is processed in a conventional lithium carbonate plant by reaction with sodium carbonate: $LiCl + Na_2CO_3 \rightarrow Li_2CO_3 + NaCl$ • Process work has been undertaken by Lilac Solutions, which is an expert laboratory in the treatment of brines by ion exchange. • Bench tests include short and long-term tests using ion exchange media and brine from Kachi to establish recovery, reagent consumption, and engineering parameters used in the PFS • Analyses of solutions by ICP and includes the use of standards • The longevity of the ion exchange media has been tested over 1000 cycles, or six months • Lithium carbonate of high purity and low impurities has been produced which can be considered equivalent to metallurgical test work) is being carried out on the brine following initial test work. • Pilot plant module test-work has commenced using Kachi brine.
Environmental factors as assumptions	• Impacts of a lithium operation at the Kachi project would include surface disturbance from the installation of extraction/processing facilities and associated infrastructure, accumulation of various salt tailings impoundments and extraction from brine and fresh water aquifers regionally • Environmental management plan for the protection of wetlands, salt lakes, and surrounds • Consultation with communities in the area of influence of the project • Environmental impact analysis on-going
Bulk density	• Density measurements were taken as part of the drill core assessment. This included determining dry density and particle density as well as field measurements of brine density. Note that no mining is to be carried out as brine is to be extracted by pumping and consequently sediments are not mined • No bulk density was applied to the estimates because resources are defined by volume, rather than by tonnage
Classification	• The resource has been classified into the two possible resource categories based on confidence in the estimation. • A Measured resource would reflect higher density drilling, with porosity samples from drill cores and well constrained vertical brine sampling in the holes. • The Indicated resource reflects the higher confidence in the brine sampling in the rotary drilling and lower quality geological control from the drill cuttings. • The Inferred resource underlying the Measured and/or Indicated resource reflects the limited drilling to this depth together with the geophysics through the property • In the view of the Competent Person the resource classification is believed to adequately reflect the available data and is consistent with the suggestions of Houston et. al., 2011
Audits or reviews	• The Mineral Resource was estimated by the Competent Person.
Discussion of relative accuracy/ confidence	• An independent estimate of the resource was completed using a nearest neighbour estimate and the comparison of the results with the ordinary kriging estimate is below 0.3% for measured resources and below 3% for indicated resources which is considered to be acceptable. • Univariate statistics for global estimation bias, visual inspection against samples on plans and sections, swath plots in the north, south and vertical directions to detect any spatial bias shows a good agreement between the samples and the ordinary kriging estimates.

About Lake Resources NL (ASX:LKE)

Lake Resources NL (ASX:LKE, Lake) is a lithium exploration and development company focused on producing sustainable, high purity lithium by developing its flagship Kachi Project, as well as three other lithium brine projects and a hard rock project in Argentina, all owned 100%. The leases are in a prime location among major producers 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 security of supply, and 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), which can achieve premium pricing;

2. **Increased Engagement with Off-takers** as larger samples are produced, anticipated from Q2 2020 onwards, for off-takers to commence qualification testing to then engage to assist in financing;

3. **Kachi Project PFS**, which shows a large, long-life low-cost potential operation with competitive 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 as 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 module being commissioned, 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%). Test results have been incorporated into a Pre-Feasibility Study (PFS). The Lilac pilot plant module in California will produce samples for downstream participants in Q2 2020, 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 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 completed in April 2020 the acquisition of all shares in Advantage Lithium, valued at around C$75 million, which holds leases next to Lake at Cauchari. These transactions, except for the Advantage deal, 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/

SCHEDULE OF TENEMENTS (Appendix 5B)

