

24 September 2020

Mr Alex Sutton
Compliance Adviser, Geology,
Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

By email: Alex.Sutton@asx.com.au

Lake Resources responses to the General Aware Query

Dear Alex,

Lake Resources NL (ASX: LKE; “the Company”) provides the following responses to the General Aware Query issued by the ASX on Tuesday 22 September 2020.

All references to time are AEST.

1. Q. Does LKE consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 1. A. Yes. The Company does believe the information of the controlled placement agreement with Acuity Capital (“Acuity Capital”) is information that a reasonable person would expect to have a material effect on the price or value of its securities. The Company confirms the controlled placement agreement with Acuity Capital (“CPA”) was previously disclosed to the ASX on 31 July 2018 and also further disclosed to the ASX on 2 August 2018 which contained further details of the CPA, and that disclosure was made immediately to ASX upon entering into the CPA. These disclosures were repeated in the Company’s Annual Report on 11 October 2018 and voted positively by shareholders on 27 Feb 2019. The most recent mentions of the CPA were in Company releases on 31 July 2020 and 1 September 2020 as well as the Appendix 2A lodged on 22 September 2020.
2. Q. If the answer to question 1 is “no”, please advise the basis for that view.
 2. A. Not applicable
3. Q. When did LKE first become aware of the Information?
 3. A. The Information is disclosing the controlled placement agreement with Acuity Capital, the Company originally entered into the CPA on 31 July 2018. The Company confirms that it disclosed the Information in accordance with Listing Rule 3.1 to the ASX on the same day, being 31 July 2018.

Detailed terms of the rights of both the Company and Acuity Capital pursuant to the CPA have been set forth in market disclosures (as above), affording the Company rights to utilise the facility from time to time and Acuity Capital rights to exercise placement rights from time to time.

LAKE RESOURCES NL

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After market trading had closed on 21 September 2020, between 5.06pm-5.12pm AEST, the Company received an email from Acuity Capital with a notice in accordance with the CPA.

The Company also received a call from Acuity Capital shortly thereafter informing the Company that a notice had been provided via email. The Company confirms it was not aware (and had no reasonable basis for being aware) of the information in the notice the subject of the Announcement on 22 Sept 2020 until after 5.06pm on Monday 21 September 2020.

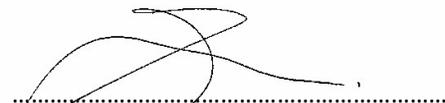
As soon as the Company received the email and phone call from Acuity Capital, it immediately commenced the process required for the Company to announce the information to the ASX. This process included informing relevant Company executives, board members and the Company Secretaries (all of whom are currently working remotely), initiating the Company's own internal board sign off processes including the Company and directors making their own enquiries and following necessary internal approval governance processes, drafting of an Appendix 2A and covering note and review of the Announcement, as well as formal board approval and sign off so as to allow the Announcement to be released. This process was carried out promptly and without delay in order to inform the ASX and the market as soon as was possible. The Company lodged the Announcement (Appendix 2A and cover note) at approximately 9.50 am and the Appendix 2A was released at 9.52am and updated at 10.12am with a cover note released at 10.02am on 22 September 2020.

Due to the prior disclosure of the Information, the Company considered that further disclosure of the Information under Listing Rule 3.1 was not required.

The Company further confirms it was not aware of the information (the subject of the Announcement on 22 Sept 2020) until after the Company had provided its response to the ASX Price Query dated 21 September 2020. The Company notes, the Response to the ASX Price Query was lodged at 3.27pm by email to the Company's Listing Adviser and to the Listings Compliance website at 3.35pm. The Company's Response to the ASX Price Query was released on ASX at 4.58pm on 21 September 2020.

4. Q. If the answer to question 1 is "yes" and LKE first became aware of the Information before the relevant date, did LKE make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe LKE was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LKE took to ensure that the information was released promptly and without delay.
4. A. As outlined in 1A above the Company confirms that it disclosed the Information in accordance with Listing Rule 3.1 to the ASX on the same day the CPA was entered into, being 31 July 2018. Further as outlined above, the Company confirms it also disclosed the information the subject of the Announcement in accordance with Listing Rule 3.1.
5. Q. Please confirm that LKE is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. A. The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.
6. Q. Please confirm that LKE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LKE with delegated authority from the board to respond to ASX on disclosure matters

6. A. Confirmed. The above responses have been authorised and approved by the Board of Directors



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Garry Gill
Joint Company Secretary
For and on behalf of
Lake Resources NL



22 September 2020

Mr Garry Gill
Company Secretary
Lake Resources N.L.
Level 5, 126 Phillip St
Sydney, NSW 2000

By email:

Dear Mr Gill

Lake Resources N.L.('LKE'): General – Aware Query

ASX refers to the following:

- A. LKE's announcement entitled "LKE SECURES FUNDS TO FURTHER ACCELERATE DFS" lodged on the ASX Market Announcements Platform and released at 10:02 AM on 22 September 2020 (the 'Announcement'), disclosing the controlled placement agreement with Acuity Capital ('Information').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks LKE to respond separately to each of the following questions and requests for information:

1. Does LKE consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did LKE first become aware of the Information?
4. If the answer to question 1 is “yes” and LKE first became aware of the Information before the relevant date, did LKE make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe LKE was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LKE took to ensure that the information was released promptly and without delay.
5. Please confirm that LKE is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that LKE’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LKE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **09:30 AM AEST Friday, 25 September 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LKE’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require LKE to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in LKE’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

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- that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in LKE's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LKE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that LKE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards



Alex Sutton
Compliance Adviser, Geology, Listings Compliance (Sydney)