TOTAL NUMBER TENEMENTS:	TOTAL AREA TENEMENTS:
77	208,420 Ha

REF	TENEMENT NAME	NUMBER	AREA H	INTEREST	PROVINCE	STATUS
	OLAROZ - CAUCHARI AREA					
	Cauchari Bajo I	2156-D-2016	354	100	Jujuy	Granted
	Cauchari Bajo II	2157-D-2016	354	100	Jujuy	Granted
	Cauchari Bajo III	2158-D-2016	122	100	Jujuy	Granted
	Cauchari Bajo V	2154-D-2016	946	100	Jujuy	Granted
	Cauchari West I	2160-D-2016	1936	100	Jujuy	Granted
	Olaroz Centro II	2164-D-2016	268	100	Jujuy	Application
	Olaroz East II	2168-D-2016	2072	100	Jujuy	Granted
	MASA 12	2234-M-2016	2901	100	Jujuy	Granted
	MASA 13	2235-M-2016	3000	100	Jujuy	Granted
	MASA 14	2236-M-2016	3000	100	Jujuy	Granted
	MASA 15	2237-M-2016	3000	100	Jujuy	Granted
	PASO AREA					
	Paso III	2137-P-2016	2787	100	Jujuy	Granted
	Paso VI	2140-P-2016	2208	100	Jujuy	Granted
	Paso X	2144-P-2016	1833	100	Jujuy	Granted
	MASA 9	2231-M-2016	2978	100	Jujuy	Granted
	MASA 16	2238-M-2016	2114	100	Jujuy	Granted
	MASA 17	2239-M-2016	2891	100	Jujuy	Granted
	MASA 18	2240-M-2016	3000	100	Jujuy	Granted
	MASA 19	2241-M-2016	3000	100	Jujuy	Granted
	MASA 20	2242-M-2016	3000	100	Jujuy	Granted
	MASA 21	2243-M-2016	2815	100	Jujuy	Granted
	MASA 22	2244-M-2016	1460	100	Jujuy	Application
	MASA 23	2245-M-2016	1540	100	Jujuy	Application
	23 Mining leases		47579 Ha			
	CATAMARCA PEGMATITES					
	Petra I	Cateo 52-B-2016	10000	100	Catamarca	In Process
	Petra II	Cateo 51-B-2016	9523	100	Catamarca	In Process
	Petra III	Cateo 49-B-2016	9528	100	Catamarca	In Process
	Petra IV	Cateo 50-B-2016	8939	100	Catamarca	In Process
	CAT 1 (Petra VIII)	Cateo 93-B-2016	1000	100	Catamarca	In Process
	CAT 2 (Petra VII)	Cateo 94-B-2016	8475	100	Catamarca	In Process
	CAT 3 (Petra VI)	Cateo 95-B-2016	10000	100	Catamarca	In Process
	CAT 4 (Petra V)	Cateo 98-B-2016	10000	100	Catamarca	In Process
	La Aguada 1	Mina 116-B-2016	2499	100	Catamarca	Granted
	La Aguada 2	Mina 117-B-2016	2950	100	Catamarca	Granted
	La Aguada 3	Mina 99-B-2016	1558	100	Catamarca	In Process
	La Aguada 4	Mina 173-B-2016	2929	100	Catamarca	Granted
	La Aguada 5	Mina 172-B-2016	2866	100	Catamarca	Granted
	La Aguada 6	Mina 174-B-2016	2999	100	Catamarca	Granted
	La Aguada 7	Mina 137-B-2016	2919	100	Catamarca	Granted
	La Aguada 8	Mina 139-B-2016	1587	100	Catamarca	Granted
	La Aguada 9	Mina 138-B-2016	2607	100	Catamarca	Granted
	9 Mining leases 8 exploration leases		90,379 Ha			

SCHEDULE OF TENEMENTS (Appendix 5B)

TOTAL NUMBER TENEMENTS:	TOTAL AREA TENEMENTS:
77	208,420 Ha

REF	TENEMENT NAME	NUMBER	AREA H	INTEREST	PROVINCE	STATUS
	KACHI AREA					
	Kachi Inca	13-M-2016	858	100	Catamarca	Granted
	Kachi Inca I	16-M-2016	2881	100	Catamarca	Granted
	Kachi Inca II	17-M-2016	2823	100	Catamarca	Granted
	Kachi Inca III	47-M-2016	3354	100	Catamarca	Granted
	Kachi Inca 4	107-M-2017	2723	100	Catamarca	In Process
	Kachi Inca V	45-M-2016	305	100	Catamarca	Granted
	Kachi Inca VI	44-M-2016	110	100	Catamarca	Granted
	Dona Amparo I	22-M-2016	3000	100	Catamarca	Granted
	Dona Carmen	24-M-2016	874	100	Catamarca	Granted
	Debbie I	21-M-2016	1501	100	Catamarca	Granted
	Divina Victoria I	25-M-2016	1266	100	Catamarca	Granted
	Daniel Armando	23-M-2016	2116	100	Catamarca	Granted
	Daniel Armando II	97-M-2016	1388	100	Catamarca	Granted
	Escondidita	131-M-2018	373	100	Catamarca	In Process
	Irene	28-M-2018	2250	100	Catamarca	In Process
	Maria Luz	34-M-2017	2425	100	Catamarca	Granted
	Maria I	140-M-2018	889	100	Catamarca	In Process
	Maria II	14-M-2016	888	100	Catamarca	Granted
	Maria III	15-M-2016	1396	100	Catamarca	Granted
	Morena 1	72-M-2016	3025	100	Catamarca	Granted
	Morena 2	73-M-2016	2989	100	Catamarca	Granted
	Morena 3	74-M-2016	3007	100	Catamarca	Granted
	Morena 5	97-M-2017	1415	100	Catamarca	In Process
	Morena 6	75-M-2016	1606	100	Catamarca	Granted
	Morena 7	76-M-2016	2805	100	Catamarca	Granted
	Morena 8	77-M-2016	2961	100	Catamarca	Granted
	Morena 11	201-M-2018	815	100	Catamarca	In Process
	Morena 12	78-M-2016	2704	100	Catamarca	Granted
	Morena 13	79-M-2016	3024	100	Catamarca	Granted
	Morena 15	162-M-2017	2559	100	Catamarca	Granted
	Pampa I	129-S-2013	2312	100	Catamarca	Granted
	Pampa II	128-M-2013	1119	100	Catamarca	Granted
	Pampa III	130-M-2013	477	100	Catamarca	Granted
	Pampa IV	78-M-2017	2569	100	Catamarca	In Process
	Parapeto 1	133-M-2018	2504	100	Catamarca	In Process
	Parapeto 2	134-M-2018	1259	100	Catamarca	In Process
	Parapeto 3	132-M-2018	1892	100	Catamarca	In Process
	37 Mining leases		70462Ha			

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
LAKE RESOURCES N.L.	
ABN	**Quarter ended ("current quarter")**
49 079 471 980	31 March 2020

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(109)	(335)
	(e) administration and corporate costs	(469)	(2,459)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(366)
1.6	Income taxes paid	(14)	(39)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(592)**	**(3,199)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(750)	(2,873)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(750)**	**(2,873)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,236	5,630
3.2	Proceeds from issue of convertible debt securities	-	1,455
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(424)	(606)
3.5	Proceeds from borrowings	800	800
3.6	Repayment of borrowings	(1,967)	(2,439)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Proceeds from SPP held in trust pending issue of shares	1,559	1,559
3.10	**Net cash from / (used in) financing activities**	**3,204**	**6,399**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	190	1,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(592)	(3,199)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(750)	(2,873)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,204	6,399

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**2,052**	**2,052**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	493	190
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Proceeds from SPP held in trust pending issue of shares	1,559	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,052**	**190**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	52
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	800	800
7.2	Credit standby arrangements	-	0
7.3	Other (please specify)	-	0
7.4	**Total financing facilities**	**800**	**800**

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

During the quarter the company entered into short term unsecured funding facilities totalling $800,000 with 3 sophisticated and professional investors. The loans are for periods of between 90 days which may be extended by agreement of the parties. The loans attract interest and fees of typical of such short-term facilities.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(592)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(750)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,342)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,052
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,052
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.53

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: As a result of the COVID 19 restrictions, exploration expenditure has slowed since the end of the quarter and administration expenses have also been reduced. Accordingly, the company expects reduced expenditure in the near term. The company is however proceeding with the prefeasibility study and also with shipping brine to its pilot plant in California for processing.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has called an EGM of shareholders for 14 May 2020 to approve the replenishment of its LR7.1 capacity. The Company has appointed SD Capital Advisory Limited to source up to $25 million of additional debt funding for the development of the Pilot Plant. These negotiations are on-going.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes – refer 2 above. Further the Directors have considerable experience and past success in raising capital to maintain funding levels for the Company.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ..30 April 2020.....

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.